BASE PROSPECTUS

Castle Trust Direct plc

Incorporated with limited liability in England and Wales with registered number 9046984 and having its registered office at 10 Norwich Street, London EC4A 1BD.

£1,500,000,000 CASTLE TRUST DIRECT PROGRAMME FOR THE ISSUANCE OF NOTES

What is this document?

This document (the "**Base Prospectus**") comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (and amendments thereto) (the "**Prospectus Directive**").

The date of this Base Prospectus is 11 June 2019.

This Base Prospectus is valid for twelve months from the date of publication. It may be supplemented from time to time if any significant new factor, material mistake or inaccuracy regarding the information contained in the Base Prospectus arises or is noted.

To what does this Base Prospectus relate?

This Base Prospectus relates to a £1,500,000,000 programme (the "**Programme**") pursuant to which Castle Trust Direct plc (the "**Issuer**") may from time to time issue notes denominated in Sterling (the "**Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £1,500,000,000 or such higher amount as the Issuer shall notify to Noteholders from time to time.

The Notes bear interest at the rate(s) (as such rate may be increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period) set out in the final terms documents, substantially in the form set out in this Base Prospectus (the "**Final Terms**"), which is specific to the relevant issue of Notes (the "**applicable Final Terms**"). The Notes will initially either bear a fixed rate of interest or a floating rate of interest; the rate of interest applicable to any Note may change if the Issuer has the option to and elects to extend the duration of such Note in accordance with the terms and conditions of the Notes.

Upon maturity, the Notes will pay a fixed redemption amount. In addition, the Notes may provide for early redemption at the option of the investor (a put option).

The Notes will be issued by the Issuer, which means that payments of principal and interest are subject to the Issuer's financial position and its ability to meet its obligations. This Base Prospectus contains information on the financial position and the business activities of the Issuer, as well as material risks inherent to the Notes.

How do I use this Base Prospectus?

This Base Prospectus should be read together with:

- the documents incorporated by reference into it;
- the final terms issued in respect of any particular Notes; and
- any supplemental prospectus published in respect of this Base Prospectus.

Together, these documents are intended to provide potential investors with sufficient information to make an informed assessment of:

- the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of Castle Trust; and
- the rights attaching to the Notes.

This Base Prospectus sets out financial and operational information about the Issuer as well as about its holding company, Castle Trust Capital plc ("**Castle Trust**"). Castle Trust plays an important role in the issue and operation of the Notes.

The contractual terms of any particular issuance of Notes will be comprised of the terms and conditions set out at pages 83 to 99 (inclusive) of this Base Prospectus (the "**Note Conditions**"), as completed by a separate Final Terms document, which is specific to that issuance of Notes.

The Note Conditions are arranged under seventeen subheadings:

- Subheadings 1 (*Introduction*), 2 (*Form, denomination and title*), 3 (*Transfers*), 4 (*Status*), 8 (*Taxation*), 9 (*Prescription*), 10 (*Trustee*), 11 (*Meetings of noteholders; modification and waiver*), 12 (*Enforcement*), 13 (*Replacement of certificates*), 14 (*Further issues*), 15 (*Notices*), 16 (*Definitions*) and 17 (*Law and jurisdiction*) are generic provisions that apply to Notes generally; and

- Subheadings 5 (*Interest*), 6 (*Redemption*) and 7 (*Payments*) contain certain optional provisions that will only apply to certain issuances of Notes. The Final Terms document will specify which provisions from these subheadings apply to your Notes.

The provisions set out under subheadings 5 (*Interest*) and 6 (*Redemption*) that are specified to be applicable in the Final Terms will contain the relevant economic terms applicable to your Notes as follows:

- Subheading 5 will specify which type of interest is payable (either fixed or floating) and how such interest amounts are calculated; and

- Subheading 6 will specify whether the Issuer or investors have (i) the right to redeem the Notes early and at what amount and (ii) the right to extend the maturity of the Notes.

Worked examples of hypothetical Notes are set out in Part V (*How the return on your investment is calculated*) which explains how the calculations in the provisions under subheadings 5 (*Interest*) and 6 (*Redemption*) will be made.

What type of underlying asset may the Notes be linked to?

The interest terms of floating rate Notes issued under this Base Prospectus will be linked to either:

- the London interbank offered rate ("**LIBOR**"); or

- the Bank of England official bank rate ("**Bank of England Base Rate**").

IMPORTANT INFORMATION

An investment in Notes issued under the Programme involves certain risks. For a discussion of these please see the Risk Factors set out in Part II (*Risk factors*) of this Base Prospectus.

Approval

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority in its capacity as the competent authority (the "**UK Listing Authority**" or "**UKLA**"), under the Financial Services and Markets Act 2000, as amended, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to Notes issued under the Programme during the period of twelve months after the date hereof. Notes issued under the Programme by completion of the Final Terms on or after the date of this Base Prospectus are issued subject to the provisions hereof.

Listing

Applications will be made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for the Notes issued under the Programme to be admitted during the period of 12 months after the date hereof to the Official List of Euronext Dublin and to trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) ("**MiFID II**") (and amendments thereto). Applications will also be made to The International Stock Exchange Authority Limited ("**TISEA**") for Notes issued under the Programme to be admitted during the period of 12 months after the date hereof to listing and trading on the Official List of The International Stock Exchange ("**TISE**").

As part of the Issuer's admission to the TISE, the Issuer will be subject to the "Listing Rules" published by TISEA and any applicable regulatory approvals required to admit securities to the TISE. The UKLA has neither reviewed nor approved any information in relation to the TISE.

Form of Notes

Notes are issued in registered form. The Notes of each Series are initially represented by a global certificate in registered form, without receipts, interest coupons or talons (a "**Global Certificate**") which is delivered to, and registered in the name of, Castle Trust Capital Nominees Limited ("**CTCN**") as nominee (the "**Nominee**") for all persons acquiring Notes ("**Investors**") (save for those Investors who choose for legal title to the Notes to be transferred to themselves or another person).

The Issuer may decide that Notes are to be issued in a form not contemplated by the Note Conditions herein, in which event a separate prospectus specific to a supplemental issue of Notes will be made available which will describe the effect of the agreement reached in relation to such Notes.

Responsibility for the Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, to the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Statistical data and other information appearing in this Base Prospectus have been accurately reproduced and, as far as the Issuer is aware and able to ascertain from the information published by third parties, no facts have been omitted which would render the information inaccurate or misleading. Where third party information has been used in this Base Prospectus, the source of such information has been identified.

Castle Trust accepts responsibility for the statements of belief attributed to it relating to Castle Trust, the information contained in this Base Prospectus relating to Castle Trust, the risks relating to Castle Trust and its business in Part II (*Risk factors*) of this Base Prospectus and Parts III (*Documents incorporated by reference)* (in relation to Castle Trust), IV (*Overview of Castle Trust and its Business*) and XV (*Additional information on Castle Trust*) of this Base Prospectus and declares that, to the best of the knowledge and belief of Castle Trust (having taken all reasonable care to ensure that such is the case), the statements of belief attributed to it relating to Castle Trust, the information contained in this Base Prospectus relating to

Castle Trust, the risks relating to Castle Trust and its business in Part II (*Risk factors*) of this Base Prospectus and Parts III (*Documents incorporated by reference)* (in relation to Castle Trust), IV (*Overview of Castle Trust and its Business*) and XV (*Additional information on Castle Trust*) of this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Consent to use of this Base Prospectus

Certain Series of Notes may, subject as provided below, be subsequently resold, placed or otherwise offered by financial intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such resale, placement or offer by financial intermediaries is referred to in this Base Prospectus as a "**Public Offer**". This Base Prospectus may only be used for the purposes for which it has been published.

General consent

The Issuer hereby consents to the use of this Base Prospectus and Final Terms (and accepts responsibility for the information contained in this Base Prospectus and Final Terms) with respect to any Public Offer of Notes which satisfies all of the below conditions. If, in the context of a Public Offer, you are offered Notes by any entity, you should check that such entity is authorised to use this Base Prospectus for the purpose of making such an offer before agreeing to buy the Notes.

To be authorised to use this Base Prospectus in connection with a Public Offer (referred to below as an "**Authorised Offeror**"), an entity must either be:

(i) an entity which:

(a) is authorised to offer securities to the public or distribute Notes under FSMA in the UK (or under the relevant legislation implementing MiFID II in Europe ("**Financial Intermediaries**") for the subsequent resale or final placement of the Notes in the United Kingdom; and

(b) considers the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in this Prospectus; or

(ii) expressly named in the list of Authorised Offerors on the Issuer's website (https://www.castletrust.co.uk/important-information#authorisedofferors).

Valid offers of Notes may only be made by an Authorised Offeror in the context of a Public Offer if the Offer is:

(i) made in respect of the Series of Note specified in the Final Terms;

(ii) made in the United Kingdom; and

(iii) made during the offer period specified in the Final Terms (the "**Offer Period**").

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

Other than as set out above, the Issuer has not authorised the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

The Issuer accepts responsibility for the content of the Base Prospectus also with respect to later resale or final placements of Notes by any Financial Intermediaries. **Financial Intermediaries using this Base Prospectus must state on their website that they use the Base Prospectus in accordance with the consent of the Issuer and the conditions attached thereto.**

In the event of an offer being made by a Financial Intermediary, such Financial Intermediary will provide information to Investors on the terms and conditions of the offer at the time the offer is made. Any offer or sale of Notes to an investor by a Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in this Base Prospectus or Final Terms, it will be the responsibility of the applicable Financial Intermediary at the time of such offer to provide the investor with that information and neither the Issuer, the Trustee nor any other Financial Intermediary has any responsibility or liability for such information.

Specific consent

The Issuer hereby specifically consents that this Base Prospectus may be used by:

- Castle Trust, whose registered address is 10 Norwich Street, London EC4A 1BD; and
- Castle Trust Capital Management Limited ("**CTCM**"), whose registered address is 10 Norwich Street, London EC4A 1BD,

which are authorised to offer securities to the public or distribute Notes from the date of publication of this Base Prospectus for the subsequent resale or final placement of the Notes in the United Kingdom. The Issuer accepts responsibility for the content of the Base Prospectus also with respect to later resale or final placements of Notes by either of Castle Trust or CTCM. **If either Castle Trust or CTCM uses this Base Prospectus then it must state on its website that it is using this Base Prospectus in accordance with the consent of the Issuer and the conditions attached thereto.** This consent is granted for the period of 12 months from the date of this Base Prospectus. The offer period within which the later resale or final placement by Castle Trust or CTCM may take place is the Offer Period as set out in the applicable Final Terms.

Further information unknown at the date of this Base Prospectus or the applicable Final Terms will be published on the website: https://www.castletrust.co.uk/documents-investments.

In the event of an offer being made by Castle Trust or CTCM, Castle Trust or CTCM (as appropriate) will provide information to Investors of the terms and conditions of the Offer at the time the offer is made. Any offer or sale of Notes to an investor by Castle Trust or CTCM will be made in accordance with any terms and other arrangements in place between Castle Trust or CTCM (as applicable) and such investor including as to price, allocations and settlement arrangements, with the initial such set of terms and conditions contained in Part XX (*The Castle Trust Direct plc Fortress Bond Terms and Conditions)* of this Base Prospectus. Where such information is not contained in this Base Prospectus or Final Terms, it will be the responsibility of Castle Trust or CTCM (as applicable) at the time of such offer to provide the investor with that information and neither the Issuer, any Financial Intermediary nor Castle Trust (in the case of an offer or sale by CTCM) or CTCM (in the case of an offer or sale by Castle Trust) has any responsibility or liability for such information.

Investors to use independent judgement

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, Castle Trust or CTCM that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

An investor should not purchase the Notes unless they understand the extent of their exposure to potential loss. Investors are urged to read the factors described in Part II (*Risk factors*) of this Base Prospectus "Risk Factors," together with the other information in this Base Prospectus (including any information incorporated by reference), as supplemented from time to time, and the applicable Final Terms, before investing in the Notes.

Investors should note that the risks described in Part II (*Risk factors*) of this Base Prospectus "Risk Factors" are not the only risks that the Issuer faces or that may arise because of the nature of the Notes. The Issuer has described only those risks relating to its operations and to the Notes that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware.

Information in Base Prospectus may change

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Castle Trust and CTCM expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme.

Publication of further information

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus or the applicable Final Terms which is capable of affecting the assessment of any of the Notes, prepare a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes. Investors should ensure that they review such publications and any other public announcements made by the Issuer and/or Castle Trust, both before deciding to invest in Notes and while monitoring any subsequent investment.

MiFID II product governance/ target market

The Final Terms in respect of any Notes will 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 manufacturer'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 target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

PRIIPs Regulation

The Notes have a fixed or floating rate of interest as described in this Base Prospectus and therefore do not constitute a "packaged" product for the purposes of Regulation (EU) No. 1286/2014 (as amended) (the "**PRIIPs Regulation**"). Accordingly, no key information document pursuant to the PRIIPs Regulation has been prepared by the Issuer.

Geographic limitations to the sale of Notes and the use of this Base Prospectus

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and **may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons** (as defined in Regulation S under the Securities Act) (see Part X Section 1 of this Base Prospectus "*Subscription and Sale*").

Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Trustee, Castle Trust or CTCM to any person to subscribe for or to purchase any Notes to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Trustee, Castle Trust and CTCM do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, Castle Trust or CTCM which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in a jurisdiction where action for that purpose is required.

Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom) (see Part X Section 1 of this Base Prospectus "*Subscription and Sale*").

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and the applicable Final Terms;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

- understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser and/or other professional advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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', '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, Castle Trust or the Group (as defined below) concerning, amongst other things, the Group's operations, 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, strategies or 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, strategies and the development of industries in which the Group operates, are consistent with the forward-looking statements obtained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. These and other issues are described in more detail in Part II (*Risk factors*) of this Base Prospectus "Risk Factors". Should one or more of these risks or uncertainties materialise, or should underlying assumptions on which forward-looking statements are based prove incorrect, actual results and development may vary materially from those described in this Base Prospectus as believed, estimated or expected. Except to the extent required by laws and regulations, the Issuer, Castle Trust and the Group do not intend, and do not assume any obligation, to update any forward-looking statements set out in this Base Prospectus.

This Base Prospectus is based on English law in effect as of the date of this Base Prospectus. Except to the extent required by laws and regulations, the Issuer, Castle Trust and the Group do not intend, and do not assume any obligation, to update the 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.

Further advice

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

CONTENTS

PART I

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

<table>
<tr><th colspan="3">Section A – Introduction and warnings</th></tr>
<tr><td>A.1</td><td>Introduction</td><td>This summary should be read as an introduction to this Base Prospectus. Any decision to invest in Notes should be based on consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</td></tr>
<tr><td>A.2</td><td>Use of the Base Prospectus</td><td>The Issuer has provided its consent to the use of the Base Prospectus and Final Terms for subsequent resale or final placement of notes (the “Notes”) (a “Public Offer”) by:
1. all financial intermediaries who fulfil the following conditions:
(i) an entity (an “Authorised Offeror”) which:
(a) is authorised to offer securities to the public or distribute Notes under FSMA in the UK (or under the relevant legislation implementing MiFID II in Europe (“Financial Intermediaries”) for the subsequent resale or final placement of the Notes in the United Kingdom; and
(b) considers the relevant manufacturer’s target market assessment and distribution channels identified under the “MiFID II product governance” legend set out in this Prospectus; or
(ii) an Authorised Offeror that is expressly named in the list of Authorised Offerors on the Issuer’s website (https://www.castletrust.co.uk/important-information#authorised-offerors);and
2. Castle Trust Capital plc (“Castle Trust”) and Castle Trust Capital Management Limited (“CTCM”).

Valid offers of Notes may only be made by an Authorised Offeror in the context of a Public Offer if the Offer is:
(i) made in respect of the Series of Note specified in the Final Terms;
(ii) made in the United Kingdom; and
(iii) made during the offer period specified in the Final Terms (the “Offer Period”).
The Issuer has also provided its consent to the distribution of Notes pursuant to the £1,500,000,000 Castle Trust Direct Programme for the issuance of Notes (the “Programme”) in the United Kingdom. The offer period within which the Issuer consents to the later resale or final placement by Financial Intermediaries or by Castle Trust or CTCM is from 12 June 2019 to 11 June 2020.

The offer of Notes by Financial Intermediaries or by Castle Trust or CTCM must be made pursuant to the terms and conditions of the Notes (the “Note Conditions”). If an offer is being made by a Financial Intermediary or by Castle Trust or CTCM, such Financial</td></tr>
</table>

		Intermediary or Castle Trust or CTCM will inform Investors of the terms and conditions of the offer at the time the offer is made.
Section B – Issuer and Castle Trust Capital plc		
B.1	**Legal and commercial Name**	Castle Trust Direct plc (the "**Issuer**"); Castle Trust Capital plc ("**Castle Trust**"); Castle Trust Finance Limited ("**CTF**"); and Castle Trust Treasury Limited ("**CTT**").
B.2	**Domicile; legal form; legislation; country of incorporation**	The Issuer was incorporated in England and Wales as a public limited company under the Companies Act 2006 on 19 May 2014 under the name of Castle Trust Direct plc with registered number 9046984. Castle Trust was incorporated in England and Wales as a private limited company on 29 November 2010 and was converted to a public limited company on 24 November 2011, under the Companies Act 2006 under the name of Castle Trust Capital plc with registered number 07454474. CTF was incorporated in England and Wales as a private limited company under the Companies Act 2006 on 18 May 2015 under the name Castle Trust Finance Limited with registered number 09596607. CTT was incorporated in England and Wales as a private limited company under the Companies Act 2006 on 31 October 2016 under the name Castle Trust Treasury Limited with registration number 10452649.
B.5	**Description of the group and Castle Trust's, CTF's and CTT's position within the group**	Castle Trust is a wholly-owned subsidiary of Castle Trust Holdings (Jersey) Limited ("**CTHJ**"), which in turn is majority owned by J.C. Flowers Fund III, a subsidiary of the J.C. Flowers group. Castle Trust's subsidiaries include: CTCM, the Issuer, CTF, CTT, Castle Trust POS Limited ("**CTPOS**") and Omni Capital Retail Finance Limited ("**OCRF**"), (together with Castle Trust's other subsidiaries, the "**Group**").
B.9	**Profit forecast or estimate for Castle Trust, CTF and CTT**	Not applicable; no profit forecast or estimate has been published.
B.10	**Qualifications in independent accountant's report on historical financial information of Castle Trust, CTF and CTT**	Not applicable; there are no qualifications in any audit report or any independent accountant's report on the historical financial information of Castle Trust, CTF or CTT.
B.12	**Selected key financial information on Castle Trust, CTF and CTT; no material adverse change statement and no significant change statement**	The table below sets out summary key information extracted from the audited consolidated financial statements of Castle Trust for the period 1 October 2016 to 30 September 2017:

Assets	**Group 2017 £'000**	Restated Group 2016 £'000
Cash and cash equivalents	**127,324**	107,403
Loans and advances to credit institutions	**15,800**	17,550
Trade and other receivables	**4,669**	6,808
Loans to customers		

At amortised cost	**444,568**	244,840
Designated at fair value through profit or loss	**76,394**	88,021
Fair value hedge asset	**570**	1,125
Derivative financial instruments		
House price option	**12,153**	6,662
Derivatives held for risk management	**324**	970
Prepayments	**341**	199
Deferred tax asset	**5,869**	5,759
Property and equipment	**477**	163
Investment in subsidiaries	**-**	-
Intangible assets	**11,763**	645
Total assets	**700,252**	480,145
Liabilities		
Trade and other payables	**7,195**	2,426
Provisions for liabilities	**421**	-
Derivatives held for risk management	**1,177**	2,258
Fair value hedge liability	**-**	101
Amounts due to customers for Fortress Bonds	**605,007**	411,602
Amounts due to group companies for BLA/ MILA	**-**	-
Financial liabilities at fair value through profit or loss	**27,614**	27,210
Amounts due to related parties under inter-company swap arrangements	**-**	-
Total liabilities	**641,414**	443,597
Equity		
Share capital	**9,526**	6,478
Share premium	**72,971**	45,540
Retained earnings	**(23,713)**	(15,569)
Issued capital and reserves attributable to owners of the parent	**58,784**	36,449
Non-controlling interests	**54**	99
Total equity	**58,838**	36,548
Total equity and liabilities	**700,252**	480,145

The table below sets out summary key information extracted from the audited consolidated financial statements of Castle Trust for the period 1 October 2017 to 30 September 2018:

	30 September 2018
	Audited
Assets	**£'000**
Cash and cash equivalents	**118,514**
Loans and advances to credit institutions	**-**
Trade and other receivables	**2,926**

Loans to customers	
At amortised cost	**629,742**
Designated at fair value through profit or loss	**69,780**
Fair value hedge asset	**229**
Derivative financial instruments	
House price option	**9,150**
Derivatives held for risk management	**176**
Prepayments	**1,501**
Deferred tax asset	**-**
Property and equipment	**489**
Investment in subsidiaries	**-**
Intangible assets	**2,657**
Total assets	**835,164**
Liabilities	
Trade and other payables	**7,566**
Debt securities in issue	**9,642**
Provisions for liabilities	**365**
Derivatives held for risk management	**-**
Amounts due to customers for Fortress Bonds	**727,770**
Amounts due to group companies for BLA/ MILA	**-**
Financial liabilities at fair value through profit or loss	**24,989**
Amounts due to related parties under inter-company swap arrangements	**-**
Total liabilities	**770,332**
Equity	
Share capital	**12,992**
Share premium	**104,166**
Retained earnings	**(52,342)**
Issued capital and reserves attributable to owners of the parent	**64,816**
Non-controlling interests	**16**
Total equity	**64,832**
Total equity and liabilities	**835,164**

The table below sets out summary key information extracted from the audited consolidated financial statements of CTF for the period 1 October 2016 to 30 September 2017:

Assets	**30 September 2017 £'000**
Loans and advances to customers	116,235
Fair value hedge asset	667
Trade and other receivables	7,407

Cash and cash equivalents	1
Total assets	**124,309**
Liabilities	
Amounts due to group companies	118,214
Derivatives held for risk management	1,177
Total liabilities	**119,390**
Equity	
Share capital	420
Share premium	3,780
Retained earnings	719
Total equity	**4,919**
Total equity and liabilities	**124,309**

The table below sets out summary key information extracted from the audited financial statements of CTF for the period 1 October 2017 to 30 September 2018:

Assets	**30 September 2018 Audited £'000**
Loans and advances to customers	**143,448**
Fair value hedge asset	**383**
Trade and other receivables	**2,928**
Cash and cash equivalents	**662**
Total assets	**147,421**
Liabilities	
Amounts due to group companies	**139,836**
Derivatives held for risk management	**-**
Trade and other payables	**778**
Total liabilities	**140,614**
Equity	
Share capital	**720**
Share premium	**6,480**
Retained earnings	**(393)**
Total equity	**6,807**
Total equity and liabilities	**147,421**

The table below sets out summary key information extracted from the audited consolidated financial statements of CTT for the period 31 October 2016 to 30 September 2017:

Assets	**30 September 2017 £'000**
Cash and cash equivalents	86,147
Loans and advances to credit institutions	14,900
Other receivables	31
Amounts due from group companies	501,370

		Total assets **602,448** **Liabilities** Trade and other creditors - Amounts due to group companies 601,369 **Total liabilities** **601,369** **Equity** Share capital 150 Share premium 1,350 Retained earnings (421) **Total equity** **1,079** **Total equity and liabilities** **602,448**

Total assets	**602,448**
Liabilities	
Trade and other creditors	-
Amounts due to group companies	601,369
Total liabilities	**601,369**
Equity	
Share capital	150
Share premium	1,350
Retained earnings	(421)
Total equity	**1,079**
Total equity and liabilities	**602,448**

The table below sets out summary key information extracted from the audited financial statements of CTT for the period 1 October 2017 to 30 September 2018:

Assets	**30 September 2018 Audited £'000**
Loans to customers	**-**
Cash and cash equivalents	**63,692**
Loans and advances to credit institutions	**-**
Other receivables	**9**
Derivatives held for risk management	**176**
Amounts due from group companies	**659,467**
Total assets	**723,344**
Liabilities	
Amounts due to group companies	**722,184**
Trade and other payables	**184**
Total liabilities	**722,368**
Equity	
Share capital	**200**
Share premium	**1,800**
Retained earnings	**(1,024)**
Total equity	**976**
Total equity and liabilities	**723,344**

There has been no material adverse change in the prospects of Castle Trust since 30 September 2018. There has been no significant change in the financial or trading position of Castle Trust since 30 September 2018. There has been no material adverse change in the prospects of CTF since 30 September 2018. There has been no significant change in the financial or trading position of CTF since 30 September 2018. There has been no material adverse change in the prospects of CTT since 30 September 2018. There has been no significant change in the financial or trading position of CTT since 30 September 2018.

As at 30 September 2018, CTT has made borrowings under the Borrower Loan Agreement in relation to subscriptions of £716,995,992 for Fortress Bonds.

B.13	**Recent events particular to**	Not applicable; there have been no recent events which are materially relevant to the evaluation of Castle Trust's, CTF's or CTT's solvency.

	Castle Trust, CTF and CTT which are materially relevant to the evaluation of Castle Trust's, CTF's or CTT's solvency	
B.14	**Dependency of Castle Trust, CTF and CTT on other entities within the group**	Castle Trust is a wholly-owned subsidiary of CTHJ which in turn is majority owned by J.C. Flowers Fund III, a subsidiary of the J.C. Flowers Group. Castle Trust's subsidiaries include: CTCM, the Issuer, CTF, CTT, CTPOS and OCRF. Castle Trust is not dependent upon other entities within the Group. CTF and CTT are special purpose vehicles and are dependent on Castle Trust and CTCM for various functions.
B.15	**Description of Castle Trust's, CTF's and CTT's principal activities**	Castle Trust offers Mortgages to borrowers in respect of UK property and, through its subsidiary, OCRF, point-of-sale finance ("**POS Loans**") to consumers wishing to purchase products from suppliers (OCRF's suppliers currently grouped into six sectors: training and education, medical, lifestyle and valuables, technology and appliances, sports and hobbies and home improvement). Castle Trust acts as the principal borrower under the Borrower Loan Agreement (as defined below) and as the counterparty to investment products entered into by the Issuer and Castle Trust Growth Housa PC. CTF is a special purpose vehicle which purchases certain non-house price and tariff related cashflows in respect of equity loans, UK residential house price tracking mortgages or interest bearing mortgages advanced by Castle Trust and secured on UK property ("**Mortgages**") and lends the proceeds to Castle Trust under the facility agreement entered into on 3 July 2014 as amended on 29 June 2015 between CTF (as lender) and Castle Trust (as borrower) (the "**Intra Group Loan Agreement**"). CTT is a special purpose vehicle that was incorporated to provide risk management services to the Group, including managing the Group's interest rate risk and liquidity risk. As part of the risk management services it provides to the Group, CTT borrows from the Issuer under the Borrower Loan Agreement in order to provide term funding to certain members of the Group so that Group companies can in turn fund their respective lending activities and/or working capital requirements. This process centralises interest rate and liquidity risks in CTT. CTT lends money to Group companies under the terms of the facility agreement entered into on 28 April 2017 between certain members of the Group for the purpose of providing a contractual framework for the provision of loans between Group companies (the "**Master Intragroup Loan Agreement**").
B.16	**Owner/ controller of Castle Trust, CTF and CTT**	CTF and CTT are directly wholly owned and controlled by Castle Trust. CTF, CTT and Castle Trust are each indirectly ultimately owned and controlled by James Christopher Flowers.
B.17	**Ratings assigned to the Issuer or its debt securities or to Castle Trust**	Not applicable: neither the Issuer nor Castle Trust is rated and Notes issued by the Issuer will not be rated.
B.20	**Special purpose vehicle; entity status**	The Issuer was incorporated as a special purpose vehicle for the purpose of issuing the Notes, being securities backed by the facility agreement dated 3 July 2014 between the Issuer (as lender) and Castle Trust (as borrower), which was amended on 29 June 2015 to document CTF's accession to the facility agreement as an additional borrower, and which was further amended on 28 April 2017 to document CTT's accession to the facility agreement as an additional borrower, pursuant to which the Issuer makes advances to Castle Trust and/or CTT, as required, using the proceeds of issuance of each series of

		Notes (each, an "**Advance**") (the "**Borrower Loan Agreement**").
B.21	**Description of principal activities and overview of parties to the programme**	The Issuer's objective is to provide a return to Investors in each series of Notes (each a "**Series**") comprising interest on the interest payment date(s) (each an "**Interest Payment Date**") and/or on the maturity date (each a "**Maturity Date**") for the relevant Series. To generate the amounts necessary to pay interest on ("**Interest**"), and to pay the amount payable on the relevant Maturity Date (the "**Final Redemption Amount**") of, the Notes, the Issuer entered into the Borrower Loan Agreement with Castle Trust (in its capacity as the principal borrower, the "**Principal Borrower**") on 3 July 2014, which was amended on 29 June 2015 to document CTF's accession to the Borrower Loan Agreement (the "**First Additional Borrower**") in connection with the purchase (and expected further purchases) from the Principal Borrower of a portfolio of Mortgage cashflows and consequential increases in the First Additional Borrower's liabilities under the Borrower Loan Agreement. The Borrower Loan Agreement was further amended on 28 April 2017 to document CTT's accession to the Borrower Loan Agreement (CTT in its capacity as an additional borrower, the "**Second Additional Borrower**" and, together with the Principal Borrower and the First Additional Borrower, the "**Borrowers**"). As part of the risk management services it provides to the Group, CTT borrows from the Issuer under the Borrower Loan Agreement in order to provide term funding to certain members of the Group under the Master Intragroup Loan Agreement so that Group companies can in turn fund their respective lending activities and/or working capital requirements. Unlike the First Additional Borrower, the Second Additional Borrower borrows directly from the Issuer rather than assuming the Principal Borrower's liabilities under the Borrower Loan Agreement in exchange for Mortgage cashflows. Under the Borrower Loan Agreement, the issue proceeds received by the Issuer for subscription for each Series (net of its costs) are advanced to Castle Trust and/or CTT, as required. The Borrowers will pay interest on each Advance on (or immediately prior) to the Interest Payment Date(s) (if any) of the relevant Series and/or the Maturity Date of the relevant Series and will repay the principal amount of each Advance on the Maturity Date. The only business of the Issuer is the issue of Notes and the investment of the net proceeds in the Borrower Loan Agreement to generate the Interest and the Final Redemption Amount. Fortress Bonds are available for a minimum investment of £1,000 and provide returns for those who seek a competitive return on their capital or who wish to diversify their existing low risk investment portfolios. Fortress Bonds qualify for inclusion in SIPPs and ISAs. The Financial Services Compensation Scheme ("**FSCS**") can pay compensation to investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations of up to £85,000 per eligible claimant. If an Investor has suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back Fortress Bonds because it had become insolvent) then the Investor would be able to seek compensation from the FSCS, provided the Investor is an eligible claimant. Castle Trust is a regulated investment firm operating in the UK. Castle Trust, which was incorporated in England in 2010, operates predominantly from its head office in London and had 247 permanent employees as at 30 September 2018. Castle Trust provides a range of mortgages, including equity loans, UK residential house price index tracking mortgages and interest bearing mortgages secured on UK property ("**Mortgages**"). Castle Trust also provides POS Loans through its wholly-owned subsidiary, OCRF. When providing Mortgages or POS Loans, Castle Trust seeks to match the property and interest exposure of its Mortgages or POS Loans, as the case may be, with the repayment obligations under Castle Trust's funding liabilities. **Liquid assets**: Castle Trust targets a minimum of 10% of the amount invested by an Investor, being the number of Notes purchased multiplied by the issue price for the relevant Series (the "**Investment Amount**"), (up to a maximum of the total subscription proceeds not issued as either Mortgages or POS Loans) to be invested by Castle Trust into liquid assets with a maturity of less than two years. This is intended to ensure that Castle Trust has sufficient liquid reserves in order to fund the Interest and Final Redemption Amount payments due pursuant to the Borrower Loan Agreement. As at 30 September 2018, Castle Trust held around £118,514,000 of liquid assets. Castle Trust uses the advances under the Borrower Loan Agreement to fund its Mortgage business. As at 30 September

2018, CTT has made borrowings under the Borrower Loan Agreement in relation to subscriptions of £727,770,000 for Fortress Bonds (this figure reflecting Castle Trust's consolidated financial position).

Castle Trust is the immediate parent of the Issuer.

The Issuer has appointed CTCM as its calculation agent, nominee for holders of the Notes and marketing manager in respect of the Notes. CTCM is a sister company of the Issuer. The Issuer has appointed JTC (Jersey) Limited, who is unconnected to the Issuer, as registrar of the Notes. The Issuer has appointed JTC (Trustees) UK Limited, who is unconnected to the Issuer, as "**Trustee**" (which expression includes all persons for the time being trustee or trustees appointed under the trust deed dated on or after the date of this Base Prospectus (as amended or supplemented from time to time, including 24 June 2015 and 13 June 2017)) between the Issuer and the Trustee (the "**Trust Deed**").

B.22 **Statement regarding lack of operations/ financial statements since incorporation**

Not applicable. The Issuer commenced operations on 9 July 2014. The Issuer published audited financial statements for the period ended 30 September 2018.

B.23 **Historical key financial information regarding the Issuer**

The table below sets out summary key information extracted from the audited financial statements of the Issuer for the period 1 October 2016 to 30 September 2017:

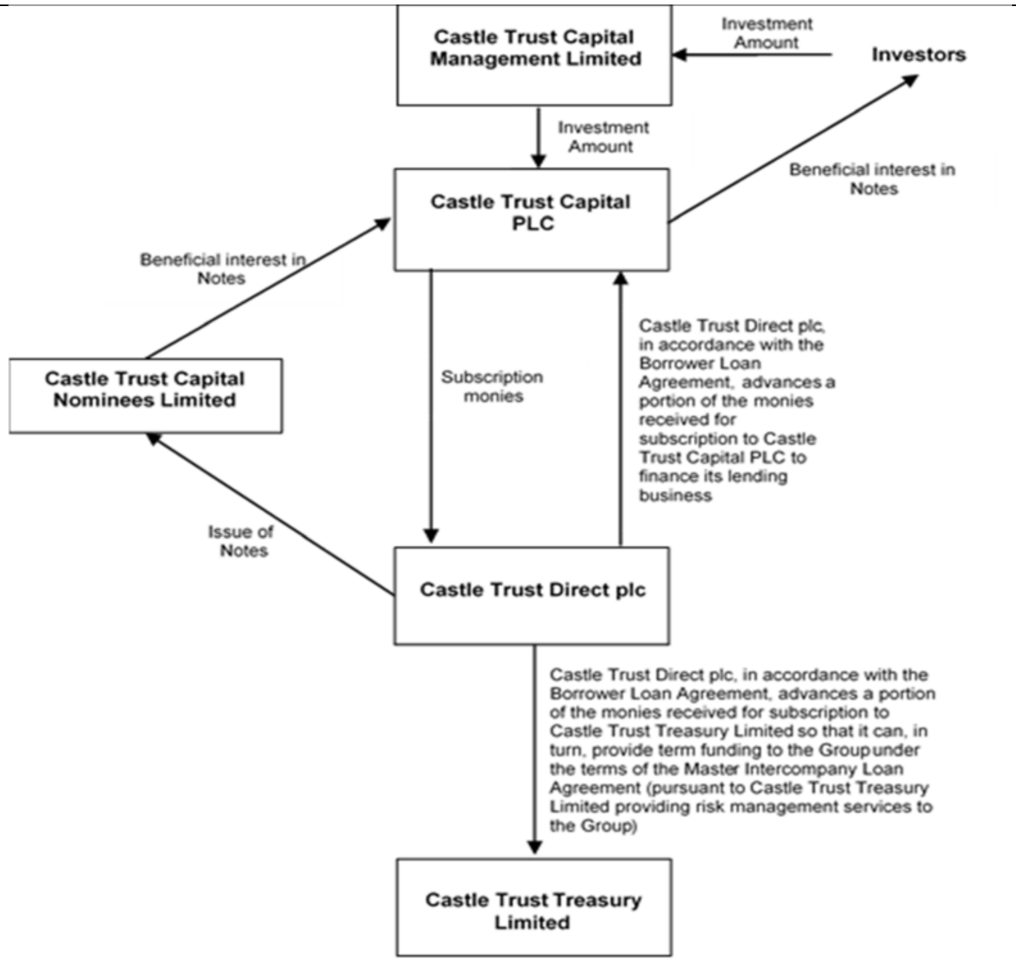
Assets	**2017** **£'000**	Restated 2016 £'000
Loans and advances to group companies	**600,120**	409,726
Amounts due from group companies	**1,749**	9,271
Total assets	**601,869**	418,997
Liabilities		
Amounts due to customers	**600,120**	409,726
Amounts due to group companies	**1,249**	8,771
Total liabilities	**601,369**	418,497
Equity		
Called up share capital	**50**	50
Share premium	**450**	450
Retained earnings	**-**	-
Total equity	**500**	500
Total equity and liabilities	**601,869**	418,997

The table below sets out summary key information extracted from the audited financial statements of the Issuer for the period 1 October 2017 to 30 September 2018:

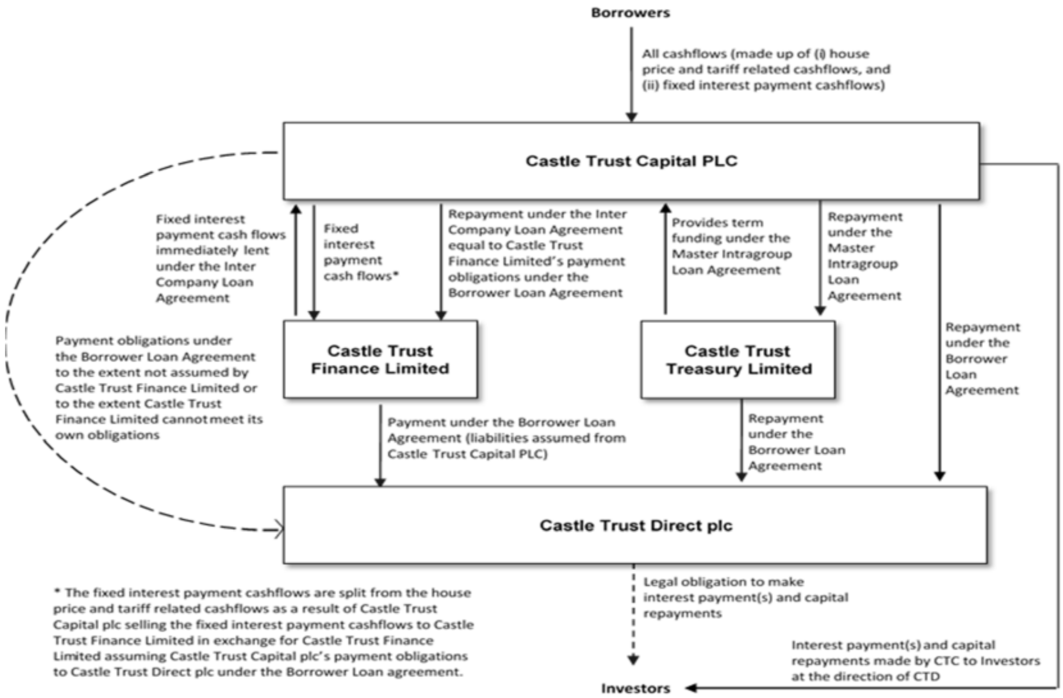
Assets	**30 September 2018** **Audited** **£'000**
Loans and advances to group companies	**721,288**
Amounts due from group companies	**1,396**
Total assets	**722,684**
Liabilities	
Amounts due to customers	**721,288**
Amounts due to group companies	**896**

		<table><tr><td>**Total liabilities**</td><td>**722,184**</td></tr><tr><td>**Equity**</td><td></td></tr><tr><td>Called up share capital</td><td>**50**</td></tr><tr><td>Share premium</td><td>**450**</td></tr><tr><td>Retained earnings</td><td>**-**</td></tr><tr><td>**Total equity**</td><td>**500**</td></tr><tr><td>**Total equity and liabilities**</td><td>**722,684**</td></tr></table> As at the date of this document, there has been no significant change to the financial position of the Issuer during the period covered by the financial information above or since 30 September 2018.
B.24	**Material adverse changes**	As of the date of this document, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements for the period 1 October 2017 to 30 September 2018.
B.25	**Description of underlying assets**	**The Borrower Loan Agreement** The Issuer entered into the Borrower Loan Agreement with Castle Trust on 3 July 2014, which was amended on 29 June 2015 to document CTF's accession to the Borrower Loan Agreement as an additional borrower and then further amended on 28 April 2017 to document CTT's accession to the Borrower Loan Agreement as an additional borrower. Under the Borrower Loan Agreement the Issuer pays the amount raised from the issue of the Notes (less certain costs payable by the Issuer) to Castle Trust and/or CTT, as required. In return, the Borrowers agree to pay to the Issuer an amount not less than the Interest and the Final Redemption Amount as the Notes mature. The Borrower Loan Agreement has the characteristics that demonstrate capacity to produce the funds required to service the payments due and payable on the Notes. However, the Interest and Final Redemption Amount payable to the Investors is dependent on the Borrowers' ability to meet their payment obligations under the Borrower Loan Agreement and the relevant Advance. The Borrowers do not provide any security to the Issuer to meet their obligations under the Borrower Loan Agreement. CTF meets its obligations under the Borrower Loan Agreement to pay the Interest and the Final Redemption Amount by purchasing Mortgage cashflows from Castle Trust and using the income from these Mortgage cashflows to service its payment obligations. Payments due on these Mortgage cashflows are left outstanding pursuant to the Intra Group Loan Agreement with Castle Trust making funds available when CTF requires these to make payments pursuant to the Borrower Loan Agreement. Castle Trust meets its repayment obligations under the Borrower Loan Agreement to pay the Interest and the Final Redemption Amount by providing Mortgages secured on UK property and investing in liquid assets. CTT meets its obligations under the Borrower Loan Agreement to pay the Interest and the Final Redemption Amount by using the income from the intercompany term loans it makes to certain Group companies under the Master Intragroup Loan Agreement to service its repayment obligations. **Castle Trust's business** Castle Trust's business model is based on (i) the provision of loans to the owners and developers of UK residential property secured by a mortgage, and (ii) through its subsidiary OCRF, the provision of loans to UK consumers in order to finance, in full or in part, the purchase of certain products from certain suppliers who partner with OCRF. Castle Trust generates its margins on Mortgages through the accrual and/or regular payment of interest or, instead of collecting interest, by participating (on the basis of a pre-defined formula) in any rise in the value of the property upon which its Mortgages are secured. In some cases Castle Trust's returns are based on the movements of an Index rather than upon the value of the individual mortgaged property. Castle Trust Mortgages may, in some cases, include both house price linked and interest accruing features. Castle Trust generates its margins on POS Loans through the commission charged to the supplier on the products financed

		and/or the regular payment of interest. Each Mortgage represents a portion (typically, between 10% and 50%) of the value of each individual property. The individual, granular exposures from Castle Trust's Mortgages and POS Loans are pooled to achieve broad diversification. The element of exposure to house price movements which Castle Trust assumes through some of its Mortgages is offered to investors or counterparties who seek exposure to UK housing returns (including through Castle Trust's Housa investments). The element of exposure to UK interest rates which Castle Trust assumes through its Mortgages and POS Loans is offered to investors through the issue of Fortress Bonds. **Liquid assets** Castle Trust targets a minimum of 10% of the Investment Amount paid by Investors for their Notes (up to a maximum of the total subscription proceeds not issued as Mortgages) to be invested by Castle Trust and/or CTT into assets such as cash at bank, senior bank debt, externally managed liquidity funds, securities issued by the UK government and other high quality liquid assets (all with a maturity of less than or equal to two years). This is intended to ensure that Castle Trust and CTT have sufficient liquid reserves in order to fund the Interest and Final Redemption Amount payments due pursuant to the Borrower Loan Agreement. Investors do not have any rights over the mortgages or loans provided by Castle Trust nor the liquid assets it holds from time to time.
B.26	**Details of actively managed pool of assets**	Not applicable; there is not an actively managed pool of assets backing the Notes.
B.27	**Statement if further securities backed by same assets**	There is not a separate identifiable pool of Mortgages or POS Loans backing each Advance under the Borrower Loan Agreement. Accordingly, the Issuer proposes to issue Notes and further Notes backed by the same assets, which will be announced to the market (including holders of the Notes) by the Issuer.
B.28	**Transaction structure**	All Notes are first issued to Castle Trust on their respective issue dates and are then admitted to trading on (i) the regulated market of Euronext Dublin; or (ii) the Official List of The International Stock Exchange ("**TISE**") on the same business day, in accordance with the applicable Final Terms. Castle Trust sells the Notes to Investors who make valid applications during the offer period(s) for the relevant Series (the "**Offer Period**"). Castle Trust uses the sums received from Investors to discharge the outstanding inter-company loan created when the Notes are issued. Any Notes which are not sold during the Offer Period are redeemed. The Issuer advances all subscription monies for Notes (less certain fees payable to CTCM) to Castle Trust and/or CTT, as required, under the Borrower Loan Agreement. Castle Trust and CTT will pay interest to the Issuer on each Advance on (or immediately prior to) the Interest Payment Date(s) (if any) and/or the Maturity Date of the relevant Series. On the Maturity Date for each Series, the Advance made by the Issuer to Castle Trust or CTT in relation to that Series will mature and the Borrowers will pay the Issuer a sum not less than the Final Redemption Amount and any Interest due on the Maturity Date so that the Issuer may pay these sums to the relevant Investors and the Notes of such Series will be redeemed in full. The terms and conditions under which Investors purchase Notes from Castle Trust contain an obligation on Castle Trust to buy back the Notes held by Investors. This states that Castle Trust agrees to purchase the Notes held by that Investor on the Maturity Date if they have not been redeemed by the Issuer (as intended) by 14.00 on that day for an amount equal to the Final Redemption Amount and any Interest due but unpaid on the Notes. The structure is illustrated in the following diagrams:
		1 **Diagram of the Issue structure:**

Castle Trust Capital Management Limited
Investment Amount
Investors
Investment Amount
Castle Trust Capital PLC
Beneficial interest in Notes
Beneficial interest in Notes
Castle Trust Capital Nominees Limited
Subscription monies
Castle Trust Direct plc, in accordance with the Borrower Loan Agreement, advances a portion of the monies received for subscription to Castle Trust Capital PLC to finance its lending business
Issue of Notes
Castle Trust Direct plc
Castle Trust Direct plc, in accordance with the Borrower Loan Agreement, advances a portion of the monies received for subscription to Castle Trust Treasury Limited so that it can, in turn, provide term funding to the Group under the terms of the Master Intercompany Loan Agreement (pursuant to Castle Trust Treasury Limited providing risk management services to the Group)
Castle Trust Treasury Limited

		2 **Interest payment(s) and capital repayments to Investors:** 
B.29	**Flow of funds**	The Notes are issued to Castle Trust and the subscription amount is left outstanding on inter-company account. Castle Trust sells the Notes to Investors who make valid applications during the Offer Period. Castle Trust pays the sums received from the sale of the Notes to the Issuer to discharge the outstanding intercompany loan created when the Notes are issued to Castle Trust. Notes which are not sold to Investors during the Offer Period are redeemed. The Issuer advances all subscription monies received from Castle Trust (less certain costs payable by the Issuer) to Castle Trust and/or CTT, as required, under the Borrower Loan Agreement. The Issuer offsets its liability to pay the subscription monies to Castle Trust and/or CTT, as applicable, under the Borrower Loan Agreement against Castle Trust's liability to satisfy the intercompany debt for the subscription amount for the Notes. This reduces the number of money flows required. Interest is payable on the Notes at the times specified as Interest Payment Dates (if any), and/or the Maturity Date set out, in the applicable Final Terms. Interest is funded by the Borrowers' obligations under the Borrower Loan Agreement. Castle Trust targets a minimum of 10% of the Investment Amount paid by Investors for their Notes (up to a maximum of the total subscription proceeds not issued as Mortgages or POS Loans) to be invested by Castle Trust and/or CTT into liquid assets meaning Castle Trust and CTT should have sufficient liquid reserves in order to fund the Final Redemption Amount payments due. Payment of the Final Redemption Amount shall be made by the Issuer to Investors within three Business Days of the Maturity Date or, if the repayment of the Advance under the Borrower Loan Agreement to which the Notes relate is delayed, within three Business Days of such later date on which the amount of each repayment is actually received by the Issuer in cleared monies.
B.30	**Name/ description of originators of securitised assets**	The only assets of the Issuer are the Borrowers' obligations under the Borrower Loan Agreement. Castle Trust is the principal borrower under the Borrower Loan Agreement and provides Mortgages to its customers. CTF is an additional borrower under the Borrower Loan Agreement and meets its payment obligations by purchasing Mortgage cashflows from Castle Trust. CTT is an additional borrower under the Borrower Loan Agreement and meets its payment obligations by using the income it receives from loans it has made to Group companies under the Master Intragroup Loan Agreement. The business address of each of Castle Trust, CTF and CTT is: Tower 42, 25 Old Broad Street, London EC2N 1HQ.

Section C – Securities		
C.1	**Type and class of securities**	The securities offered are unsecured loan notes in minimum denominations of £1.00 ("**Notes**"). Up to £1,500,000,000 aggregate nominal amount of Notes may be outstanding at any one time pursuant to the Programme or such higher amount as the Issuer shall notify to Noteholders from time to time. Each Series is offered for sale to Investors only during the relevant Offer Period. Each Series issued under the Programme will have fixed terms, though some Notes may give the Issuer the right to elect to extend the duration of such Notes in accordance with the terms and conditions of the Notes. Each Note initially bears interest at fixed or floating annual rates (Notes bearing a fixed rate being "**Fixed Rate Notes**" and Notes bearing a floating rate being a "**Floating Rate Notes**"). At the end of its term (taking into account any extension of a term), each Note that has not previously been redeemed is redeemed at its Final Redemption Amount. The specific terms of each Series are completed in the final terms document published in respect of such Series (the "**applicable Final Terms**"). The Notes are transferable obligations of the Issuer that can be bought and sold by Investors in accordance with the Note Conditions set out in the Base Prospectus as completed by the applicable Final Terms. The Notes are issued in registered form (''**Registered Notes**'') only. Unless an Investor requests otherwise, legal title to all Registered Notes is held by a nominee (the "**Nominee**") which initially is CTCN. The legal title to Registered Notes is represented by Certificates; one Certificate is issued representing the legal title to each Noteholder's entire holding of Registered Notes of one Series. Noteholders' legal interests in Notes are recorded by the Registrar in the Register. Investors' beneficial interests in Notes are recorded by the Nominee. A Certificate is not sent to Investors unless they opt also to hold legal title to their Notes. [***Issue specific summary:*** Series: [●] Year [●] [20●] Notes Series Number: [●] Aggregate Nominal Amount of the Series: [●] Registered Notes: Global Certificate exchangeable for Individual Certificate only upon request to hold legal title to Notes ISIN Code: [●] Offer Period: [●] Maturity Date: [●]]
C.2	**Currency of securities**	Sterling
C.5	**Restrictions on free transferability of securities**	In relation to the United States, Notes are sold and offered outside the United States to non-U.S. persons in reliance on the exemption from registration provided by Regulation S under the United States Securities Act of 1933, as amended. Selling restrictions also apply to offers, sales or transfers of the Notes under the applicable laws in various other jurisdictions. The minimum denomination of each Note will be £1.00. Subject to the above, the Notes will be freely transferable.
C.8	**Rights attached to securities including ranking and limitations on those rights**	**Ranking** The Notes are direct, unconditional, senior, unsubordinated and unsecured obligations of the Issuer that rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured, unsubordinated obligations of the Issuer. **Negative pledge** The Notes do not have the benefit of a negative pledge. **Withholding tax** All payments of principal and interest in respect of the Notes are made free and clear of withholding taxes of the United Kingdom, unless the withholding is required by law. In the event that any such deduction is required, neither the Issuer nor, as the case may

		be, Castle Trust will be required to pay any additional amounts to cover the amounts so deducted. **Events of Default** The Notes do not have the benefit of events of default. **Meetings and modification** Meetings of Noteholders may be called by the Issuer or by Noteholders to consider matters relating to the Notes, including the modification of the Note Conditions. The Note Conditions may be modified by a resolution passed by at least three quarters of the votes cast at such a meeting. Any modification so approved will be binding on all Noteholders. The Trustee may modify or amend the Note Conditions without the consent of Noteholders if, in its opinion, such amendment is to correct a manifest error; of a formal, minor or technical nature; or is not materially prejudicial to the interests of the Noteholders. **Notices** Notices shall be sent to Noteholders at their address on the Register, and shall be deemed to have been given on the fourth weekday after the date of sending. **Governing law** English law. **Enforcement of Notes in Global Form** In the case of Notes held in the form of a Global Certificate, individual Investors' rights against the Issuer will be governed by a Trust Deed dated 3 July 2014 (as amended from time to time including 24 June 2015, 13 June 2017, 20 March 2019 and 3 June 2019), a copy of which will be available for inspection at the registered office of the Issuer or the Trustee.
C.9	**Interest/ Redemption**	**Interest** In respect of each interest calculation period, Notes will bear interest at a fixed or floating rate of interest. Fixed interest will be payable in arrear on a set date or dates. [***Issue specific summary*:** [Fixed Rate Notes are not being issued pursuant to these Final Terms] [Rate[s] of Interest: [[●]% per annum payable [annually/semi-annually/quarterly/on the Maturity Date]]/[In respect of the period from and including [●] to but excluding [●]:[●]% per annum] (as such rate[s] may be [: (i)] increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period [; and (ii) amended (as part of any extension) to the rate notified by the Issuer to the Noteholders prior to the Election Period]) in arrear Interest Payment Date(s): [●] in each year up to and including the Maturity Date]/[●] Fixed Coupon Amount(s): [[●] per Calculation Amount]/[In respect of the period from and including [●] to but excluding [●]:[●] per Calculation Amount] Floating Rate Notes will bear interest at a rate determined separately for each Series as follows: (i) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (ii) on such other basis as may be determined by the Issuer. [***Issue specific summary*:** [Floating Rate Notes are not being issued pursuant to these Final Terms] Specified Period(s)/Specified Interest Payment Dates: [[●] in each year from (and including) the Maturity Date[●]]

		Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●]] Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/Bank of England Base Rate Determination] Margin(s): [+/-] [●]% per annum (as such rate may be [:(i)] increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period[;and (ii) amended (as part of any extension) to the rate notified by the Issuer to the Noteholders prior to the Election Period]) Minimum Rate of Interest: [●]/[Not Applicable] Maximum Rate of Interest: [●]/[Not Applicable] **Return on redemption at maturity** On the relevant Maturity Date (including following any extension of the original Maturity Date), and subject to any previous purchase and cancellation or early redemption, the Notes will be redeemed for an amount equal to the Final Redemption Amount. [***Issue specific summary:*** [Final Redemption Amount: Unless previously redeemed and cancelled, each Note will be redeemed at its Final Redemption Amount of: [●]] **Redemption of Castle Trust-held Notes at the option of the Issuer** Any Notes that have not been subscribed for by Investors before the end of the relevant Offer Period are redeemed by the Issuer at the end of the Offer Period. In addition, the Issuer may redeem all or any Notes held by Castle Trust at any time giving not less than five days' notice for the Final Redemption Amount. [***Issue specific summary:*** [Redemption at the option of the Issuer: the Issuer may redeem all of the Notes in which Castle Trust has an interest: (i) (save for such Notes which Castle Trust indicates it will transfer to Investors subject to receipt of cleared funds) on the day before the Interest Commencement Date of: [●] at the Final Redemption Amount of: [●]; (ii) where Castle Trust has failed to discharge the inter-company debt owed to the Issuer in consequence of the initial subscription for the Notes by the end of the day falling [four] Business Days after the Interest Commencement Date of: [●] at the Issue Price of: [●]; and (iii) at any time giving not less than 5 Business Days' notice to redeem at the Optional Redemption Amount of: [●].] **Optional redemption (early encashment)** Certain Notes may be redeemed earlier than their Maturity Date following the exercise of a put option by an Investor, subject to a charge. The charge will be calculated on the basis of a certain number of days' interest in respect of the original duration of the relevant Note. [***Issue specific summary:*** [The Issuer shall, at the option of the holder of any Note redeem such Note on [●] at [●] less the Optional Redemption Charge of [●] together with interest (if any) accrued to such date.] **Yield:** The yield of each Series will be calculated on an annual or semi-annual basis using the relevant Issue Price at the relevant Issue Date. [***Issue specific summary:*** [Yield: Based upon the Issue Price of [●], at the Issue Date the anticipated yield of the Notes is [●] per annum.]

		Trustee for the Noteholders: JTC Trustees (UK) Limited (which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
C.10	**Derivative components**	Not applicable; there is no derivative component in the interest payments made in respect of Notes.
C.11	**Status of trading on regulated market**	Applications have been made for the Notes to be admitted during the period of 12 months after the date of this Base Prospectus to the Official List of the Euronext Dublin and to trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) ("**MiFID II**"). Applications have also been made for the Notes to be admitted during the period of 12 months after the date of this Base Prospectus to the Official List of TISE. The TISE is not a regulated market for the purposes of MiFID II. [**Issue Specific Summary:** [[The Issuer will apply for the Notes to be] / [The Notes are] admitted to trading on the regulated market of [Euronext Dublin][The International Stock Exchange][which is a regulated market for the purposes of MiFID II].]
C.12	**Minimum denomination of Issue**	£1.00.
		Section D – Risks
D.2	**Key information on the key risks specific to the Issuer and Castle Trust**	The key risks specific to the Issuer are: • the Issuer has no material assets save for the Borrowers' obligations under the Borrower Loan Agreement and therefore if the Borrowers fail to meet those obligations the Issuer will not be able to meet its obligations to Investors; • the Issuer's only investments for each Series are in the relevant Advance under the Borrower Loan Agreement and there is no counterparty risk diversification; and • the Issuer's only investors in each Series are retail investors investing in their individual capacities and there is a reliance on retail investors with minimal diversification at investor level which could lead to a reduction in available capital. The key risks specific to Castle Trust, CTF and CTT as the "**Borrowers**" are: • Castle Trust, CTF and CTT are exposed to the risk of borrowers defaulting on their repayment obligations, and their overall financial performance depends to a certain extent on a number of macroeconomic factors outside the control of Castle Trust, CTF and CTT which impact on UK housing demand and demand for mortgage lending and consumer lending in general, including political, financial and economic conditions. Factors include gross domestic product growth, unemployment rates, consumer confidence, the availability and cost of credit, taxation, and regulatory changes. These factors could reduce the level of demand for Mortgages and adversely impact the ability of borrowers to satisfy their repayment obligations; • Mortgages and POS Loans that have been originated by Castle Trust are unlikely to be easily sold by Castle Trust. If the period of time for which borrowers hold Mortgages is longer than usual for the UK mortgage market, or the period of time for which borrowers hold POS Loans is longer than is usual for the UK point-of-sale finance market, then Castle Trust, CTF and CTT may be unable to meet their obligations under the Borrower Loan Agreement because insufficient Mortgages and POS Loans have been repaid; • Castle Trust operates in a regulated environment. Non-compliance by Castle Trust with applicable laws, regulations and codes relevant to the financial services industry would lead to fines, inability to enforce interest income accrued, public reprimands, damage to reputation, increased prudential requirements, enforced suspension of operation or, in extreme cases, withdrawal of authorisation to operate; • Castle Trust's future success depends to a significant degree upon the continued contribution of its key personnel, its ability to recruit, train, retain and motivate personnel, and to ensure that employment contract terms are appropriate; • Castle Trust is reliant on third party people, IT systems and architecture which are provided by and/or supported by third party vendors. A material systems failure could

		result in loss of key records, leading to financial loss and/or customer detriment; and • Castle Trust has determined that, as its business has grown and evolved, Castle Trust would benefit from conversion to a bank. Accordingly Castle Trust is in dialogue with the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in order to pursue a banking licence application. If Castle Trust did not secure a banking licence for any reason, and it was unable to generate its own capital rapidly (in the form of retained earnings), nor raise equity for growth, as an investment firm, then it is likely that Castle Trust's assets and liabilities would grow at a much slower pace (if at all) and its prospects and profitability would be significantly diminished which could, in turn, adversely impact the Issuer's ability to fulfil its obligations under the Notes.
D.3	**Key information on the key risks specific to the securities**	The key risks specific to the Notes are: • Investors' capital is at risk. Investors may lose up to the entire value of their investment in the Notes as a result of the occurrence of: (a) the insolvency of the Issuer, CTF, CTT and/or Castle Trust; and (b) amounts payable being subject to deduction for tax and/or expense; • the Borrower Loan Agreement is unsecured and none of CTF, CTT and Castle Trust provide collateral in respect of their obligations under the Borrower Loan Agreement. The Notes are therefore subject to the credit risk of CTF, CTT and Castle Trust; • in the event that Castle Trust has insufficient reserves to repurchase all Notes maturing, qualifying Investors' only recourse will be to seek compensation from the FSCS (under which, at the date of this document, they may seek to recover up to £85,000 of losses, provided they are an eligible claimant); and • otherwise, in the event that CTF, CTT and Castle Trust have insufficient reserves to pay to the Issuer the Final Redemption Amount for, and any Interest due on, the Notes as they mature, all affected Investors would rank as ordinary unsecured creditors of the Issuer to the extent that the Issuer has insufficient funds to pay in full the Final Redemption Amount and/or any Interest due on their Notes. **[Issue specific summary**: [The key risks specific to the Notes are: • Investors' capital is at risk. Investors may lose up to the entire value of their investment in the Notes as a result of the occurrence of: (a) the insolvency of the Issuer, CTF, CTT and/or Castle Trust; and (b) amounts payable being subject to deduction for tax and/or expense. • [Investors will not be entitled to redeem any of their Notes prior to the Maturity Date. However, Investors may dispose of their Notes if a secondary market develops but there is no guarantee that such a market will develop (independently of Castle Trust) or whether it will be liquid or illiquid. The FSCS does not apply to Investors who acquire Notes on any such secondary market.] / [Investors may dispose of their Notes if a secondary market develops but there is no guarantee that such a market will develop (independently of Castle Trust) or whether it will be liquid or illiquid. The FSCS does not apply to Investors who acquire Notes on any such secondary market.] • The Borrower Loan Agreement is unsecured and none of CTF, CTT and Castle Trust provide collateral in respect of their obligations under the Borrower Loan Agreement. The Notes are therefore subject to the credit risk of CTF, CTT and Castle Trust; • In the event that Castle Trust has insufficient reserves to repurchase all Notes maturing, qualifying Investors' only recourse will be to seek compensation from the FSCS (under which, at the date of this document, they may seek to recover up to £85,000 of losses, provided they are an eligible claimant); and • Otherwise, in the event that CTF, CTT and Castle Trust have insufficient reserves to pay to the Issuer the Final Redemption Amount for, and any Interest due on, the Notes as they mature, all affected Investors would rank as ordinary unsecured creditors of the Issuer to the extent that the Issuer has insufficient funds to pay in full the Final Redemption Amount and/or any Interest due on their Notes.]

Section E – Offer		
E.2b	**Reasons for offer; use of proceeds**	The net proceeds from the issue of Notes are used by the Issuer to invest in the Advance for that Series under the Borrower Loan Agreement. This is in line with the investment objective to pay to Investors the Final Redemption Amount at the Maturity Date and to pay interest on the relevant Interest Payment Date(s) and/or the Maturity Date. Castle Trust uses the funds it receives from the Issuer under the Borrower Loan Agreement to lend Mortgages (with a target of a maximum of 85% of such funds received) and also to invest in liquid assets (with a target of a minimum of 10% of such assets). Obligations under the Borrower Loan Agreement mean that Castle Trust, CTF and CTT must pay the Issuer an amount equal to the Final Redemption Amount as Notes mature and to pay interest on the relevant Interest Payment Date(s) and/or the Maturity Date.
E.3	**Description of terms and conditions of Offer**	Separate Series are created from time to time for the Notes to be issued with varying terms and interest rates (each being a distinct "**Offer Series**"). Under the offer for the purchase of Notes issued in respect of the relevant Series (each, an "**Offer**"), applicants may apply for Notes in any Offer Series at the fixed issue price (the "**Issue Price**") of £1.00 per Note. The currency for the Offer is Sterling. A minimum of one thousand (1,000) Notes in aggregate are made available under each Offer. The Proceeds of each Offer (being the aggregate Issue Price of all Notes) are expected to be £1,000 if the minimum number of Notes are issued and the subscription price is paid, and the maximum amount will be equal to the aggregate nominal amount of the relevant Series (plus accrued interest, if applicable) if the subscription price is paid. The minimum application size per Investor is £1,000. Castle Trust offers Notes from the date on which the Offer Period begins until 14.00 (London time) on the date on which the Offer Period ends or such earlier or later date as the Issuer may agree. Applications received after the end of the Offer Period are not accepted. Notes are allocated and transferred to Investors as successful applications are received and processed by Castle Trust. No Notes of any Offer Series are offered for sale after the end of the Offer Period (subject to the Issuer's above-mentioned discretion to extend or shorten the Offer Period). The Issuer (as advised by Castle Trust) may reject any application in respect of the Offer in its absolute discretion. Multiple applications under the Offer are permitted. On receipt of an application, Castle Trust sends a notice within five Business Days detailing an Investor's right to cancel their investment and informing the Investor of the number of Notes they have acquired. Dealing may begin once Castle Trust has sent such notification. There is a 14 day period commencing on the receipt of such notice by the Investor during which an Investor can withdraw or reduce their investment. The right to cancel notice is deemed to be received by the Investor two Business Days after it is posted by Castle Trust. Castle Trust will repurchase Notes in such instances at the Issue Price in accordance with the Fortress Bond Terms and Conditions. [***Issue specific summary:*** Offer Period: [●] – [●] [Amount of any expenses and taxes specifically charged to the Investor: [Not Applicable]/[●]] [Names and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [None/[●]]
E.4	**Description of**	Castle Trust and CTCM act as initial purchaser and marketing manager (respectively) of

	any Interests	the Notes and CTCM will be paid fees in relation to its role as marketing manager. Castle Trust and CTCM may perform other services for the Issuer and its affiliates. **[Issue specific summary:** [Save for certain fees payable to CTCM (equal in amount to £[•]) in connection with the issue of the Notes and the net amounts of the Notes advanced to Castle Trust under the Borrower Loan Agreement] [and save for [•]], no person involved in the issue of the Notes has an interest material to the offer.]
E.7	**Estimated expenses charged to Investor**	Investors who invest directly with Castle Trust are not subject to an initial charge. No other charges are levied on Investors by the Issuer, CTF or CTT. Investors may be subject to third party charges from financial intermediaries or service providers in relation to the Fortress Bonds.

PART II

RISK FACTORS

Prospective investors should note that the risks relating to the Group, its industry and the Notes summarised in the section of this Base Prospectus headed "Summary" are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Issuer and Castle Trust face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons, which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Any risk that the Issuer considers to be material has been disclosed here.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

Contents of this Part II

1 Risks relating to the Issuer

Castle Trust Direct plc (the "**Issuer**") has no material assets save for the obligations of Castle Trust Capital plc ("**Castle Trust**"), Castle Trust Finance Limited ("**CTF**") and Castle Trust Treasury Limited ("**CTT**") (together, the "**Borrowers**") under the "**Borrower Loan Agreement**" (the facility agreement dated 3 July 2014 between the Issuer (as lender) and Castle Trust (as borrower), and amended on 29 June 2015 to document CTF's accession to the facility agreement as an additional borrower and as further amended on 28 April 2017 to document CTT's accession to the facility agreement as an additional borrower, pursuant to which the Issuer lends money to Castle Trust and/or CTT as required (an "**Advance**"), using the proceeds of issuance of each series of notes (the "**Notes**", with each series of Note being a "**Series**") issued by the Issuer (a summary of which can be found in paragraph 5 of Part XIX (*General information*) of this document)). The Issuer advances the monies raised through each Series to Castle Trust and/or CTT to fund the "**Mortgage**" business (these mortgages being equity loans, UK residential house price index tracking mortgages and interest bearing mortgages advanced by Castle Trust and secured on UK property) and the "**POS Loans**" business (where Castle Trust, through its subsidiary Omni Capital Retail Finance Limited ("**OCRF**"), offers point-of-sale finance to UK consumers in order to fund, in full or in part, the purchase of certain products from suppliers who have partnered with OCRF for this purpose) operated by the "**Group**" (being Castle Trust and its subsidiaries, including Castle Trust Capital Management Limited ("**CTCM**"), the Issuer, CTF, CTT, Castle Trust POS Limited and OCRF. Under the Borrower Loan Agreement, Castle Trust, CTF and CTT are contractually obliged to repay the amount borrowed by Castle Trust with interest, and it is this payment obligation that enables the Issuer to meet its own obligations to the holders of the Notes (the "**Investors**"). Therefore, if the Borrowers fail to meet those obligations the Issuer will not be able to meet its obligations to Investors and will have no means to do so.

2 Risks relating to the Issuer's business

The investment objective for the Notes issued by the Issuer under the £1,500,000,000 Castle Trust Direct programme for the issuance of Notes (the "**Programme**"), to which this Base Prospectus relates, in respect of each Series of a particular term created by the Directors of the Issuer in accordance with the trust deed dated 3 July 2014 (as amended from time to time, including 24 June 2015, 13 June 2017, 20 March 2019 and 3 June 2019) between the Issuer and JTC Trustees (UK) Limited as trustee (the "**Trust Deed**"), is achieved through making an Advance under the Borrower Loan Agreement. The "**Final Redemption Amount**", which is the amount payable on the relevant "**Maturity Date**" in respect of the relevant Notes (being, in relation to the Notes issued in respect of a Series, the date such Notes will be compulsorily redeemed or repurchased as specified in the applicable Final Terms), and "**Interest**" payments, which is the interest payable in respect of Notes (at a rate, issue price and payment date(s) set out in the applicable Final Terms) during the offer period specified in the Final Terms (the "**Offer Period**") and notified to the individuals who are for the time being registered as holders of outstanding Notes prior to the end of such period, are funded by payments due to the Issuer under the Borrower Loan Agreement. The returns that the Borrowers gain from Castle Trust's Mortgage business and the POS Loans business, and the investment in cash and "**Sterling**" (being the lawful currency of the United Kingdom) fixed and floating interest rate instruments, are intended to generate the funds to satisfy the obligations of the Borrowers under the Borrower Loan Agreement and so provide the Issuer with the funds it requires to pay the Interest and the Final Redemption Amount for each Series.

If these returns do not materialise or are lower than expected it could limit funds available to the Borrowers to enable the Borrowers to satisfy in full and on a timely basis their obligations under the Borrower Loan Agreement.

3 Credit risk relating to the Issuer

The holders of the Notes (the "**Investors**") should be aware that the Issuer has no material assets save for the obligations of the Borrowers under the Borrower Loan Agreement and the funding of Interest and the Final Redemption Amount (being the amount payable on the relevant Maturity Date in respect of the relevant Notes) for each Series comes entirely from the Borrower Loan Agreement. There is no other source of funding of Interest and the Final Redemption Amount. Therefore, the Issuer is exposed to the same risks as Castle Trust, which are described below under the heading "Risks relating to Castle Trust – the Principal Borrower" and which risks Investors should review.

Investors should be aware that the Issuer's only investment in respect of each Series is the related Advance to Castle Trust and/or CTT, as required, under the Borrower Loan Agreement. Castle Trust is the "**Principal Borrower**", CTF is the "**First Additional Borrower**" and CTT is the "**Second Additional Borrower**" under the Borrower Loan Agreement, meaning that Castle Trust and CTT are liable to repay each Advance made to them respectively, and, if CTF fails to pay each Advance which has been transferred to CTF (as described below under the heading "Risks relating to Castle Trust – the Principal Borrower"), then Castle Trust will also be liable to pay any Advances CTF fails to pay. Accordingly, there is no spreading of risk between different counterparties. In addition, the Borrowers under the Borrower Loan Agreement have not provided security for their obligations.

The obligations in respect of the redemption of the Notes of each Series are solely obligations of the Issuer and neither the Borrowers nor any other person has any obligation to the Investors for payment of any amount due in respect of the relevant Notes save that when Investors purchase Notes from Castle Trust, they do so on terms and conditions that incorporate an obligation on the part of Castle Trust to repurchase such Notes on the Maturity Date for an amount equal to the Final Redemption Amount and any Interest due but unpaid in the event that the Issuer fails to redeem the Notes by 14.00 on the Maturity Date. Such Investors can opt for Castle Trust not to buy back their Notes, meaning that the Investors' only recourse will be to seek redemption of the Notes from the Issuer and **in which case such Investors will no longer be eligible claimants under the Financial Services Compensation Scheme (see "Financial Services Compensation Scheme ("FSCS")" below).**

If the Borrowers do not repay an Advance for any reason, there will be a shortfall in amounts available to the Issuer to pay the Interest and Final Redemption Amount payable on the related Series and, consequently, the relevant Investors may not receive the Final Redemption Amount, Interest payments, distributions or any other amounts.

4 Risks relating to the Issuer's investor base

The Issuer's only investors in each Series are retail investors (i.e. non-professional investors) investing in their individual capacities and the reliance on retail investors could lead to a reduction in available capital if the money invested or available to be invested in the market for Fortress Bonds or the wider market for bonds which are marketed to retail investors reduces or if individual retail investors choose not to invest in Castle Trust's business. Therefore, if no further money was injected into the business (resulting in low or zero growth in Castle Trust's business) this could, in turn, adversely impact the Issuer's ability to fulfil its obligations under the Notes (being the generation of funds the Issuer requires to pay the Interest and the Final Redemption Amount for each Series).

5 Risks relating to Castle Trust – the Principal Borrower

Castle Trust provides Mortgages predominantly to homeowners and buy to let investors. Castle Trust also provides Mortgages to residential property developers secured on UK property. More recently, Castle Trust (through its subsidiary OCRF) provides POS Loans to consumers.

A Castle Trust Mortgage is either a first-charge mortgage or a second-charge mortgage (for up to 50% of the value of a property). The borrower must, typically, retain a minimum of 15% of their own equity in the property. Mortgages are only usually granted to good credit quality customers for purchase or remortgage. In the majority of cases, there are no monthly payments.

On expiry of the Mortgage term, sale of the property or earlier redemption, depending on the terms of the individual Mortgage, Castle Trust typically recovers its principal plus interest, which is usually deferred until the Mortgage is repaid. In some cases the right to receive interest may be partially or wholly substituted by either a profit share of, typically, up to 40% of any increase in the value of the mortgaged property or a profit share linked to the movement in an Index during the term of the Mortgage ("**Profit Share**").

Mortgages are usually provided for terms of between 1 and 5 years but borrowers may redeem part or all of their Mortgage before the end of its term. After the first two years there are, typically, no early redemption charges for doing so. Mortgages which have an element of return linked to house price movements typically incorporate a minimum defined repayment amount.

In many cases Castle Trust Mortgages are subordinated to a first charge mortgage from a traditional lender (see above). A borrower is free to refinance his first charge mortgage at any time, provided the amount borrowed under that primary mortgage is not increased. The only exception to this is when the borrower uses an additional amount borrowed under the primary mortgage to repay part or all of their Castle Trust Mortgage.

Castle Trust receives Advances made by the Issuer under the Borrower Loan Agreement and also receives intragroup finance from CTT under the Master Intragroup Loan Agreement (as described below). On 29 June 2015, CTF acceded to the Borrower Loan Agreement and accepted the liability to repay certain loans made by the Issuer to Castle Trust. Castle Trust will also meet CTF's payment obligations under the Borrower Loan Agreement if and to the extent CTF is unable to meet them itself. On 28 April 2017, CTT acceded to the Borrower Loan Agreement as an additional borrower. As part of the risk management services CTT provides to the Group, it borrows from the Issuer under the Borrower Loan Agreement in order to provide term funding to certain members of the Group under the "**Master Intragroup Loan Agreement**" (being the facility agreement entered into on 28 April 2017 between all the members of the Group for the purpose of providing a contractual framework for the provision of loans between Group companies) so that Group companies can in turn fund their respective lending activities and/or working capital requirements. The Borrower Loan Agreement was entered into by the Issuer to generate Interest and the Final Redemption Amount in respect of any particular Series. This means that the risks Castle Trust faces as a result of its Mortgage and POS Loans lending operations and its cash investment operation may adversely impact its solvency and will directly affect its ability to meet payments due to the Issuer under the terms of the Borrower Loan Agreement. Various factors could adversely impact Castle Trust's solvency including the following:

5.1 *Castle Trust's exposure to the creditworthiness of borrowers*

Members of Castle Trust's management team and board have significant experience in managing the creditworthiness of borrowers. However, Castle Trust may be exposed to the risk of borrowers defaulting on their repayment obligations. In particular, if a borrower defaults on his primary mortgage, the borrower will be required to pay an interest charge as well as to repay Castle Trust's Mortgage early. If a borrower has defaulted then it is likely that he will also struggle to pay such interest charge and will also struggle to repay the Castle Trust Mortgage. Equally, if a borrower defaults on a POS Loan then it is likely Castle Trust (through its subsidiary OCRF) will not be able to recover all interest and principal owed. Such a default by individual borrowers is an inherent risk of lending businesses but on an individual level would have little impact on Castle Trust's business. However, systemic default by many borrowers would, if it occurred, have a significant impact on Castle Trust's business. Were a systemic default sufficiently large this could adversely affect the solvency of Castle Trust and could directly affect its ability to meet payments due to the Issuer under the terms of the Borrower Loan Agreement.

5.2 *Castle Trust's exposure to macroeconomic factors*

Macroeconomic factors including, but not limited to, developments in the on-going UK and global economic environment could adversely impact Castle Trust's business and operating results. The global economy has recently been experiencing a period of significant turbulence and uncertainty. Castle Trust's performance depends to a certain extent on a number of macroeconomic factors outside the control of Castle Trust which impact on UK house buying, mortgage lending, residential property development, consumer spending and demand for consumer finance, including political, financial and economic conditions. Factors which impact on house buying, mortgage lending, residential property development, consumer spending and demand for consumer finance include, among other things, gross domestic product growth, unemployment rates, consumer confidence, social and industrial unrest, the availability and cost of credit, interest rates, taxation, inflation and regulatory changes.

The future and long-term impact that UK macroeconomic factors will have on Castle Trust is difficult to predict. The relatively weak economic conditions in the UK over recent years have led to deterioration in consumer confidence and lower volumes of residential property transactions which could reduce the level of demand for Castle Trust's Mortgages and POS Loans. More recently, in connection with the UK's decision to leave the European Union as a result of the referendum held on 23 June 2016 ("**Brexit**"), Sterling has depreciated against the US dollar and the Euro (among other currencies) which has in turn resulted in higher inflation (imported inflation) in the UK. A higher cost of goods could reduce consumer spending, lowering demand for Castle Trust's Mortgages and POS Loans. Also, the general uncertainty caused by Brexit may reduce consumer confidence further, as the terms of the UK's withdrawal from the

European Union remain uncertain which would have a negative impact on both consumer spending and the number of residential property transactions and so, in turn, lower demand for Castle Trust's Mortgages and POS Loans. In particular, the terms of the Brexit withdrawal agreement have yet to be approved by the UK Parliament. If the UK Parliament fails to approve the withdrawal agreement before the current deadline of 31 October 2019, the UK could, as a result, leave the EU without a formal agreement and transition period, or, subject to agreement by the European Council, extend the 31 October 2019 Article 50 deadline for the UK's departure from the EU, or ultimately revoke its notification of its intent to leave the EU. As a result there exists considerable uncertainty over the arrangements which will be put in place between the UK and the EU, including the UK's continued access to the EU single market and the EU Passporting regime in relation to trade in goods and services, during and after any transitional period that might be agreed. There can be no assurance as to levels of future economic growth and any deterioration in the UK's economy could have an adverse impact on the future results of operations of Castle Trust. Moreover, any future economic growth may be modest. The impact and duration of UK economic weakness has proven very difficult to predict in the past and this will apply to any further deterioration or any recovery.

Domestic UK political tensions over the UK's withdrawal from the EU and its future relationship has also increased the risk of a number of other political events occurring in the UK, including a general election and referenda on independence for Scotland and the status of Northern Ireland in the UK. The possible occurrence of such events and the uncertain outcome of the arrangements which will be put in place for the UK to exit the EU could result in heightened market volatility and a significant risk of macroeconomic deterioration. In the event the UK leaves the EU without an approved withdrawal agreement ("**No Deal Brexit**"), there would be no transition period and the EU Passporting regime would immediately cease which means that Castle Trust would no longer be able to list the Notes on Euronext Dublin. Castle Trust have mitigated the risk by ensuring the Notes could be listed on other major exchanges (such as TISE). A No Deal Brexit could also negatively impact the UK economy and in turn lowering demand for Castle Trust's Mortgages.

Macroeconomic factors, including the recent economic weakness in the UK could result in an increased risk that borrowers may face financial difficulties which impact their ability to service the required repayments on their Mortgage (if a first charge Mortgage), their primary mortgages, which in turn could result in borrowers being unable to repay their Mortgage (if a second charge Mortgage) or their POS Loan(s). In particular, higher costs for businesses as a result of higher inflation caused by Brexit (as described above) could impact the employment market, which could in turn affect Castle Trust's borrowers' ability to repay their Mortgage(s) and/or POS Loan(s). Such a default by individual borrowers is an inherent risk of lending businesses but on an individual level would have little impact on Castle Trust's business. However, a systemic failure by a significant proportion of Mortgage and POS Loan borrowers at any given time may have an adverse effect on Castle Trust's financial condition and future prospects, in particular Castle Trust's ability to fulfil its obligations under the Notes (being the payment of the Interest and the Final Redemption Amount for each Series).

5.3 *Castle Trust's regulatory risk*

Castle Trust's management team and board have significant experience in managing regulatory relationships. Castle Trust provides some services which are subject to regulation by the Financial Conduct Authority (the "**FCA**") and such regulation is likely to increase.

If for any reason these changes meant that Castle Trust was unable to issue Mortgages and/or POS Loans (through its subsidiary, OCRF) then the Issuer may not be able to continue to issue Notes until and unless it could provide an alternative means of funding the returns for new Notes.

Failure of Castle Trust to implement and maintain appropriate processes and controls to ensure that it does not sell services or products which are not suitable for clients and to ensure that the conduct of Castle Trust's other activities complies with the relevant regulations, or failure of Castle Trust to review and update its regulatory permissions and the status of its authorised persons so as to ensure that its existing and new activities, as they develop, are consistent with Castle Trust's regulatory permissions and authorisations, could lead to public reprimand, the imposition of significant fines, the revocation of permissions or authorisations and/or regulatory sanctions. Any of these could lead to adverse publicity and reputational damage as well as financial loss, all of which could have a material adverse effect on the business, results of operations, financial condition and prospects of Castle Trust. However, Castle Trust considers this risk to be low.

Changes to income tax relief for residential landlords

With effect from 6 April 2017, the amount of income tax relief which residential landlords can claim on residential property finance has been restricted to the basic rate of tax. The changes can only affect residential properties owned and let by a natural person, a partnership or a trust and will be gradually introduced over 4 years, taking full effect from 6 April 2020. This change in tax treatment effectively imposed an increase in costs for residential landlords that could negatively impact the attractiveness of starting or continuing a residential property lettings business, which could in turn reduce demand for Castle Trust's buy to let Mortgages.

Stamp duty land tax increase for additional residential properties

On 1 April 2016, stamp duty land tax increased by 3% for purchases of additional residential properties, such as buy to let properties and second homes. This in effect imposed an additional entry cost on new residential property purchases that may reduce demand for Castle Trust's Mortgages. While Castle Trust mainly lends to existing property owners rather than property purchasers, this additional entry cost could nonetheless negatively affect Castle Trust's business, results of operations, profitability and/or financial condition. This could in turn adversely impact the ability of Castle Trust to meet its repayment obligations under the Borrower Loan Agreement, thereby negatively impacting the Issuer's ability to fulfil its obligations under the Notes.

Financial Policy Committee granted powers of direction in buy to let mortgage market

On 15 December 2016 (through the Bank of England Act 1998 (Macro-prudential Measures) Order 2016 (SI 2016/1240)), the Financial Policy Committee (the "**FPC**") was granted powers of direction in the buy to let mortgage market. The FPC now has the power to direct (if necessary to protect and enhance financial stability) the Prudential Regulation Authority and the FCA to require regulated lenders to place limits on mortgage lending by reference to loan-to-value ratios and interest coverage ratios. As such, Castle Trust (as a mortgage lender regulated by the FCA) could be subject to regulatory limitations on its buy to let mortgage volumes in the future, which could have a negative impact on Castle Trust's revenue. This could in turn adversely impact the ability of Castle Trust to meet its repayment obligations under the Borrower Loan Agreement, thereby negatively impacting the Issuer's ability to fulfil its obligations under the Notes.

Changes to rules governing the rental market

Under plans proposed by the government, landlords in the private rental market will no longer be able to evict tenants on no-fault grounds. Under s.21 of the Housing Act 1988, landlords are currently able to use an accelerated possession procedure and evict their tenants with two months' notice without needing a reason for doing so. The government is proposing to repeal s.21 as part of a raft of tenant-friendly legislation to give tenants greater security. There is also the potential for a future government to impose rent controls or similar measures which will further affect the rental market. These factors could decrease the attractiveness of starting or continuing a residential property lettings business, which could in turn reduce demand for Castle Trust's Mortgages.

Potential loss of EU passporting regime

The EU passporting regime for investment firms (legislated for in the Markets in Financial Instruments Directive (2004/39/EC), which was repealed and recast in January 2018 by MiFID II and the Markets in Financial Instruments Regulation (Regulation 600/2014), and transposed into the laws of England and Wales by the Financial Services and Markets Act 2000) provides, among other things, that prospectuses approved by the UK Listing Authority ("**UKLA**"), such as this Base Prospectus, will be recognised by other EU member states as valid for the purpose of seeking admission to trading of the securities to which the prospectus relates on a regulated market situated in any EU member state (while the United Kingdom is a member state of the European Union). Prospectuses approved by the UKLA are, therefore, currently not required to seek further approval from the competent authority of that EU member state before listing their securities on the regulated market and offering them to the public in any EU member state (while the United Kingdom is a member state of the European Union). The Issuer currently passports this Base Prospectus into Ireland for listing on the Irish Stock Exchange ("**Euronext Dublin**"). If the outcome of Brexit negotiations results in UK investment firms no longer being able to make use of the EU's passporting regime, then Castle Trust may not be able to continue listing their securities on Euronext Dublin and may need to seek admission to trading on The International Stock Exchange ("**TISE**") instead. While Castle Trust and the Issuer anticipate that, in the event they are notified that UK investment firms shall no longer be able to make use of the EU passporting regime, there would be time to arrange admission to trading on TISE before ceasing to trade on Euronext Dublin, there is nonetheless a risk that they could experience significant delay in the Notes being admitted to trading on TISE. Such delay could result in the Issuer being unable to offer its Notes to the public for a period of time. Given that the vast majority of Castle Trust's funding is currently provided by the issuance of the Issuer's Notes, any delay in admission to trading on TISE could have a significant effect on Castle Trust's ability to fund its lending businesses. Even a temporary reduction in funding could adversely affect Castle Trust's revenues and/or profits, which would, in turn, adversely impact the Issuer's ability to fulfil its obligations under the Notes.

Consumer credit

OCRF, a point-of-sale finance business acquired by Castle Trust on 17 January 2017, offers POS Loans to UK consumers who wish to finance, in full or in part, their purchase of certain products from certain suppliers who partner with OCRF. The Consumer Credit Act 1974 (the "**CCA 1974**") regulates some POS Loans (defined as debtor-creditor-supplier agreements in the legislation (a "**DCS POS Loan**")) and their distribution, marketing and servicing. Many provisions of the CCA 1974 are designed to protect consumers who purchase goods using DCS POS Loans and, as such, could negatively impact OCRF's (and, therefore, Castle Trust's) business. In particular, section 56 of the CCA 1974 provides that the supplier shall be deemed the agent of the lender, meaning that the lender can be liable for any misrepresentation made by the supplier in relation to the sale or finance of the product. As such, OCRF (and, therefore, Castle Trust) is exposed to the risk of increased litigation costs resulting from damages claims brought by customers claiming misrepresentation under section 56. Moreover, section 75 of the CCA 1974 provides that the consumer who purchases the product using a DCS POS Loan may bring a claim relating to a transaction (such as a claim for damages relating to personal injury suffered by the customer as a result of a malfunction by the product purchased or financed) against either or both of the supplier and the lender (who have concurrent and equal liability as a result of section 75(1) of the CCA 1974). There is therefore a risk that OCRF will incur increased costs as a result of customer claims being made against them under section 75(1) of the CCA 1974. The lender does benefit from a statutory indemnity against the supplier under section 75(2) of the CCA 1974 in the event the Lender suffers loss as a result of a claim made by the customer under section 75(1) of the CCA 1974 (and, in any event, OCRF's contractual arrangements with suppliers include a similar indemnity). However, there is a risk that a significant amount of time and additional litigation cost is required in order to recover money from the supplier in these circumstances. There is also a risk that the supplier will become bankrupt or insolvent before OCRF is able to make a successful claim, which could result in OCRF being unable to recover from the supplier in part or in full. Therefore, costs relating to claims made under the CCA 1974 (including claims under sections 56 and 75) could adversely affect Castle Trust's revenues and/or profits, which could, in turn, adversely impact the Issuer's ability to fulfil its obligations under the Notes.

Changes to liquidity and capital requirements resulting from the application for a banking licence

On 3 April 2018, the board of Castle Trust determined that, as its business has grown and evolved, Castle Trust would benefit from conversion to a bank. Accordingly Castle Trust is in dialogue with the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in order to pursue a banking licence application. This dialogue is ongoing and Castle Trust will update the market and this Base Prospectus when it has formally submitted a banking licence application.

As part of this application Castle Trust will be reviewing any changes in the amount of capital it will be required to hold if such application is successful and, if necessary, will be looking to raise additional capital as part of that process.

Any additional capital that would need to be acquired by Castle Trust in order to obtain a banking licence in the near future is most likely to be acquired by raising additional equity funding. Castle Trust's assets and liabilities, financial position, profits and losses and prospects are unlikely to be materially affected by such additional equity funding. While any such capital injection would be used to replace debt funding on the current portfolio of lending assets, this would not reduce Castle Trust's debt-related costs (primarily interest) as Fortress Bonds are fixed term liabilities and funds raised to date cannot be unilaterally pre-paid by Castle Trust (without making certain make-whole payments to investors). Any such capital injection is not likely to reduce absolute debt costs in the future either as the business will most likely continue to grow using a combination of retail debt (either Fortress Bonds or deposits, depending on the outcome of the banking licence application) and wholesale funding. However, all else being equal, relative debt costs associated with each pound of lending are likely to be lower than has been the case previously as a result of the higher ratio of capital funding required by banks compared to investment firms.

However, if Castle Trust were not able to secure the equity funding required to meet the capital requirements for UK banks, then it is unlikely to obtain a banking licence and would likely no longer proceed with the banking licence application. In the event Castle Trust did not obtain a banking licence for such reason or, indeed, for any other reason and if Castle Trust were not able to generate its own capital rapidly (in the form of retained earnings), nor raise equity for growth, as an investment firm, then the business would be capital constrained and Castle Trust's ability to grow would be materially impacted.

If Castle Trust was unable to grow as a result of it not securing a banking licence (for the reasons set out above), then Castle Trust's fund-raising activities would likely be reduced to the level necessary to replace maturing debt (Fortress Bonds and wholesale funding) and its lending activities would in turn be reduced to levels that were sustainable given the capital and funding restrictions described. As such, it is likely that Castle Trust's assets and liabilities would grow at a much slower pace (if at all) and its prospects and profitability would be significantly diminished. This would result in Castle Trust having less diversification in its lending portfolio, making the business more sensitive to defaults than it otherwise would be. Equally, a zero-growth business may be unattractive to prospective investors in Fortress Bonds, affecting Castle Trust's ability to raise the funds necessary (or at least, at a reasonable cost) to sustain its business activities. Therefore, if Castle Trust did not obtain a banking licence, and no further capital was injected into or generated by the business, resulting in low or zero growth in Castle Trust's business, this could, in turn, adversely impact the Issuer's ability to fulfil its obligations under the Notes.

5.4 *Castle Trust's asset and liability matching risk*

Castle Trust's Mortgages and POS Loans are not readily tradable and, if the time from origination to repayment is longer than usual in the UK mortgage market or UK point-of-sale finance market respectively, Castle Trust may not have sufficient liquid resources (meaning assets such as cash at bank, senior bank debt, externally managed liquidity funds, securities issued by the UK government and other high quality liquid assets (all with a maturity of less than or equal to two years) as described below) to meet its obligations. Between 1999 and 2018 the implied average duration has varied from 4.0 years to 9.2 years (Source: Castle Trust calculated the implied average duration as the average outstanding lending over a year divided by the repayments in that year. Lending and repayments data Bank of England statistics ref LPQB4C6 and LPQVTXH, accessed 22 March 2019).

Asset and liability matching is core to Castle Trust's business model and members of Castle Trust's management team and board have significant experience in managing the matching of assets and liabilities. Castle Trust seeks to match the expected duration of its balance sheet liabilities to the expected average duration of its balance sheet assets within its board risk limits which include liquidity risk limits (the risk that Castle Trust cannot sell its Mortgages and POS Loans to a third party quickly enough to prevent or minimise the risk of Castle Trust being unable to meet its repayment obligations to the Issuer and, in turn, Investors). It does this through the management of the duration profile of the funding it raises and the assets it purchases. To provide a liquidity buffer for fluctuations around the expected average duration, Castle Trust targets retaining a minimum of 10% of funds raised from "**Fortress Bonds**" (meaning a fixed rate Note or floating rate Note (as the case may be) that has been sold by Castle Trust to an Investor on the terms of the Fortress Bond Terms and Conditions set out in Part XX (*The Castle Trust Direct plc Fortress Bond terms and Conditions)* of this Base Prospectus) in assets such as cash at bank (money held in a bank account), senior bank debt (deposits, certificates of deposit and commercial paper), externally managed liquidity funds, securities issued by the UK government (gilts and treasury bills) and other high quality liquid assets. All of these investments must have a maturity of less than or equal to two years.

Castle Trust seeks to manage the interest rate exposure present in both its assets and liabilities in the same manner.

In addition to interest and duration risk (the risk that Castle Trust's portfolio of Mortgages and POS Loans will mature before or after the portfolio of Castle Trust's liabilities), the Castle Trust balance sheet is impacted by movements in the price of UK residential property through its provision of Mortgages and issue of house price linked funding. Castle Trust seeks to match the constituents of the Halifax House Price Index or the Halifax Greater London House Price Index (each an "**Index**" and together the "**Indices**") meaning that the residential property exposure of its assets should match that of its liabilities. However, there remains the risk that the Indices will outperform Castle Trust's assets (known as "**index tracking error**") and therefore it may be unable to meet its liabilities under the Borrower Loan Agreement if Castle Trust holds insufficient cash or fixed or floating rate income securities. Changes to the methodology, rules or data used by the index sponsor in calculating the Indices may reduce the ability of Castle Trust to match its assets and liabilities. The probability of index tracking error having such an extreme impact that Castle Trust will be unable to meet its liabilities is low. This is because, in the event that Castle Trust sees general falls in the value of properties for which it has provided Mortgages, then, provided that such properties are a reflective sample of properties that make up the Indices, the Indices will fall in a similar manner, reducing Castle Trust's liabilities. In circumstances where there is a greater than 25% fall in national property values, the likelihood is increased that some borrowers will have moved into negative equity, thereby exposing Castle Trust to greater potential for a loss on foreclosure. The probability of this occurring is considered by Castle Trust to be low because historical trends indicate that it is very unlikely to happen but it may have a significant impact on Castle Trust's business if it were to occur.

5.5 *Castle Trust's risk of losing key employees*

The ability to successfully operate and grow the Castle Trust business is largely dependent on the efforts, abilities and services of senior management and other key employees. Castle Trust's future success will also depend on, among other factors, its ability to attract and retain qualified personnel, either through internal training and promotion, direct hiring or the acquisition of other businesses employing such professionals. In particular, Castle Trust's management team have developed an important understanding of both the market for Mortgages and interest rate and house price linked investment products, as well as experience of going through the regulatory process with the FCA, the Irish Stock Exchange, trading as Euronext Dublin ("**Euronext Dublin**") and The International Stock Exchange Authority Limited. Recent additions to Castle Trust's management team and the existing management team of OCRF through the POS Loans business that Castle Trust acquired on 17 January 2017, have brought with them extensive experience in and understanding of the consumer credit market and point-of-sale finance in particular. As Castle Trust develops its Mortgage and POS Loan propositions and enhances its investment proposition, it will need to retain additional skilled employees to maintain such relationships. An inability to attract and retain key employees could materially adversely affect Castle Trust's business, operating results or financial condition.

5.6 *Castle Trust's risks in relation to third party service providers and suppliers*

Castle Trust's ability to operate and grow its business in a controlled manner is significantly dependent on people, processes and systems provided by third party outsource providers and suppliers. Third parties provide a wide range of services for Castle Trust including (i) in relation to its investment products: transaction processing, client and financial record keeping, client and broker communications, client money and anti-money laundering controls and management information and reporting, (ii) in relation to its mortgage products: pre completion credit and anti-fraud analysis, post completion credit analysis, valuation panel management services and a post completion servicing system which is administered in house within Castle Trust's operations centre; and (iii) IT systems architecture, software and data services. Any significant or persistent failure by any third party to deliver services in accordance with their contractual obligations to Castle Trust could result in adverse publicity, reputational damage or otherwise materially adversely impact Castle Trust's business, operating results or financial condition.

5.7 *Castle Trust's risk as a new business*

Castle Trust has been trading since October 2012, a period of approximately 6 years and 9 months. Whilst Castle Trust has, as at 30 September 2018, £532,055,000 of Mortgages (carrying value) on its balance sheet and it is the board's opinion that the company's positive growth trend is now established, there is a risk that demand for Mortgages and POS Loans in the future will either fail to grow or will diminish. Members of Castle Trust's management team and board have significant experience in establishing and running new businesses, particularly in retail financial services. If the development of Castle Trust's Mortgage and POS Loan franchises do not achieve anticipated growth rates, the board may seek to alter or extend the company's business model by designing and launching mortgage and/or consumer finance products which meet the evolving needs of its customers and prospective customers or by using the subscription proceeds to generate Interest and Final Redemption Amounts in ways that are different from those described in this Base Prospectus.

5.8 *Risk of Castle Trust taking on further counterparty liabilities*

Castle Trust is a new business seeking opportunities to expand its markets and its product lines. Aside from the Income Housa, Growth Housa and Foundation Housa products (described below), discussions of new products are currently only at the exploratory stage and no decisions have yet been taken in respect of any products that might be offered or the structures that might be used for these products.

On 4 October 2012 the Group launched two products, an Income Housa and a Growth Housa. The Income Housa product was discontinued on 1 August 2015. The Growth Housa product was discontinued on 4 December 2015.

An "**Income Housa**" is an investment for a fixed term of 3, 5 or 10 years, giving investors the opportunity to share in the performance of UK house prices through the Halifax House Price Index ("**HHPI**") with a fixed income every three months. The Income Housa is a 'loan note' issued by CTIH, a Jersey company and a sister company to the Issuer. The level of interest an investor receives depends on the investment term such investor chooses at the start and is paid out every three months for the full term. CTIH then repays the loan note at the end of the term. The value of the loan note at the end of the investment term is directly linked to the change in the HHPI, so an investor's original investment will be adjusted for the rise or fall in the HHPI over the term.

"**Growth Housas**" are participating preference shares of Castle Trust PCC and its cell company Castle Trust Growth Housa PC with similar properties to Income Housas. In a similar manner to Income Housas, Growth Housas are offered in 2 classes each month: 2 year shares and 5 year shares. As with the Income Housa, the Growth Housa is an investment product which is designed to grant the investor exposure to the potential growth or fall of the HHPI over the life of the product. It will provide a return such that the amount invested will be adjusted by the returns providing an enhanced exposure to the upside in the HHPI and a reduced exposure to the downside. The precise terms of the return payable to investors depend on the duration of the product and whether the investment is held until redemption or is redeemed early at Castle Trust's discretion.

On 1 February 2014, the Group launched the Foundation Housa. This product was discontinued on 4 December 2015. The "**Foundation Housa**" is similar to the Growth Housa, being a share in Castle Trust PCC – Castle Trust Growth Housa PC but is for a fixed term of either 5 or 10 years and offers a different return on the HHPI. The Foundation Housa delivers participation in any growth in HHPI over the 5 year or 10 year term to the investor, or the return of their original investment should the HHPI level be lower at the end of the term than at the start.

Castle Trust acts as counterparty in each of the Income Housa, Growth Housa, Foundation Housa and Fortress Bond transactions through the provision of investment products which generate the relevant return. Castle Trust's liabilities under such products will rank *pari passu* with its liabilities under (i) the "**Intra Group Loan Agreement**" (being the facility agreement entered into on 29 June 2015 between CTF (as lender) and Castle Trust (as borrower), pursuant to which CTF may make advances to Castle Trust of the cashflows it receives from the assets CTF purchased from Castle Trust under a purchase agreement also dated 29 June 2015 (the "**Purchase Agreement**")), (ii) the Master Intragroup Loan Agreement, and (iii) the Borrower Loan Agreement.

It is possible that Castle Trust will launch additional investment products to be offered alongside the Income Housas, the Growth Housas, the Foundation Housas and the Fortress Bonds. Whilst no decision has yet been made as to the structure of any new product (including as to whether such new product might be offered through existing Castle Trust entities or through a new company), if a counterparty were required then it is likely that Castle Trust would again act as such counterparty. It is most likely, however, that the obligations of Castle Trust under any new products would rank *pari passu* with its obligations in respect of the Income Housas, the Growth Housas, the Foundation Housas and the Fortress Bonds.

If Castle Trust were to act as counterparty to additional investment products, and its liabilities under these additional investment products were to rank *pari passu* with its liabilities under the investment products in respect of Income Housas, Growth Housas and the Foundation Housas and its liabilities under the Intra

Group Loan Agreement, the Master Intragroup Loan Agreement and the Borrower Loan Agreement in respect of Fortress Bonds, the creditworthiness of Castle Trust would be reduced in proportion to the amount of additional liability that it accepts as counterparty to such alternative investment products if, for example, the new product pays a return which is not wholly correlated with Castle Trust's portfolio of Mortgages, POS Loans and liquid assets.

5.9 *Possible exposure of Castle Trust to fraud*

It is Castle Trust's belief that the incidence of fraud has historically been higher in the buy to let and residential development markets than amongst owner occupiers. It is also Castle Trust's belief that the incidence of online identity fraud is increasing, with any increase in fraud negatively affecting OCRF's online point-of-sale finance business.

With Castle Trust continuing its operations in the buy to let and residential development mortgage markets, having entered into the consumer finance market through its acquisition of OCRF, a point-of-sale finance business and as an originator and potential purchaser of loan assets, Castle Trust is exposed to possible fraud by borrowers, purported borrowers, their professional advisors (such as solicitors, accountants or valuers) and employees. In relation to Mortgages, attempted fraud typically involves borrowers, either acting alone or in concert with professional advisers, seeking to obtain funds by adopting a false identity or using a false inflated property valuation or purporting to own a property or seeking a release of security without redeeming the underlying loan. In addition, solicitors or conveyancers could abscond with completion monies, although redress under the indemnity arrangements required by the Solicitors Regulation Authority is normally available in such circumstances in relation to solicitors. In relation to POS Loans, attempted fraud typically involves identity theft.

Castle Trust has in place processes and procedures to counter fraud. Castle Trust uses industry standard anti-fraud systems (software provided by third-parties) to screen data at the point of application. The systems match application data against multiple data sources including (i) Castle Trust's own fraud data, (ii) shared fraud databases, (iii) mortality data and (iv) dedicated watch lists maintained by the third-party system providers. Cross-referencing between these data sources highlights any inconsistencies. Castle Trust uses the results of this cross-reference to perform further analysis on the application. Castle Trust's fraud analysts will reject applications at this stage if they are not able to explain the application's inconsistencies to the extent that the application can be deemed a low risk applicant according to Castle Trust's internal risk metrics. However, despite these processes and procedures, it is still possible for Castle Trust to be the victim of large scale fraud. If large scale fraud were to occur, it could adversely affect Castle Trust's revenues and/or profits, which could in turn adversely impact the Issuer's ability to fulfil its obligations under the Notes.

OCRF, Castle Trust's subsidiary, also has in place processes and procedures to counter fraud, using industry standard anti-fraud systems (software provided by third-parties) to screen data at the point of application. The systems have several safeguards to verify the identity of the applicant and match application data against multiple data sources, including (i) OCRF's own fraud data, (ii) shared fraud databases, (iii) mortality data and (iv) application characteristics (e.g. internet IP address). Where inconsistencies are identified, this process automatically requires the applicant to provide further documentation to prove their identity. If valid documentation is not provided, the application will be terminated. Upon receipt of any further documentation, additional verification checks are conducted by OCRF's underwriters. Management trend analysis is in place to provide early warning in the event a number of fraudulent applications are received from a specific retailer or geographical area. However, despite these processes and procedures, it is still possible for OCRF to be the victim of large scale fraud. If large scale fraud were to occur, it could adversely affect OCRF's (and, therefore, Castle Trust's) revenues and/or profits, which could in turn adversely impact the Issuer's ability to fulfil its obligations under the Notes.

5.10 *Competition in Castle Trust's mortgage markets and point-of-sale finance market*

The UK financial services market is highly competitive. Competitors in the owner-occupier, buy to let and residential development mortgage markets range from large multi-product high street banks to small and highly specialised operations. Castle Trust's buy to let and residential development mortgage operations exist in areas of the market that are at present less regulated than other financial sectors. This limits barriers to entry to the market which creates the potential for an increase in the number of new competitors, or speed with which existing competitors can launch new products.

The UK point-of-sale finance market is also becoming more competitive as the market grows. Competitors in the point-of-sale finance market range from large, established personal finance and payment providers to highly specialised operations. OCRF's point-of-sale finance business exists in areas of the market that are less regulated than other financial sectors. This limits barriers to entry to the market which creates the potential for an increase in the number of new competitors, or speed at which existing competitors can launch new products.

The market is expected to remain highly competitive in all of Castle Trust's business areas, which could adversely affect Castle Trust's business, results of operations and financial condition.

6 Risks relating to CTF – the First Additional Borrower

The Investors should be aware that CTF has no material assets save for the obligations of Castle Trust under the Intra Group Loan Agreement and the Purchase Agreement. Therefore, CTF is exposed to the risk of Castle Trust defaulting on its payment obligations. Default by Castle Trust would, if it occurred, have a significant impact on CTF's ability to meet its own payment obligations to the Issuer under the Borrower Loan Agreement, which in turn would negatively impact the Issuer's ability to fulfil its obligations under the Notes.

This risk is not mitigated by the fact that Castle Trust, under the provisions of the Borrower Loan Agreement, would be obliged to meet CTF's payment obligations if and to the extent CTF could not meet those obligations itself, because the only scenario in which CTF would not be able to meet its obligations to the Issuer would be if Castle Trust could not meet its payment obligations to CTF (under the Purchase Agreement and the Intra Group Loan Agreement). Therefore, CTF is subject to all the risks relating to income and expenses to which Castle Trust is subject. Investors should review the "*Risks relating to Castle Trust*" for an understanding as to the risks associated with Castle Trust.

7 Risks relating to CTT – the Second Additional Borrower

Investors should be aware that CTT has no material assets save for the obligations of Group companies (including Castle Trust) under the Master Intragroup Loan Agreement. Therefore, CTT is exposed to the risk of Group companies defaulting on their payment obligations. Default by any of the Group companies would, if it occurred, have a significant impact on CTT's ability to meet its own payment obligations to the Issuer under the Borrower Loan Agreement, which in turn would negatively impact the Issuer's ability to fulfil its obligations under the Notes.

CTT is reliant on the ongoing creditworthiness of Group companies, all of which are ultimately owned by Castle Trust. Accordingly, CTT is subject to all the risks relating to income and expenses to which Castle Trust is subject. Investors should review the "*Risks relating to Castle Trust*" for an understanding as to the risks associated with Castle Trust.

8 Financial Services Compensation Scheme ("FSCS")

The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms. The FSCS can pay compensation to customers if a firm is unable to, or unlikely to be able to, pay claims against it. The FSCS is funded by annual levies imposed on firms authorised by the FCA, including Castle Trust.

When investing, Investors purchase their Notes from Castle Trust, which is a purchase governed by the Fortress Bond Terms and Conditions (set out in Part XX (*The Castle Trust Direct plc Fortress Bond Terms and Conditions)* of this Base Prospectus). Under the Fortress Bond Terms and Conditions, on the maturity of the Notes, Castle Trust will repurchase the Notes for an amount equal to the Final Redemption Amount and Interest during the Offer Period and notified to the individuals who are for the time being registered as holders of outstanding Notes prior to the end of such period) due but unpaid.

Castle Trust is authorised and regulated by the Financial Conduct Authority to carry out regulated activity and is a participant in the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to Investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations. Such compensation is only available to the

Investors who have purchased their Notes directly from Castle Trust (or those Investors who have inherited their Notes from someone who themselves purchased their Notes directly from Castle Trust) and have not opted out of Castle Trust's buy back obligation. FSCS compensation is not available for Investors who purchased their Notes on the secondary market. If an Investor has suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back the Notes because it had become insolvent) then the Investor would be able to seek compensation from the FSCS, provided the Investor is an eligible claimant. Most Investors, including most individuals and some small businesses, would currently be deemed to be eligible claimants by the FSCS. In respect of investments, an eligible claimant is entitled to claim up to £85,000 of losses. For further information about the FSCS, including the amounts covered and eligibility to claim, please ask Castle Trust for more detail or refer to the FSCS website www.fscs.org.uk.

There is a risk, however, that the FSCS may cease to operate or will not be sufficiently funded to meet the compensation claims of Investors and accordingly they may not be compensated for the full amount of the relevant Final Redemption Amount and Interest due but unpaid.

9 Borrower Loan Agreement risk

The Issuer's sole asset is the Borrower Loan Agreement which is designed to enable the Issuer to meet its liabilities under the Notes by receiving repayments from the Borrowers. The Borrower Loan Agreement contains (i) a limited obligation on CTF to pay an amount equal to the Interest payments during the Offer Period due to the Investors as they fall due and an amount not less than the Final Redemption Amount as Notes mature, and (ii) an obligation on Castle Trust to meet those payment obligations if and to the extent CTF is unable or not required to meet them. Other than via litigation for contractual breach, the Issuer has no access to the assets of the Borrowers in the event that the Borrowers fail to meet their payment obligations under the Borrower Loan Agreement. Therefore, in such circumstances the Issuer will in turn be unable to meet its obligations to Investors.

10 Risks relating to the Group's securitisation activities

On 20 April 2018 Omni Capital Retail Finance Limited ("**OCRF**") entered into a private securitisation (the "**Securitisation**") with Citibank N.A., London Branch ("**Citibank**"). The Securitisation is structured such that OCRF is able to sell the POS Loans (the "**Receivables**") to a newly incorporated special purpose vehicle, Castle Trust Belfry Limited ("**CTBL**"). CTBL will fund the purchase in part by borrowing up to £75 million from Citibank over a period of up to two years secured by first ranking security over the Receivables. The Securitisation imposes certain restrictions on CTBL as to its operations and activities which require it to act as a special purpose vehicle and prevent it from raising other funds or dealing generally with the Receivables. In addition the Securitisation imposes certain, more limited, restrictions on the manner in which OCRF conducts its business. In particular those restrictions on OCRF limit the extent to which OCRF can make changes to its credit management procedures, underwriting criteria or standard documentation used for the POS Loans. If OCRF were to seek to amend the credit management procedures, underwriting criteria or standard documentation used for the POS Loans in ways which were not permitted by the documents and Citibank did not agree to such variation or amendment, the restrictions may delay or prevent the implementation of certain of OCRF's activities and may over the longer term limit the Group's ability to plan for or react to market conditions, meet capital needs, or otherwise restrict the Group's activities or business plans.

10.1 *Risks of Leverage - borrowing can work against as well as for the Group*

The additional source of liquidity made available to the Group due to the Securitisation works in its favour, however, borrowing exposes the Group to potential risks involved in the cost of maintaining the debt created. In particular the cost of any such debt to the Group will be adversely impacted by increases in interest rates from current levels. This may adversely affect the ability of the Group to grow in the future and/or may increase the cost of the debt to the Group which could, as a consequence, have an adverse impact on the financial position of the Group and the ability of the Issuer to pay interest and the Final Redemption Amount to Noteholders.

"**Noteholders**" are the several persons who are for the time being registered as holders of outstanding Notes save that, in respect of the Notes of any Series, for so long as such Notes or any part thereof are represented by a Global Certificate held by, and registered in the name of, Castle Trust Capital Nominees Limited (the "**Nominee**), each person (other than the Nominee) who is for the time being shown in the records of the Nominee as the holder of a particular nominal amount of the Notes of such Series (in which regard any certificate or other document issued by the Nominee as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Notes (and the holder of the relevant Global Certificate shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the Issuer and JTC Trustees (UK) Limited (the "**Trustee**"), solely in the bearer of such Global Certificate in accordance with and subject to its terms and the provisions of the Trust Deed and the terms and conditions of the Notes set out in the Trust Deed (the "**Note Conditions**").

10.2 *Priority of secured obligations*

Pursuant to the documents relating to the Securitisation, CTBL has granted security in favour of Citibank over the Receivables. In the event of an enforcement of such security (whether in insolvency or otherwise), Citibank would have a first ranking claim to these Receivables ahead of other members of the Group and, indirectly, the unsecured Noteholders.

10 **Risks relating to the Notes**

10.1 *The capital of Investors subscribing for Notes may be at risk*

As described above (see "*Financial Services Compensation Scheme*"), Investors who have purchased the Notes directly from Castle Trust (or those Investors who have inherited their Notes from someone who themselves purchased their Notes directly from Castle Trust) and have not opted out of Castle Trust's buy back obligation would be able to seek compensation from the FSCS, provided the Investor making the claim is an eligible claimant. If an Investor has suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back the Notes because it had become insolvent). FSCS compensation is not available for Investors who purchased their Notes on the secondary market.

There is a risk, in relation to Investors eligible for compensation by the FSCS that, if the Issuer and/or Castle Trust goes out of business or becomes insolvent and the FSCS ceases to operate or is not sufficiently funded to meet the compensation claims of Investors, Investors may lose all or part of their investment in the Notes. An eligible investor is entitled to claim up to £85,000 per firm with which he holds investments.

In addition, for those Investors who purchased their Notes on the secondary market and for whom FSCS compensation is not available, they may lose all or part of their investment in the Notes if the Issuer goes out of business or becomes insolvent.

10.2 *No secondary market for the Notes*

There is currently no secondary market for the Notes and Investors should be aware that there is no assurance and no expectation that an active trading market for the Notes will develop or, if developed, be sustained. Neither the Issuer nor Castle Trust is under an obligation to make a market in the Notes.

Investors should be aware that investment in any Notes should be viewed as an investment for the full "Investment Term" of such Notes. "**Investment Term**" means the duration of the Fortress Bond, which starts on (and includes) the day after the end of the Offer Period and ends on the Maturity Date provided that the Maturity Date may change and Investment Term may be extended if the Noteholder of the Note has the option to and elects to extend the duration of such Note in accordance with the terms and conditions of the Notes.

Fortress Bond products are sold as term investments and Castle Trust expects that most Investors will not wish to sell or redeem them at a date that is sooner than full term. It is not anticipated that the market for Fortress Bond products will become large enough to incentivise an independent third party to encourage the development of a secondary market.

If Noteholders wish to exit their investment in Notes and cannot trade them publicly, they may, where the Notes include an early encashment feature (referred to as an investor put) request Castle Trust to repurchase their Notes prior to their Maturity Date. Each "**Business Day**" (being a day (excluding Saturdays, Sundays and public holidays) on which commercial banks in Dublin, Guernsey and London are normally open for business, Castle Trust will agree to repurchase Notes from a Noteholder at a price reflecting the period of investment subject to an early redemption charge (which will be set out in the applicable Final Terms).

If Castle Trust is not able to repurchase Notes, there may not be a market maker to offer to buy and sell the Notes in the secondary market during their Investment Term.

10.3 *The market price of the Notes (traded independently of Castle Trust) may fluctuate significantly in response to a number of factors, many of which will be beyond the Issuer's control.*

If an active trading market develops (although there is no expectation that such a market will develop independently of Castle Trust), the market price of the Notes may fluctuate significantly in response to a number of factors, most of which are beyond the Issuer's control, including trade size, cost of funding, interest rates, credit risk, supply and demand as well as a bid/offer spread. Any or all of these events could result in a material decline in the price of the Notes. **Investors should note that any Notes purchased on the secondary market will not be covered by the FSCS in respect of the "Final Redemption Amount" (being the amount payable on the relevant Maturity Date in respect of the relevant Notes) payable for such Notes on the maturity of such Notes, or any "Interest" (being the interest payable in respect of Notes (at a rate, issue price and payment date(s) set out in the applicable Final Terms as amended and/or extended in the case of certain Notes at the option of the Noteholders in accordance with the terms and conditions) during the Offer Period and notified to the individuals who are for the time being registered as holders of outstanding Notes prior to the end of such period) due but unpaid by the Issuer.**

Even if an active trading market develops, the price which can be obtained for Notes in the market at any time may be less than the Final Redemption Amount or even the issue price in respect of those Notes. **Any Investor who disposes of any Notes prior to their Maturity Date may receive back less than the amount which he or she invested in the Notes.**

10.4 *Changes in taxation may affect the value of the investments held by an Investor or the Final Redemption Amount.*

Any change in the Issuer's tax status, or in taxation legislation or in the interpretation or application of tax legislation in the UK, or in any other tax jurisdiction affecting an Investor, could affect the value of the investments held by an Investor, the amount paid to the Issuer under the Borrower Loan Agreement, the Issuer's ability to achieve the stated investment objective of each Series and/or alter the post-tax returns to Investors. Statements in this document concerning the taxation of Investors resident in the UK are based upon current UK tax law and practice which is subject to change, possibly with retrospective effect. Any such change could adversely affect the ability of the Issuer to meet the stated investment objective or adversely affect the ability of the Issuer to pay the Interest or the Final Redemption Amount in relation to the Notes on the relevant "**Final Repayment Date**" (being the final repayment date specified in the applicable Final Terms as extended in the case of certain Notes at the option of the Noteholders) to Investors. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Issuer will endure indefinitely.

Notes qualify to be held by Investors in a SIPP or ISA to shelter them from tax that might otherwise be payable. There is a risk that regulations may change or HMRC's rules may change such that Notes could become ineligible to be held in a SIPP or ISA, or any gains from the Notes held in a SIPP or ISA may become taxable.

It is not currently anticipated that there will be any withholding obligation on account of tax affecting payments made under the Borrower Loan Agreement. If, however, there is a change in tax legislation at any time which imposes an obligation to withhold on account of tax from payments by the Borrowers to the Issuer under the Borrower Loan Agreement, the amount payable by the Borrowers may be reduced by the amount of such withholding. This may affect the ability of the Issuer to pay the Interest and/or Final Redemption Amount to Investors. **In particular, it should be noted that if a change in taxation law were to result in the obligation to withhold on account of tax from payments to Investors under the Notes, the amount of the Interest and Final Redemption Amount actually received by Investors would be reduced. The Issuer will not make any additional payments to Investors in the event that any withholding obligation is imposed on payments by the Issuer under the Notes issued in**

respect of any Series.

10.5 *Interest rate risks*

The Notes may bear interest at a fixed rate. Potential investors should note that if interest rates rise, then the income payable on such Notes might become less attractive and, to the extent that investors are able to sell the Notes, the price that investors could realise on the sale of the Notes may fall.

However the market price of the Notes from time to time has no effect on the total income investors receive on maturity of the Notes if the investor holds the Notes until maturity. Further, inflation will reduce the real value of the Notes over time, which may affect what investors could buy with their investment in the future and may make the fixed rate payable on the Notes less attractive in the future, again affecting the price that investors could realise on any sale of the Notes.

10.6 *The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks" (including the London interbank offered rate ("**LIBOR**")) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks" (including LIBOR): (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

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

10.7 *Future discontinuance of LIBOR may adversely affect the value of Notes which reference LIBOR*

On 27 July 2017, the Chief Executive of the FCA, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Notes which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes set out in the marketing and agency agreement dated 16 October 2015 made between the Issuer, the Trustee and CTCM (as amended and/or supplemented and/or restated from time to time) (or the applicable Final Terms). Depending on the manner in which the LIBOR rate is to be determined under these provisions, this may (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Notes which reference LIBOR.

10.8 *Investors are relying solely on the creditworthiness of the Issuer*

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain debts preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer. Whilst the Issuer has advanced amounts to Castle Trust under the Borrower Loan Agreement and the Borrowers are obliged to repay each Advance to the Issuer equal in amount to a corresponding Series, neither CTF, CTT nor Castle Trust guarantees or otherwise provides credit support for the Notes and each investor in the Notes is relying on the creditworthiness of the Issuer and no other person. If the Issuer goes out of business or becomes insolvent, Noteholders may lose some or, in the worst case scenario, all of their investment in the Notes.

10.9 *Change of law*

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

11 **Status**

The Notes are unsubordinated and unsecured obligations of the Issuer and rank pari passu without any preference among themselves.

Potential investors rank equally with other creditors of the Issuer and will not be preferred.

12 **Risk of cancellation**

The Issuer may, in its absolute discretion, cancel the offer and issue of Notes at any time prior to the end of the Offer Period. If such a cancellation occurs, all application monies for the Notes will be returned (without interest) to each prospective investor at the prospective investor's risk by no later than 30 days after the date of such cancellation.

If this were to occur, prospective investors would suffer opportunity costs in relation to their investment because they would not receive any compensation from Castle Trust for the interest they could have earned on their money had it been invested elsewhere during such period, rather than being held by Castle Trust.

13 **Conditionality of the Offer**

The offer for the purchase of Notes issued in respect of the relevant Series, on the terms set out in the applicable Final Terms, (the "**Offer**") is conditional on the Issuer:

(i) (in respect of offers for Notes which are to be admitted to the Official List of Euronext Dublin and to trading on its regulated market) having received the approval of Euronext Dublin for the Notes of the relevant Series to be admitted to the Official List of Euronext Dublin and to trading on its regulated market (subject only to their issue);

(ii) (in respect of offers which are to be admitted to listing and trading on the Official List of The

International Stock Exchange (“TISE”)) having received the approval of The International Stock Exchange Authority Limited for the Notes of the relevant Series to be admitted to listing and trading on the Official List of TISE (subject only to their issue); and

(iii) having made (or the Issuer being satisfied that it is reasonably likely to be able to make) an Advance under the Borrower Loan Agreement in respect of each Series on terms that the Issuer, at the time that each such Advance is made (or, if earlier, on the Issue Date), considers to be such as to enable it to meet the investment objective of each Series.

If either of these conditions is not satisfied in respect of the Notes of a relevant Series, the Issuer shall not issue any Notes of that Series pursuant to the Offer and the application monies for the Notes shall be returned (without interest) to each prospective investor at the prospective investor’s risk by no later than 30 days after the date the Offer Period closes.

In addition, the terms and conditions of each Series will be determined by the Issuer at the time of issue and specified in the applicable Final Terms. Offers of Notes are conditional on their issue. Any offer or sale of Notes to an investor by a financial intermediary, Castle Trust or CTCM will be made in accordance with any terms and other arrangements in place between such financial intermediary, Castle Trust or CTCM (as applicable) and such investor including as to price, allocations and settlement arrangements.

If this were to occur, prospective investors would suffer opportunity costs in relation to their investment and would not receive any compensation reflecting any alternative use of their monies during such period.

PART III

DOCUMENTS INCORPORATED BY REFERENCE

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Base Prospectus should be read and construed in conjunction with:

(i) the consolidated historical information for the year ended 30 September 2017 of Castle Trust Capital plc together with the audit report thereon, which can be accessed via the following link: https://www.rns-pdf.londonstockexchange.com/rns/5745c_1-2018-1-22.pdf (set out on pages 1-56);

(ii) the consolidated historical information for the year ended 30 September 2018 of Castle Trust Capital plc together with the audit report thereon, which can be accessed via the following link: https://www.rns-pdf.londonstockexchange.com/rns/4204O_1-2019-1-29.pdf (set out on pages 1-56);

(iii) the audited financial statements of Castle Trust Direct plc for the year ended 30 September 2017 together with the audit report thereon which can be accessed via the following link: https://www.rns-pdf.londonstockexchange.com/rns/5745c_1-2018-1-22.pdf (set out on pages 57-81);

(iv) the audited financial statements of Castle Trust Direct plc for the year ended 30 September 2018 together with the audit report thereon which can be accessed via the following link: https://www.rns-pdf.londonstockexchange.com/rns/4204O_1-2019-1-29.pdf (set out on pages 57-86);

(v) the audited financial statements of Castle Trust Finance Limited for the year ended 30 September 2017 together with the audit report thereon which can be accessed via the following link: https://www.rns-pdf.londonstockexchange.com/rns/5745c_1-2018-1-22.pdf (set out on pages 84-113);

(vi) the audited financial statements of Castle Trust Finance Limited for the year ended 30 September 2018 together with the audit report thereon which can be accessed via the following link: https://www.rns-pdf.londonstockexchange.com/rns/4204O_1-2019-1-29.pdf (set out on pages 87-119);

(vii) the audited financial statements of Castle Trust Treasury Limited for the year ended 30 September 2017 together with the audit report thereon which can be accessed via the following link: https://www.rns-pdf.londonstockexchange.com/rns/5745c_1-2018-1-22.pdf (set out on pages 114-137);

(viii) the audited financial statements of Castle Trust Treasury Limited for the year ended 30 September 2018 together with the audit report thereon which can be accessed via the following link: https://www.rns-pdf.londonstockexchange.com/rns/4204O_1-2019-1-29.pdf https://www.rns-pdf.londonstockexchange.com/rns/5745c_1-2018-1-22.pdf(set out on pages 120-146);

(ix) the terms and conditions of the Notes set out on pages 56 to 71 (inclusive) of the base prospectus dated 3 July 2014 prepared by the Issuer and Castle Trust relating to the Programme;

(x) the terms and conditions of the Notes set out on pages 67 to 82 (inclusive) of the base prospectus dated 24 June 2015 prepared by the Issuer and Castle Trust relating to the Programme; and

(xi) the terms and conditions of the Notes set out on pages 67 to 82 (inclusive) of the base prospectus dated 17 June 2016 prepared by the Issuer and Castle Trust relating to the Programme,

(xii) the terms and conditions of the Notes set out on pages 82 to 98 (inclusive) of the base prospectus dated 12 June 2018 prepared by the Issuer and Castle Trust relating to the Programme,

which have all been previously or simultaneously published and which have been filed with the National Storage Mechanism of the Financial Conduct Authority. Such documents shall be incorporated in, and form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein 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 a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained (without charge) from (i) the registered office of the Issuer or (ii) at https://www.castletrust.co.uk/documents-investments, being Castle Trust's website. The contents of any of the websites of the Issuer and Castle Trust or any website directly or indirectly linked to those websites do not form part of this Base Prospectus and investors should not rely on them.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. Where a document listed above has been extracted from another document, the remainder of the document from which it is extracted is not relevant for the purposes of this Base Prospectus.

PART IV

OVERVIEW OF CASTLE TRUST AND ITS BUSINESS

This part of the Base Prospectus provides background information on Castle Trust and overview of its business. It also describes the role that the money invested in Notes plays within that business.

This Part IV (*Overview of Castle Trust and its business)* is arranged under the following subheadings:

BACKGROUND TO CASTLE TRUST AND ITS MARKETS

1 Introduction
2 History
3 UK residential property mortgage market, UK point-of-sale finance market, retail deposit and investment markets

BUSINESS OVERVIEW OF CASTLE TRUST

1 Overview of the Castle Trust business model
2 Mortgages and POS Loans
3 Target market4 Mortgage and POS Loan underwriting process
5 Primary lenders
6 Housas
7 Mortgages and POS Loans funded by the Housas and Fortress Bonds
8 Distribution
9 Key service providers
10 Offices
11 Competitors
12 Strategy for growth
13 Castle Trust's asset and liability management
14 Regulatory capital
15 Current trading
16 Corporate restructure
17 Directors, key management team and employees
18 Employees
19 Incentive arrangements
20 Dividends policy for Castle Trust
21 Use of proceeds

BACKGROUND TO CASTLE TRUST AND ITS MARKETS

1 Introduction

Castle Trust is a UK mortgage and point-of-sale finance business and investment firm. The core of Castle Trust's business is the provision of Mortgages and POS Loans to UK customers and interest rate linked investments to investors who, Castle Trust believes, are not being adequately served by the product range available from existing banks and investment firms. Mortgages and POS Loans are mainly funded by shareholder equity and by the issue of Fortress Bonds, which pay the net proceeds of such issues to Castle Trust to allow Castle Trust to offer its Mortgages and POS Loans. Further details regarding Mortgages, POS Loans and Housas can be found on pages 54 to 56 (inclusive).

Castle Trust, which was incorporated in 2010 and commenced trading on 1 October 2012, operates predominantly from its offices in Central London and Basingstoke, Hampshire, and had 247 permanent employees as at 30 September 2018.

Castle Trust has established a diversified lending portfolio of Mortgages. Potential borrowers are primarily reached through carefully selected distribution partners providing mortgage advice to customers. Castle Trust has developed products and underwriting technology and processes to enable it to make lending decisions quickly. On 17 January 2017, Castle Trust purchased OCRF, a point-of-sale finance business, to gain exposure to the consumer finance market and thereby diversify its lending business. OCRF (Castle Trust's subsidiary) has established a diversified lending portfolio of POS Loans. Potential borrowers are primarily reached through carefully selected retail partners offering certain high cost retail products to consumers (OCRF's retail partners are currently grouped into six sectors: training and education, medical, lifestyle and valuables, technology and appliances, sports and hobbies and home improvement). OCRF has developed the products and underwriting technology and processes to enable it to make lending decisions in real time in the case of automatic underwriting and quickly in the case of manual underwriting.

Castle Trust believes that by virtue of its ability to gain exposure to the UK housing market via Mortgages and interest rates via Mortgages and POS Loans, and the absence of large fixed overheads in the form of a branch network, Castle Trust is able to offer competitively priced retail investments, namely Fortress Bonds. To reduce liquidity risk, Castle Trust intends to actively manage the blend of Fortress Bonds (currently ranging from one to five years) with the expected duration profile of the Mortgage portfolio (which is based on UK experience) using its systems and controls.

As at 30 September 2018, Castle Trust had, on a consolidated basis, £64,816,000 of shareholder equity and held around £118,514,000 of liquid assets.

2 History

Castle Trust was incorporated in 2010.

On 11 August 2011, Castle Trust was licensed by the OFT to provide consumer credit products and on 5 September 2012 was authorised by the FCA to undertake regulated investment business with retail customers. In 2012, Castle Trust signed an administration agreement with IFDS.

Castle Trust launched its Mortgage business (for homeowners) on 1 October 2012 and its house price tracker investment (Housa) business on 4 October 2012.

In relation to its Mortgage business, Castle Trust broadened its target market and distribution network in November 2013 by launching a mortgage product specifically for the buy to let market, and further in February 2014 by launching mortgage products (for both existing homeowners and buy to let investors) giving borrowers the option to repay Castle Trust based on the national house price index. These products represent a diversification from the original mortgage proposition which focused exclusively on owner occupier borrowers with repayments linked to individual property prices.

In relation to its investment business, Castle Trust launched an additional investment product in February 2014 to complement its original Housa products by offering investors exposure to rising UK housing returns with investors' capital returned if the national house price index were to fall over the product term.

On 9 July 2014, Castle Trust launched a fixed and floating rate bond programme, as set out in the base prospectus dated 3 July 2014 and continued by this Base Prospectus, to supplement its house price linked investment business.

On 17 November 2014, Castle Trust made further changes to its Mortgage range by withdrawing its individual property price linked mortgage for current homeowners ("**Partnership Mortgage**") and by launching mortgage products (for both high net worth or business purpose homeowners and buy to let investors) giving borrowers the option to borrow from Castle Trust at a fixed rate of interest with the interest being capitalised over the term of the loan ("**Flex Mortgage**").

On 27 November 2014, Castle Trust launched a high value mortgage business line, where loans are individually negotiated with high net worth or corporate borrowers, with repayments usually linked to interest rates. Where a transaction size exceeds Castle Trust's balance sheet limits, third party investors may participate in funding arrangements. This business line represents a further diversification of the type of borrower to which Castle Trust is able to offer mortgages and the segments of the mortgage industry in which Castle Trust operates.

On 1 October 2015, Castle Trust discontinued all mortgage products where the repayment obligation was dependent on changes in the value of the property used as security for the lending.

On 4 December 2015, Castle Trust made the decision not to issue any further Growth and Foundation Housa products, resulting in Fortress Bonds being the only remaining investment product in Castle Trust's investment business.

On 17 March 2016, Castle Trust expanded its high value mortgage business line to include lending to companies that undertake UK residential property development.

On 21 March 2016, Castle Trust was granted permission by the FCA to arrange (bring about) regulated mortgage contracts (limited to second charge mortgages only). This regulatory permission was required so that Castle Trust could continue offering second-charge mortgages to those customers who were previously exempt under the Consumer Credit regime (high net worth and business purpose applicants), and could continue to administer owner occupier mortgages previously subject to the Consumer Credit regime.

On 31 March 2016, Castle Trust sold £200m of notional exposure to the Index to CTC Holdings (Cayman) Ltd., a Cayman islands holding company that is ultimately wholly beneficially owned and controlled by J.C. Flowers & Co. This was a related party transaction because CTC Holdings (Cayman) Ltd. ultimately (but not wholly) beneficially owns and controls Castle Trust. The transaction was conducted on an arm's length basis at market value and substantially reduces Castle Trust's exposure to UK house price movements.

On 1 May 2016, Castle Trust made further changes to its Mortgage range by launching mortgage products (for business purpose homeowners and buy to let investors) that, unlike the Flex Mortgage, gave borrowers the option to pay the interest accrued on the loan in monthly instalments (the "**Max Mortgage**"). At the same time, Castle Trust launched a mortgage where interest charged on the loan is part capitalised and part paid in monthly instalments (the "**FlexMax Mortgage**").

On 24 August 2016, Castle Trust made further changes to its Mortgage range by withdrawing its index linked mortgage from the market (where the borrower's repayments were linked, in whole or in part, to movements in the Halifax House Price Index) (the "**Index Profit Share Mortgage**").

From 13 October 2017, investment operations were fully insourced by Castle Trust and the agreement with IFDS was terminated.

On 17 January 2017, Castle Trust acquired 100% of the issued share capital of Omni Capital Retail Finance Limited ("**OCRF**"), a point-of-sale finance provider, to expand Castle Trust's existing business into the consumer finance market. Castle Trust believes OCRF has complimentary credit risk that fits with Castle Trust's overall strategy and was the right size and complexity for Castle Trust to acquire. OCRF's loans are currently offered across six point of sale sectors (training and education, medical, lifestyle and valuables, technology and appliances, sports and hobbies and home improvement) with 85% of business currently sourced through online channels. Total consideration for the transaction was £26.45m. Castle Trust also refinanced OCRF's existing borrowing as part of the transaction, which utilised approximately £32.3 million of Castle Trust's liquid assets. Castle Trust's shareholder, J.C. Flowers & Co., has agreed to invest an additional £19 million to support the transaction.

On 20 April 2018 OCRF entered into a private securitisation (the "**Securitisation**") involving a newly incorporated special purpose vehicle, Castle Trust Belfry Limited ("**CTBL**") and Citibank N.A., London Branch ("**Citibank**"). The Securitisation is structured such that OCRF is able to sell the point-of-sale finance loans it has originated (the "**Receivables**") to CTBL. CTBL will fund the purchase in part by borrowing up to £75 million from Citibank over a period of up to two years secured by first ranking security over the Receivables. CTBL will use the cashflow generated by the Receivables to make payments on the loan from Citibank whilst the amount borrowed is outstanding. The Securitisation will provide the Group with an additional source of liquidity and funding in addition to that provided by the sale of Notes under this Base Prospectus.

As at 30 September 2018, 1,792 Mortgages have been issued and remain on Castle Trust's consolidated balance sheet at a carrying value of £532,055,000 and amounts owed to Housa and Fortress Bonds investors are recorded on Castle Trust's consolidated balance sheet at a carrying value of £615,592,000.

3 UK residential property mortgage market, UK point-of-sale finance market, retail deposit and investment markets

Commercial Overview of UK Mortgage Lending and UK Point-of-Sale Finance

Since late 2008 many UK banks have encountered significant difficulties as the UK (and wider global) economy has experienced weak economic conditions. More recently, as a result of the UK's decision to leave the European Union as a result of the referendum held on 23 June 2016 ("**Brexit**"), UK banks could encounter further difficulties if Brexit results in a deterioration of the UK's economy. Certain UK banks continue to face a number of key challenges which, in the opinion of Castle Trust, include:

• the management of significantly impaired legacy loan books;

• balance sheet restructurings, in particular addressing liquidity, funding and capital issues;

• sizeable and inefficient infrastructure including multiple IT systems;

• in some cases the impact of being wholly or partly nationalised; and

• depending on the outcome of negotiations, restrictions on access to the EU single market post-Brexit, which could increase operating costs (as UK banks bolster European operations to regain access to the single market) or reduce sales (in the event UK banks are prevented from distributing their lending and savings products to EU member states entirely).

Castle Trust believes that the above challenges and distractions faced by the established UK banking sector provide Castle Trust with a significant opportunity, as a well-capitalised, long term funded, domestically-focused investment firm, to grow within its chosen markets.

Set out below is a brief overview of the core markets in which Castle Trust intends to operate.

UK mortgage market

In January 2019, the Bank of England reported that total mortgage loans outstanding were around £1.4 trillion (Source: Bank of England statistics ref LPMVTXH, accessed 22 March 2019). This figure does not include residential development mortgages.

Castle Trust targets certain specific segments of the UK mortgage market, typically being good credit quality customers who would like to withdraw equity from their property to invest sensibly or for other productive use, in exchange for sharing potential future profits or losses or a fixed and/or floating rate of interest (that may track the Index), the payment of which can be deferred.

UK point-of-sale finance market

In March 2019, the Bank of England reported in its “Money and Credit: January 2019” statistical release that total consumer finance loans outstanding were around £216.3 billion at the end of January 2019.

OCRF targets certain specific segments of the UK consumer finance market, typically being medium-sized retailers who operate nationwide in all sectors within the point-of-sale finance market. It also seeks new partnerships in markets traditionally underserved by consumer finance, offering finance in-store, online or via mail-order, with a range of products and terms. Point-of-sale finance is offered to customers at the moment of purchase, providing customers with the option of spreading the cost of their purchases over a number of fixed instalments.

UK retail deposit and investment markets

The UK retail deposit market was estimated by the Bank of England to be worth in excess of £1.6 trillion as at 31 January 2019 (Source: Bank of England statistics ref LPMB3SF, accessed 22 March 2019). Castle Trust does not offer deposits. However, some Fortress Bond customers may be switching their holding from deposit and current accounts into Fortress Bonds.

The UK investment market was estimated by the Investment Management Association to be worth in excess of £1.2 trillion as at 31 March 2019 for UK domiciled funds, held, amongst other things, across equities, fixed income, money market, mixed asset, property, other and ISAs (Source: Investment Association). Castle Trust believes that some Fortress Bond customers switch to Fortress Bonds from their existing investment holding classes.

Castle Trust estimates Castle Trust’s target retail customer base in the UK for Fortress Bonds to be in excess of £100 billion.

BUSINESS OVERVIEW OF CASTLE TRUST

1 Overview of the Castle Trust business model

The Castle Trust business model is based on (i) the provision of loans to the owners and developers of UK residential property secured by a mortgage and (ii) through its subsidiary OCRF, the provision of loans to UK consumers in order to finance, in full or in part, the purchase of certain products from certain suppliers who partner with OCRF. Castle Trust generates its margins on Mortgages through the accrual of interest or, instead of collecting interest, by participating (on the basis of a pre-defined formula) in any rise in the value of the property upon which its Mortgages are secured. In some cases Castle Trust’s returns are based on the movements of the Index rather than upon the value of the individual mortgaged property. Castle Trust Mortgages may, in some cases, include both house price linked and interest accruing features, or only interest accruing features. Castle Trust generates its margins on POS Loans through the commission charged to the supplier on the products financed and/or the regular payment of interest.

Each Mortgage represents a proportion (typically between 10% and 50%) of the value of each individual property. The individual granular exposures from Castle Trust’s Mortgages and POS Loans are pooled to achieve broad diversification. The element of exposures to house price movements which Castle Trust assumes through its Mortgages is offered to investors who seek exposure to UK housing returns. The element of exposure to UK interest rates which Castle Trust assumes through its Mortgages and POS Loans is offered to investors through the issue of Fortress Bonds.

By providing a means for property owners and investors to share risk and return, Castle Trust believes it is making the housing finance market in the UK more efficient, creating real value in the system by reducing systemic risk, and allowing all parties to benefit.

Castle Trust manages the house price and interest rate risk on its balance sheet through its exposure to its liabilities with a portfolio of liquid assets, POS Loans (the return of which are directly and predictably linked to interest rates) and Mortgages (the returns of which are directly and predictably linked to interest rates and UK residential property). The product design, pricing and matching between Castle Trust’s assets and liabilities means that Castle Trust's profitability from providing these products is expected to be positive irrespective of whether the Index rises or falls.

2 Mortgages and POS Loans

A Castle Trust Mortgage is either a first-charge mortgage or a second-charge mortgage for between 10% and 50% of the value of a property, advanced alongside (and subordinated to) a mortgage from a traditional lender. The borrower must, typically, retain a minimum of 15% of their own equity in the property. Mortgages are only usually granted to good credit quality customers for purchase or remortgage. In most cases, there are no monthly payments required.

On expiry of the Mortgage term, sale of the property or earlier redemption, depending on the terms of the individual Mortgage, Castle Trust typically recovers its principal plus interest, which is usually deferred until the Mortgage is repaid. In some cases the right to receive interest may be partially or wholly substituted by either a profit share of, typically, up to 40% of any increase in the value of the mortgaged property or a profit share linked to the movement in an Index during the term of the Mortgage ("**Profit Share**").

If the value of the property declines during the mortgage term, Castle Trust does not, typically, participate in such a loss.

Mortgages are typically provided for terms of between 1 and 5 years but borrowers may redeem part or all of their Mortgage before the end of its term. After the first two years there are, typically, no early redemption charges for doing so. Mortgages which have an element of return linked to house price (or Index) movements typically incorporate a minimum defined repayment amount.

In many cases Castle Trust Mortgages are subordinated to a first charge mortgage from a traditional lender (see above).

A borrower is free to refinance his first charge mortgage at any time, provided the amount borrowed under that primary mortgage is not increased. The only exception to this is when the borrower uses an additional amount borrowed under the primary mortgage to repay part or all of their Castle Trust Mortgages.

A Castle Trust Mortgage cannot be transferred to a new property. In this instance, the Mortgage must be repaid but the borrower is free to reapply for a new Mortgage from Castle Trust in relation to the new property.

Castle Trust POS Loans (made through Castle Trust's subsidiary, OCRF) are typically unsecured with terms of between 1 and 7 years, as chosen by the customer, but borrowers may redeem part or all of their POS Loan before the end of its term and there are, typically, no early redemption charges for doing so. POS Loans can be interest-bearing or interest-free. Interest-free POS Loans (and some interest-bearing POS loans) generate revenue through commission charged to the retailer.

Castle Trust Mortgages and POS Loans are governed by English law.

3 Target market

There are three main categories of target customer for Castle Trust's Mortgages:

a) existing homeowners;

b) investors in tenanted residential property ("**Buy to Let Investors**"); and

c) residential property developers.

There are three main categories of target customer for Castle Trust's POS Loans:

a) Customers who want to spread the cost of a large purchase on an interest-free basis;

b) Customers who prefer the certainty of fixed payment amounts offered by point-of-sale finance compared to the more unpredictable repayment methods offered by alternative consumer finance products; and

c) Customers who want to purchase certain goods but cannot pay in lump-sum and are prepared to pay interest to acquire the goods using readily available credit.

Castle Trust intends to achieve a diverse mortgage and point-of-sale finance portfolio across all UK geographic regions and property types over time.

4 Mortgage and POS Loan underwriting process

Castle Trust's Mortgage underwriting process is similar to that of many primary mortgage lenders. Appropriate credit checking is conducted using credit reference agencies and industry standard mortgage fraud detection processes have been incorporated into the underwriting process. Appropriate affordability and repayment assessments are applied.

OCRF's POS Loan underwriting process is similar to that of other point-of-sale finance providers. Automated credit checking and scoring is conducted using credit reference agencies and industry standard fraud detection processes. Appropriate affordability and repayment assessments are applied, taking into account the applicant's current indebtedness and ability to comfortably service their credit commitments for the duration of the loan.

5 Primary lenders

Where a customer has an existing primary mortgage and a Castle Trust Mortgage is subsequently taken out, the primary lender could be any existing first charge lender which allows second charge mortgages. A significant majority of first charge lenders in the UK accept second charge mortgages.

6 Housas

Income Housas (being loan notes issued by CTIH) and Growth and Foundation Housas (being shares issued by the PCC) have the same essential features, being fixed term investments offering returns linked to the value of the UK housing market by reference to the performance of the Index.

Growth Housas deliver a multiple of any increase of the Index and participation in any decrease of the Index. Foundation Housas' capital returns match the Index unless the Index is lower at maturity than at inception of the investment. Where this occurs the investor is entitled to receive the original principal amount invested without reduction. This capital protection does not apply to investors who encash the Housa before maturity. Income Housas' capital returns match the Index and pay a fixed quarterly coupon. Income Housas have not been offered to investors since 30 September 2014. Growth and Foundation Housas have not been offered to investors since 1 November 2015.

Housas provide those saving to buy a home with the opportunity to reduce the risk of being priced out of the property market, by allowing them to invest in a product with returns linked to the UK or Greater London housing market as applicable (being the asset for which they are saving). They also offer investors the opportunity to diversify their portfolios to include exposure to the UK housing market without the risks and expenses associated with a buy to let investment. Both income and capital gains may be sheltered from tax if held within a SIPP or ISA.

7 Mortgages funded by the Housas and Fortress Bonds

The funds received by the PCC (which until offers of Growth Housas and Foundation Housas to investors ceased (as described above) issued Growth Housas and Foundation Housas), or the Issuer (which issues Fortress Bonds) have been or will be paid under the Investment Product or Borrower Loan Agreement (as the case may be) to Castle Trust. Castle Trust targets using a maximum of 90% of such funds to offer Mortgages and POS Loans (through its subsidiary, OCRF), and targets retaining a minimum of 10% of funds received in liquid assets with a maturity of less than two years. This rolling target is in place to ensure that Castle Trust has sufficient liquid resources to meet its expected redemptions as they arise over the coming 12 months. Over the longer term, these liquid assets provide a buffer against the peaks and troughs in the rate at which Mortgages and POS Loans are redeemed. The Investment Products are designed to mature at the same time as the Housas mature. Advances under the Borrower Loan Agreement are designed to mature at the same time as the corresponding Fortress Bonds.

Castle Trust invests all investments and assets excluding assets originated pursuant to its lending activities and assets held for operational reasons (for example, fixed assets) in accordance with its investment policy. Whilst Castle Trust's board retains the authority to vary the investment policy, or authorise exceptions, restrictions under this policy currently include:

- all investments must have a maturity of less than or equal to two years;
- no more than £15 million can be held with a single counterparty. For Castle Trust's principal banking relationships, HSBC and The Royal Bank of Scotland plc, this limit is increased to a monthly average of £30 million to cover banking requirements and excludes client money accounts; and
- a minimum long term credit rating of A- is required for bank deposits and a minimum credit rating of AA is required for Sterling liquidity funds. For banks which are unrated, Castle Trust may still invest in deposits for a maturity period of up to six months where the bank either:

    (i) has a minimum Common Equity Tier 1 capital ratio of at least 7% and a net non-performing asset ratio of 1% or less; or

    (ii) has a minimum Common Equity Tier 1 capital ratio of at least 9.5% and a net non-performing asset ratio of 3% or less.

Castle Trust will pay the amounts payable to investors at maturity of the Housas or Fortress Bonds (which will be equal to the investment return or the Final Redemption Amount (as applicable) due on those maturing Growth or Foundation Housa shares, Income Housa Notes or Fortress Bonds), enabling the PCC, CTIH and the Issuer to redeem the shares and loan notes they have issued.

Further details in relation to this funds flow can be found in Part X Section 1 (*Subscription and Sale*) of this document.

8 Distribution

Castle Trust distributes Mortgages exclusively via an approved group of mortgage adviser intermediaries in the UK. Each mortgage adviser group is subject to initial due diligence and on-going monitoring and review by Castle Trust with the aim of ensuring appropriate systems and controls over distribution of Mortgage products. To mitigate index tracking error the intention is to have an appropriate geographic spread of mortgage intermediaries across the UK advising on Mortgages.

OCRF, Castle Trust's subsidiary, distributes POS Loans through selected retail businesses in a variety of sectors across the UK. Each retailer is subject to initial due diligence and on-going monitoring and review by OCRF with the aim of ensuring appropriate systems and controls over distribution of POS Loans.

Castle Trust primarily distributes Fortress Bonds directly to consumers.

9 Key service providers

Castle Trust has appointed specialist third party service providers to support the business.

10 Offices

Castle Trust operates mainly from its head office premises in Central London and its office in Basingstoke, Hampshire where Castle Trust employs staff fulfilling management, finance, risk, legal, compliance, distributor management, credit, underwriting, IT, marketing, HR and administration roles. Castle Trust had 247 permanent employees as at 30 September 2018.

11 Competitors

Whilst Castle Trust's key competitors vary across its product lines, in the opinion of Castle Trust, the general level of competition within Castle Trust's chosen lending and funding markets is indirect via different product sets. Castle Trust believes that in its three markets, the principal source of competition is likely to be:

- Mortgages: lenders providing traditional mortgages, bridging providers, specialist buy to let mortgage lenders and residential development mortgage lenders;
- POS Loans: non-bank e-commerce lenders and retail banks seeking to diversify their existing lending business(es); and
- Fortress Bonds: asset managers, life companies and investment trusts competing with offerings in other asset classes including equity, fixed income and commercial property and deposit takers providing savings products.

12 Strategy for growth

Castle Trust's strategy is to build an established UK retail presence in the mortgage, consumer finance and investment markets through a focus on offering propositions which deliver to customer needs in carefully selected segments of the market where Castle Trust can operate with competitive advantage.

Castle Trust operates its Mortgage lending in three key business lines which it seeks to grow:

Buy to let: in the buy to let business line, Castle Trust offers loans where interest may be capitalised for the term of the loan or paid in monthly instalments or part capitalised, part paid in monthly instalments.

Owner occupied: in the owner occupied business line, for high net worth customers, Castle Trust offers loans where interest is capitalised over the term of the loan. For business purpose customers, Castle Trust offers loans where interest may be capitalised for the term of the loan or paid in monthly instalments or part capitalised, part paid in monthly instalments.

High value mortgages: Castle Trust offers high net worth borrowers and residential development companies bespoke loans secured on UK residential property or land pertaining thereto with a typical maximum duration of 5 years where repayment is usually linked to interest rates, facilitating leverage on low yielding assets or where value creation is through a process of physical enhancement (such as development or renovation) or economic enhancement (such as lease enfranchisement). Where a transaction size exceeds Castle Trust's balance sheet limits, third party investors may participate in funding arrangements. Each transaction under this business line is unique and individually negotiated.

Castle Trust intends to continue growing and diversifying its Mortgage business through professional and responsible lending across existing and new lending segments (including refining the marketing and/or branding of new and existing products) and the introduction of new distribution partners. Castle Trust intends to develop further innovative solutions for borrowers in the UK residential property market including variations of its current mortgage product for different types of borrower.

On 17 January 2017, Castle Trust acquired 100% of the issued share capital of Omni Capital Retail Finance Limited ("**OCRF**"), a point-of-sale finance provider, to expand Castle Trust's existing business into the consumer finance market. Castle Trust believes OCRF has a complimentary credit risk that fits with Castle Trust's overall strategy and was the right size and complexity for Castle Trust to acquire. OCRF's loans are currently offered across six point of sale sectors (training and education, medical, lifestyle and valuables, technology and appliances, sports and hobbies and home improvement) with 85% of business currently sourced through online channels. Castle Trust, through OCRF, intends to continue growing and diversifying its point-of-sale finance business through professional and responsible lending across existing and new lending segments (including refining the marketing and/or branding of new and existing products) and the introduction of new distribution partners. Castle Trust, through OCRF, intends to develop further innovative solutions for borrowers in the UK point-of-sale finance market including variations of its current range of POS Loan products for different types of borrower.

Castle Trust may also expand its business by offering (i) loans secured by UK residential property; (ii) loans secured by assets other than UK residential property; and/or (iii) personal recourse lending to consumers. The acquisition of OCRF represents the first step in its expansion into consumer finance but Castle Trust is continuing to look at other opportunities in this area and the other areas listed above either through the growth of OCRF, by acquiring or financing companies that already participate in such lending, or by buying portfolios of such loans or individual loans.

As Castle Trust's business expands, it will fund its business through interest linked products (including Fortress Bonds). As at the date of this document, Castle Trust has no specific plans to launch any additional funding or investment products within the next 12 months. However, growth of the Mortgage business or other developments may mean that Castle Trust does develop such plans.

For the avoidance of doubt, any new investment product offered by Castle Trust would not be offered under this Base Prospectus.

On 3 April 2018, the board of Castle Trust determined that, as its business has grown and evolved, Castle Trust would benefit from conversion to a bank. Accordingly, Castle Trust is in dialogue with the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in order to pursue a banking licence application. This dialogue is ongoing and Castle Trust will update the market and this Base Prospectus when it has formally submitted a banking licence application.

The potential benefits to Castle Trust of obtaining a banking licence are:

(i) a reduction in the cost of funds (as deposits typically require a lower rate of interest to incentivise investment compared to corporate bonds and are also expected to be cheaper to market than Fortress Bonds);

(ii) an increase in funds raised (as the market for deposits is potentially larger than the market for Fortress Bonds and the distribution channels available to deposit products is wider than those for Fortress Bonds, meaning Castle Trust could potentially raise more retail debt as a bank than as an investment firm); and

(iii) an increase in Mortgage and POS Loan volumes (as, in the event Castle Trust's cost of funds are reduced, the business can start to compete in larger, more mainstream lending markets by offering Mortgages and POS Loans at interest rates that are lower than it could previously accommodate).

13 Castle Trust's asset and liability management

Asset and liability matching is a core part of the Castle Trust business model. Castle Trust has developed financial risk systems and processes to monitor and manage the risks to which it is exposed. The three most important risks are: house price risk; index tracking error and duration risk. These are discussed in turn below.

House price risk is the difference between (i) the Index exposure of outstanding Housas plus the Index exposure of liabilities resulting from house price risk transfer to institutional investors ("**Institutional HP Risk Transfer**"), and (ii) the house price exposure of the Mortgages. For example, if Castle Trust has issued too many Mortgages with house price exposure compared to Housas and Institutional HP Risk Transfer, then Castle Trust could make a loss if house prices fall. This risk has been managed historically by adjusting the rate at which Housas and Fortress Bonds are issued and continues to be managed by adjusting Fortress Bond issuance and rate of Institutional HP Risk Transfer. Castle Trust will not issue more Mortgages with house price exposure than it can on sell via Institutional HP Risk Transfer and, if required, will scale back issuance of Mortgages with house price exposure accordingly. A fall in house prices reduces the value of both Castle Trust's assets (the Mortgages with house price exposure) and liabilities (Housas and liabilities deriving from Institutional HP Risk Transfer). The net impact of this is to mitigate the impact of falling house prices on Castle Trust. Further information in relation to the management of house price risk can be found on page 140.

Index tracking error is the risk that the returns on a portfolio of individual houses do not follow the returns on the Index. Castle Trust has developed methodologies and systems to manage its tracking error across geography, borrower type, property type and property age. Where a variance is identified which requires management action, this is effected primarily through controlling gross issuance of assets and liabilities. Mortgage gross issuance is monitored and controlled by monitoring a range of risk characteristics. Liability distribution is monitored to maintain appropriate balance by duration and by mix.

Duration risk is the risk that the portfolio of Mortgages and POS Loans will mature before or after the portfolio of liabilities. Castle Trust and CTT manage the effects of duration risk by: (i) investing a proportion of the funds raised from liability issuance into liquid assets; (ii) controlling the distribution of liability issuance to balance the average term of the liabilities with the term of the portfolio of assets; (iii) hedging against movements in market interest rates by entering into interest rate swaps with creditworthy counterparties that result in the parties to the swap exchanging a fixed rate with a floating rate that matches market interest rates (this risk arises in the event that the portfolio of liabilities matures before the portfolio of Mortgages and POS Loans, meaning Castle Trust may need to refinance by issuing new liabilities at market interest rates greater than the interest rates on the maturing liabilities); and (iv) in certain circumstances, not accepting or offering early redemptions of the liabilities. In general, duration risk will decrease as Castle Trust's balance sheet grows because the duration of a portfolio of Mortgages and POS Loans is much more stable and predictable than the duration of an individual mortgage or loan. The risk management systems model the assets and liabilities over their lifetime and the net cash flows arising. This is the basis for monitoring and controlling duration risk. The contractual liability of the primary assets (Mortgages and POS Loans) is typically much longer than their expected duration (due to, for example, in the case of Mortgages, people moving house and remortgaging and, in the case of POS Loans, people refinancing at lower rates). The capital management and liquidity policies are designed to address any experienced mismatch between the actual duration of such assets and the liabilities as they occur. Further information in relation to the management of duration risk can be found on pages 140 and 141 under the heading "Liquidity Risk Management".

Castle Trust's financial risk management is overseen by the board risk committee which reports to the Castle Trust Directors. The Castle Trust Board benefits from board members with extensive experience of asset and liability matching and financial risk control: Andrew Doman, former CEO of Premium Credit Limited; and Tim Hanford, previously a member of the ALM committee and chair of the Risk Committee of Pension Insurance Corporation, a former member of the Risk Committee of OneSavings Bank and a former director of Schroders.

Further information can be found in Part XV (*Additional information on Castle Trust)* of this document.

14 **Regulatory capital**

Castle Trust is an IFPRU investment firm subject to the regulatory capital rules of the FCA.

As at 30 September 2018, Castle Trust had, on a solo basis, £51,959,447 of Core Equity Tier 1 regulatory capital.

Castle Trust's regulatory capital position has been, and will continue to be, monitored as part of the Group ICAAP within which Castle Trust's capital resources and requirements are calculated separately. The ICAAP is updated annually with the capital requirements forming an integral part of Castle Trust's five year planning and budgeting process.

As noted in the final paragraph of Part IV Section 12 (*Strategy for growth*), on 3 April 2018, the board of Castle Trust determined that, as its business has grown and evolved, Castle Trust would benefit from conversion to a bank. Accordingly Castle Trust is in dialogue with the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in order to pursue a banking licence application. As part of this application Castle Trust will be reviewing any changes in the amount of capital it will be required to hold if such application is successful and, if necessary, will be looking to raise additional capital as part of that process.

At present, Castle Trust operates its liquidity and capital planning on a similar basis to that of other typical UK retail banks. Both investment firms (such as Castle Trust) and UK banks are subject to the Capital Requirements Regulation (Regulation (EU) 575/2013) ("**CRR**"). Castle Trust calculates its minimum capital requirements using the same methodologies as those UK banks that opt to apply the CRR's standardised approach. However, the CRR does not apply to investment firms and UK banks in the same way, and investment firms are not subject to other capital and liquidity regulations that apply to UK banks (such as the Prudential Regulatory Authority's Pillar 2 capital and liquidity requirements). In terms of material differences, investment firms are not required to:

(i) hold capital against operational risk (being the prospect of loss resulting from inadequate or failed procedures, systems or policies, employee errors, IT system failures, criminal activity or any other event that disrupts business processes);

(ii) hold a capital buffer (being additional capital held above the minimum capital requirements set out in the CRR) at a prescribed ratio; nor

(iii) hold a specific quantum of liquid assets (being deposits or transferable securities that may be drawn or sold (i.e. "liquidated"), as applicable, quickly in order to meet the business' liabilities and lending obligations as they fall due) at a prescribed ratio.

Castle Trust would need to demonstrate compliance with the capital and liquidity regulations that apply to UK banks in order to obtain a banking licence and would need to continue to comply with such regulations once it obtained its banking licence in order to remain a UK bank.

Holding capital against operational risk: Despite not being subject to any requirement to hold capital for operational risk, Castle Trust already assesses its operational risk exposure and holds a capital provision against this risk. While some additional capital may need to be held against this risk if Castle Trust becomes a bank, Castle Trust does not believe that a significant increase in capital would be required to meet the requirements of the new capital regulations to which it would be subject.

Holding a capital buffer at a prescribed ratio: While Castle Trust does not hold a prescribed ratio of capital buffer, it monitors the capital it is required to hold to meet the risk appetite of Castle Trust's board of directors, which does impose a buffer above the minimum capital requirements prescribed by the CRR. However, if Castle Trust becomes a bank then it will be subject to regulation that would require Castle Trust to hold a larger buffer than that which it currently holds and, as such, Castle Trust would be required to hold additional capital. As such, it will be seeking additional equity funding (likely to be in the form of an issuance of ordinary shares) as part of the work being undertaken to secure a banking licence.

Holding a specific quantum of liquid assets at a prescribed ratio: Although Castle Trust is not required to hold a prescribed ratio of liquid assets, the Castle Trust board has imposed liquidity risk limits in line with its risk appetite and these requirements are similar to the CRR's liquid asset regulations. If Castle Trust becomes a bank, Castle Trust expects that the liquidity risk limits currently set by its board will in fact be higher than the requirements imposed by the regulations it will be subject to as a bank. As such, Castle Trust would not be required to divert funds away from lending activities in order to meet the liquidity requirements for UK banks.

15 **Current trading**

Castle Trust launched its Mortgage business on 1 October 2012, and its Housa business on 4 October 2012. Its principal activities from business launch until the date of this Base Prospectus have been building the necessary commercial relationships in order to grow the Castle Trust business – comprising the Fortress Bond investment products and the Mortgage and POS Loan lending products and previously including the Housa investment products.

The carrying value on Castle Trust's consolidated balance sheet relating to amounts owed to Housa investors is £9,650,000 as at 30 September 2018.

The carrying value on Castle Trust's consolidated balance sheet relating to amounts owed to Fortress Bond investors is £727,770,000 as at 30 September 2018.

The carrying value on Castle Trust's consolidated balance sheet relating to Mortgages that have been advanced and that remain outstanding is £532,055,000 as at 30 September 2018.

The total impairment figures on CTC's consolidated balance sheet as at 2018 and 2017 are:

2018: £19,404,000

2017: £2,516,000

16 Corporate restructure

On 18 May 2015, CTF was incorporated as a wholly owned subsidiary of Castle Trust. CTF has only entered into arrangements with Castle Trust and the Issuer, meaning that its incorporation and the arrangements described below have not fundamentally changed the risks to which investors are exposed. The corporate restructure separated certain cashflows received from Castle Trust's assets. This separation ensured that Castle Trust's accounting treatment was consistent with other market participants and provides Castle Trust with clearer and more stable information on the performance of its Mortgages.

Some Mortgages provide Castle Trust with a minimum fixed return alongside repayment of the Mortgage principal plus a further return reflecting house price upside exposure if the value of the property that provides security for the Mortgage or the Index (depending on the type of Mortgage) increases above a certain percentage over the life of the Mortgage. As a result of the corporate restructure, Castle Trust achieved an accounting treatment where the fixed interest elements of the Mortgages are effectively accounted for on an amortised cost basis and only the house price upside exposures contained in the Mortgages are accounted for at fair value. This separation of the fixed interest elements from the house price upside exposure brought Castle Trust's accounting treatment in line with other market participants and enabled Castle Trust to more clearly recognise profit and loss in its financial reports. This provides Castle Trust with clearer and more stable information that it can use as part of its decision-making, with the objective of improving Castle Trust's long term financial performance.

Castle Trust effected the split of these two elements by selling the fixed interest element to CTF, whilst retaining the house price upside exposure.

CTF entered into the following arrangements with Castle Trust and the Issuer in order to split the cashflows it receives from its Mortgage business:

- the Borrower Loan Agreement was amended on 29 June 2015 to allow CTF's accession as the Additional Borrower. CTF acceded as a borrower to the Borrower Loan Agreement accepting liability for £52m of loans (notional value) made to Castle Trust by the Issuer pursuant to the Borrower Loan Agreement. In consideration for CTF accepting liability for Castle Trust's loan obligations, Castle Trust will make a payment equal to the fair value of those obligations under the Borrower Loan Agreement to CTF. Castle Trust retains its loan obligations to the Issuer to the extent CTF is unable to meet its payment obligations to the Issuer (arising from CTF acceding to the Borrower Loan Agreement). In addition, the Borrower Loan Agreement provides for the possibility of CTF accepting liability for further loans made by the Issuer to Castle Trust pursuant to the amended Borrower Loan Agreement in return for Castle Trust paying CTF an amount equal to the fair value of those further loans, with any such transfer taking place on future dates to be agreed between the parties;

- CTF entered into a purchase agreement with Castle Trust (the "**Purchase Agreement**") on 29 June 2015 pursuant to which it purchased at fair value certain "**fixed interest payment**" cashflows in respect of Castle Trust's portfolio of Mortgages (meaning any fixed rate interest payments made to Castle Trust by Mortgage customers but excluding any payments that are made in connection with movements in house prices or tariff payments) as at 31 July 2015. CTF also took on the associated customer credit risk (meaning the risk that Mortgage customers will not be able to pay the fixed interest payments and/or repay the capital they owe to Castle Trust), however, Castle Trust will use all income received in relation to the Mortgages purchased by CTF to discharge the debt owed to CTF (being the fixed interest payment cashflows) before using the remaining funds to discharge any debt owed to Castle Trust (being any house price and/or tariff related cashflows). In addition the Purchase Agreement provides for the possibility of further portfolio sales of fixed interest payment cashflows by Castle Trust to CTF in exchange for CTF purchasing these cashflows at fair value, with any such transfer taking place on future dates to be agreed between the parties. CTF will fund the purchases of these cashflows by using the amounts paid to CTF by Castle Trust in exchange for CTF accepting liability for Loans made pursuant to the Borrower Loan Agreement (as described in the first paragraph above); and

- CTF and Castle Trust entered into the Intra Group Loan Agreement on 29 June 2015. Each time CTF receives a payment in respect of the fixed interest payment cashflows it has purchased from Castle Trust, CTF will immediately lend this money to Castle Trust to fund Castle Trust's general corporate and working capital requirements. Under the Intra Group Loan Agreement, Castle Trust is obliged to repay CTF at such time to enable CTF to satisfy its payment obligations to the Issuer under the Borrower Loan Agreement when they fall due.

CTF will meet its ongoing obligations under the Borrower Loan Agreement using the payments it receives on the fixed interest payment cashflows it has purchased. To the extent CTF is not able to pay amounts owed under the Borrower Loan Agreement then Castle Trust will make such payments and CTF shall accept liability for further Loans of an equivalent value made pursuant to the amended Borrower Loan Agreement.

On 28 April 2017, the Borrower Loan Agreement was further amended to allow for CTT's accession as the Second Additional Borrower (with CTF becoming the First Additional Borrower). CTT is a special purpose vehicle that was incorporated to provide risk management services to the Group, including managing the Group's interest rate risk and liquidity risk. As part of the risk management services it provides to the Group, CTT borrows from the Issuer under the Borrower Loan Agreement in order to provide term funding to certain members of the Group so that Group companies can in turn fund their respective lending activities and/or working capital requirements. CTT lends money to Group companies (including Castle Trust) under the terms of the facility agreement entered into on 28 April 2017 between all the members of the Group for the purpose of providing a contractual framework for the provision of loans between certain Group companies (the "**Master Intragroup Loan Agreement**"). CTT meets its obligations under the Borrower Loan Agreement to pay the Interest and the Final Redemption Amount by using the income from the intercompany term loans it makes to certain Group companies under the Master Intragroup Loan Agreement to service its repayment obligations.

17 Directors, key management team and employees

Directors of Castle Trust

Mr Andrew Doman (Chairman)

Andrew was appointed to the Board of Castle Trust in March 2017. He is a non-executive director of Target Group Limited and Tungsten Corporation plc, having previously been a non-executive director at OneSavings Bank and CEO at Premium Credit. He was chairman of Russell Investments from 2011 to 2012, having been President and CEO from 2009. During that time, he was responsible for leading the recovery of the business following the global financial crisis. Andrew spent 22 years at McKinsey & Co, where his clients included a number of leading UK and European financial services companies. He has degrees in Medicine & Surgery, and Economics and also holds an MBA.

Mr Richard Ramsay (Independent Non-Executive Director)

Chairman of Seneca Global Income & Growth Trust plc and a director of John Laing Environmental Assets Group Limited, both listed investment trusts; chairman of Wolsey Group Limited and Northcourt Ltd, both privately owned companies providing financial services. Previously Chairman of Redcentric, a director of the Shareholder Executive, Managing Director of Regulation and Financial Affairs at Ofgem, director of Intelli Corporate Finance Ltd, Ivory & Sime plc, Aberdeen Football Club and a Managing Director at Barclays de Zoete Wedd.

The Rt Hon The Lord Deben (Independent Non-Executive Director)

A former Secretary of State for the Environment (including the Ministry of Housing and Local Government, where his responsibilities included housing market investment policy). A Minister under Margaret Thatcher and John Major and now a director of a number of businesses concerned with environmental, social and ethical issues, including Chairman of Valpak and Sancroft. Lord Deben is Chairman of the statutory Climate Change Committee.

Mr Tim Hanford (Non-Executive Director)

Managing Director and Head of Europe of J.C. Flowers & Co. UK LLP, prior to which he was Head of Private Equity at Dresdner Bank and a member of the Institutional Restructuring Unit's Executive Committee. Previously he served as a board director of Schroders, in Hong Kong and Tokyo, where he was responsible for structured finance. Currently he serves on the boards of Interactive Investor Limited and UK General Insurance Limited. He holds an MS degree from Stanford University's Graduate School of Business, where he was a Sloan Fellow, and a BSc degree in Chemical Engineering from Birmingham University.

Mr Patrick Gale (Independent Non-Executive Director)

Chairman of Aztec Group, chairman of Jardine Lloyd Thompson Employee Benefits UK, independent non-executive director of RAC Motoring Services, RAC Financial Services Limited and RAC Insurance Limited, a senior adviser to Boston Consulting Group and formerly CEO of Sesame (the UK's largest IFA network).

Mr Jonathan Cox (Non-Executive Director)

Vice President at J.C. Flowers & Co., a board director of Interactive Investor Limited, SSL Endeavour and UK General Insurance Group, and formerly on the boards of Acuon Capital Corp and Compagnie Européenne de Prévoyance. Previously worked as an investment banker for Rothschild and Credit Suisse. Qualified as a Chartered Accountant whilst working at KPMG. He received a BSc in Government & Economics from the London School of Economics and remains a member of the ICAEW.

Mr Martin Bischoff (Chief Executive Officer)

Martin joined Castle Trust in May 2018, having held director roles at Santander from 2012 to 2017, most recently as Managing Director Retail Distribution from 2013 to 2017. Prior to that, he held director roles within Royal Bank of Scotland Group both in the UK and USA. He has particular experience of leading transformational change programmes across all channels. He is a Fellow of the Chartered Institute of Bankers of Scotland.

Mr Paul Lloyd-Jones (Chief Financial Officer)

Paul joined Castle Trust in May 2018 and was appointed to the Board in May 2019. He held roles within Barclays Bank over the previous ten years, most recently as Managing Director, Business Planning and Analytics for Barclays Group Financial Control, and before that as Finance Director, Barclays Investment Bank – Markets. Prior to this, Paul was a senior finance manager at Santander, having trained at Deloitte.

Key Management Team members

Mr Stuart Sykes (Operations Director)

Stuart has an extensive 20-year career history in banking and credit operations. Most recently he was Group Customer Operations Director at MYJAR from 2013 to 2017, during which time he founded and served as a director of online collections agency Secure Recoveries Limited. Previously, he held the role of Director - Operations EMEA at Auriemma, undertaking global consumer credit and operations consultancy work, and was Head of Collections and Financial Difficulties at ICICI Bank from 2007 to 2011. He was elected to the Board of the Credit Service Association in February 2017.

Mr Andrew Macdonald (General Counsel)

Andrew joined Castle Trust in January 2015, having previously held the role of Head of Legal at Europe

Arab Bank where he was responsible for the Legal Operations of the Arab Bank group throughout Europe. Prior to this, he had worked in private practice at the law firms Slaughter and May and Sidley Austin where he had advised clients worldwide on a wide variety of banking and financial services matters. Andrew is a Solicitor with a Jurisprudence degree from Oxford University.

Ronnie Denholm (Managing Director, OCRF)

Ronnie joined Castle Trust in March 2019, with over 30 years' experience in banking and consumer finance at Barclays and American Express, and a focus on providing innovative solutions for customers. He held Managing Director roles at Barclays Partner Finance, one of the UK's largest point-of-sale companies offering consumer lending and payment solutions, where he was responsible for the business's transformation from loss-making to significantly profitable, and at Barclays Digital Marketplace, a data-driven online e-commerce business providing customer acquisition and retention capabilities to retailers. He is a qualified Chartered Accountant.

Mr Barry Searle (Managing Director, Property)

Barry joined Castle Trust in May 2014, having previously been a Founding Director of Portillion, a start-up mortgage and savings bank, which closed in 2012, then Chief Operating Officer of Legal & General's Mortgage division until December 2013. Barry was Operations Director at Private Label Mortgage Services, the UK's largest independent mortgage packager when bought by GMAC RFC in 2000. He became Marketing Director, then Chief Operating Officer in 2003. From start-up in 2000, GMAC RFC was the tenth largest UK mortgage lender in 2006.

Mr Jon Higgs (Chief Risk Officer)

Jon joined Castle Trust in May 2016, having previously worked at the Bank of England where he performed a range of deposit-taker supervisory roles before leading the Bank of England's project to implement the European legislation, CRD IV in the UK. His previous roles have been in credit risk at the FSA and Barclays Bank. Jon holds the Professional Risk Manager qualification and has a Masters in Financial Risk Management from the ICMA centre at Henley Business School.

Mr Abbas Jeraj (HR Director)

Abbas joined Castle Trust in January 2018, having previously worked for Dixons Carphone as the Head of HR, responsible for a subset of their corporate operations across the UK and Europe. In a career working across technology, finance, retail and consulting organisations, Abbas has delivered a series of major people projects at board and executive level. He graduated with a degree in Computer Science and Management from Loughborough University.

Al Southall (Chief Technology Officer)

Al joined Castle Trust in May 2019. He has extensive and unique experience of building online banking businesses in the UK and the Czech Republic, most recently as CTO/COO for the successful launch of Masthaven, a new UK challenger bank, and as CIO of Aldermore Bank during the establishment of a new in house banking platform. His career has also included periods at Close Brothers, during which he led the new Business Applications function in the Banking division, and Merrill Lynch, where he held the role of COO for the UK online share dealing and wealth management business joint venture with HSBC. Al has a Mathematics degree from Durham University.

Mrs Caroline Baker (Compliance Oversight Officer)

Caroline joined Castle Trust in 2016. She has spent 18 years working in regulated financial services firms, including 8 years at Barclays, both in retail and private banking. In addition to her extensive experience in Compliance, she is also Castle Trust's Money Laundering Reporting Officer and is responsible for CASS Oversight. She holds a Bachelor of Laws degree, a Professional Postgraduate Diploma in Governance, Risk and Compliance and is a Fellow of the International Compliance Association.

18 Employees

Castle Trust had 247 permanent employees as at 30 September 2018, including one executive director (but excluding non-executive directors). All of Castle Trust's employees are based in the UK.

19 Incentive arrangements

Castle Trust believes that an important factor in Castle Trust's success is its ability to motivate and retain its key employees.

The remuneration committee has reviewed the structure of remuneration for executive directors and senior management with a view to developing and implementing remuneration policies which both provide an appropriate motivational framework and align the interests of the senior management with the performance of the business and the interests of the shareholders.

As part of this exercise, the remuneration committee decided that the introduction of the Long Term Incentive Plan (the "**Plan**") would support Castle Trust's business strategy in the future.

The Plan, which was adopted in December 2010 and has been amended from time to time since then, allocates incentive points and aligns participants' longer term economic interests with those of shareholders. The Plan also reflects the remuneration committee's policy of linking remuneration to the performance of Castle Trust.

In addition to the Plan, Castle Trust operates discretionary bonus schemes (each a "**Bonus Scheme**") in relation to certain employees. Any award of bonuses under a Bonus Scheme is made at the discretion of the remuneration committee.

Castle Trust believes, on the basis that it is a Tier Three Firm for the purposes of the FCA Remuneration Code, that the terms of both the Plan, the Bonus Schemes and the other aspects of the remuneration arrangements of Castle Trust are compliant with the requirements of the FCA Remuneration Code in force as at the date of this Base Prospectus.

20 Dividends policy for Castle Trust

Castle Trust started trading on 1 October 2012 and has not paid a dividend in respect of the first 6 years of trading. Prior to approving a dividend, the Castle Trust Board will satisfy itself that after any such dividend had been paid, Castle Trust would retain surplus capital resources in excess of its regulatory capital requirements.

21 Use of proceeds

The proceeds raised from the Fortress Bond offers will enable Castle Trust to lend to UK residential property owners and UK consumers wishing to finance, in full or in part, the purchase of certain products by certain suppliers partnered with OCRF as referred in the paragraph headed "UK residential property mortgage market, UK point-of-sale finance market, retail deposit and investment markets" of this Part IV (*Overview of Castle Trust and its business)* (with a target of a minimum of 10% of proceeds retained for liquid asset investments) thereby generating the necessary returns from Mortgages and POS Loans which, together with the return on the liquid assets investments, are designed to provide the proceeds to fund returns to investors in Fortress Bonds.

PART V

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 THE NOTES ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS OF YOUR NOTES AS SET OUT IN PART VII OF THIS BASE PROSPECTUS.

For the purposes of the scenarios below, the Investor is assumed to hold Notes with an aggregate nominal amount of £1,000 (being 1,000 individual Notes with a nominal amount of £1.00 per Note and an issue price that is 100 per cent (100%) of the nominal amount). £1,000 is the minimum application size per Investor.

Notes issued pursuant to this Base Prospectus will initially either bear periodic fixed rate interest or floating rate interest; the rate of interest applicable to any Note may change if the Issuer has the option to and elects to extend the duration of such Note and the Noteholder of such Note as of the Record Date accepts such extension by the last day of the Election Period in accordance with the terms and conditions of the Notes.

Upon maturity, Notes will pay a fixed Final Redemption Amount, which will always be 100% of the original investment. In addition, the Notes may provide for early redemption at your option (a put option, specified as an "Investor Put" in the Final Terms) at the Optional Redemption Amount (which may be less than the Final Redemption Amount) less any Optional Redemption Charge for redeeming before maturity. The Notes may also provide the Issuer with the right to elect to extend the duration of your Notes in accordance with the terms and conditions of the Notes.

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

In this Part V, the following terms shall have the following meanings:

"**Bank of England Base Rate**" means the Bank of England Official Bank Rate;

"**Business Day**" means any day (other than a Saturday, Sunday and bank holidays) on which we are open for business;

"**Castle Trust**" means Castle Trust Capital plc, a company registered in England & Wales (no. 07454474), authorised and regulated by the Financial Conduct Authority in the conduct of investment business;

"**Day Count Fraction**" means a fraction reflecting the number of days for which interest has accrued;

"**Election Period**" means the period from (and including) the date on which the Issuer notifies the Noteholders of its election to extend the maturity date of such Notes and the new Rate of Interest which will apply to such Notes to (and including) the date falling five Business Days prior to the then Maturity Date;

"**Final Redemption Amount**" means the amount payable on the relevant maturity date in respect of the relevant Notes (such amount being paid only if the Note is not redeemed before the maturity date);

"**Final Terms**" means, in respect of each series of Notes, the document setting out, among other things, the maturity date of those Notes and the interest payable in respect of those Notes. See the section of this Base Prospectus entitled – "**Pro Forma Final Terms**".

"**Fixed Rate Note**" means a Note bearing a fixed rate of interest;

"**Floating Rate Note**" means a Note bearing a floating rate of interest;

"**Interest Payment Date**" the date on which the interest is paid to the investor being the date(s) specified in the applicable Final Terms;

"**Issuer**" means Castle Trust Direct plc, a company incorporated in England and Wales with registered number 9046984 whose registered office is at 10 Norwich Street, London EC4A 1BD;

"**LIBOR**" means the interest rate benchmark known as the London interbank offered rate which is administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate);

"**Margin**" means a fixed percentage that is either added to or subtracted from an interest rate benchmark (either LIBOR or the Bank of England Base Rate) to calculate the Rate of Interest;

"**Maturity Date**" means the date when the applicable Notes are, or are to be, redeemed by the Issuer or repurchased by Castle Trust, as specified in the applicable Final Terms;

"**Maximum Rate of Interest**" means the maximum amount of interest that can be charged under the Notes, as specified in the Final Terms (if any);

"**Minimum Rate of Interest**" means the minimum amount of interest that can be charged under the Notes, as specified in the Final Terms (if any);

"**Notes**" means notes issued by the Issuer under the Programme;

"**Noteholder**" means the several persons who are recorded in the Register as holders of outstanding Notes

"**Optional Redemption Amount**" means the amount the investor would receive if they were to exercise their option to redeem their Notes before the maturity date (if such option is specified in the Final Terms), less any Optional Redemption Charge;

"**Optional Redemption Charge**" means a charge paid by the investor to the Issuer for exercising their option to redeem their Notes before the maturity date (if such option is specified in the Final Terms);

"**Programme**" means the £1,500,000,000 Castle Trust Direct programme for the issuance of Notes, to which this Base Prospectus relates;

"**Rate of Interest**" means, for the applicable Notes, the rate of interest specified in the applicable Final Terms;

"**Record Date**" means, for the purposes of an extension of the Maturity Date of the Notes, the first day of the Election Period; and

"**Register**" means the register of Noteholders that the Issuer shall procure to be kept by JTC (Jersey) Limited as Registrar.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

Fixed Rate Interest

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

Unless your Notes are redeemed early, on each Interest Payment Date you will receive an amount calculated by applying the relevant fixed rate to the aggregate nominal amount of Notes you hold, and then multiplying such amount by the applicable Day Count Fraction (which is a fraction used to reflect the number of days over which interest has accrued).

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

- **The Rate of Interest is set at a fixed rate of 2.25 per cent (2.25%) per annum;**
- **the Day Count Fraction is "Actual/365 (Fixed)" basis, 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 Interest Payment Dates are quarterly, so the actual number of calendar days in the Interest Period is 91,**

the Fixed Coupon Amount on the Interest Payment Date will be £5.61 (rounded to two decimal places). This figure is calculated as fixed interest of 2.25%, or 0.0225 × £1,000 × Day Count Fraction of 91/365 or 0.2493151.

Floating Rate Interest

Floating Rate Notes pay interest that is tied to an interest rate benchmark, which is either set at LIBOR or the Bank of England Base Rate, plus or minus a fixed percentage (Margin) and subject, in certain cases, to a Maximum Rate of Interest 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 LIBOR this is the London interbank lending market and for the Bank of England Base Rate this is the rate at which the Bank of England is willing to provide banks with secured overnight lending).

Unless your Notes are redeemed early, on each Interest Payment Date you will receive an amount calculated by applying the Rate of Interest for that Interest Payment Date to the aggregate nominal amount of Notes you hold, and then multiplying such amount by a fraction reflecting the number of days for which interest has accrued (the Day Count Fraction). The Rate of Interest for any Interest Payment Date will be determined by taking the level of the interest rate benchmark and then adding or subtracting a fixed percentage (Margin) as specified in the Final Terms. The result shall be subject to any Maximum Rate of Interest or Minimum Rate of Interest specified in the Final Terms.

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

- **the Rate of Interest is calculated using the Bank of England Base Rate, as specified in the Final Terms;**
- **the Margin (used to upsize or downsize the Bank of England Base Rate to create the Rate of Interest) is plus 3.00 per cent (3.00%);**
- **the Rate of Interest is subject to a Maximum Rate of Interest of 7 per cent (7%) per annum;**
- **the Day Count Fraction is "Actual/365 (Fixed)" basis, 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 Interest Payment Dates are quarterly, so the actual number of calendar days in the Interest Period is 91,**

(i) if the Bank of England Base Rate for a given Interest Period is set at 0.5 per cent (0.50%), the Fixed Coupon Amount on the corresponding Interest Payment Date will be equal to £8.73 (rounded to two decimal places). This figure is calculated as £1,000 × Rate of Interest of 3.5% (or 0.035) × Day Count Fraction of 91/365 or 0.2493151. The Rate of Interest (3.5%) is calculated as the Bank of England Base Rate of 0.5% (or 0.005) and then + 3% (or 0.03) of Margin. In this scenario the Rate of Interest is not affected by the Maximum Rate of Interest;

(ii) if the Bank of England Base Rate for a given Interest Period is set at 5 per cent (5.00%), the Fixed Coupon Amount on the corresponding Interest Payment Date will be equal to £17.45. This figure is calculated as £1,000 × Rate of Interest of 7% (or 0.07) × Day Count Fraction of 91/365 or 0.2493151. The Rate of Interest (7%) is set as the Maximum Rate of Interest because the Bank of England Base Rate is 5.00% (or 0.05) and then + 3% (or 0.03) of Margin results in a rate of 8.00%. In this scenario the Rate of Interest is capped at 7%.

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

- **the Rate of Interest is calculated using 6 month GBP LIBOR, as specified in the Final Terms;**

- **the Margin (used to upsize or downsize LIBOR to create the Rate of Interest) is minus 1.00%;**

- **the Rate of Interest is subject to a Minimum Rate of Interest of 0 per cent (0%) and a Maximum Rate of Interest of 7 per cent (7%) per annum;**

- **the Day Count Fraction is "Actual/365 (Fixed)" basis, 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 Interest Payment Dates are quarterly, so the actual number of calendar days in the Interest Period is 91,**

(i) if LIBOR for a given Interest Period is set at 3.1 per cent (3.1%), the Fixed Coupon Amount on the corresponding Interest Payment Date will be equal to £5.24 (rounded to two decimal places). This figure is calculated as £1,000 × Rate of Interest of 2.1% (or 0.021) × Day Count Fraction of 91/365 or 0.2493151. The Rate of Interest (2.1%) is calculated as LIBOR of 3.1% (or 0.031) and then – 1% (or 0.01) of Margin. In this scenario the Rate of Interest is not affected by the Minimum Rate of Interest or Maximum Rate of Interest;

(ii) if LIBOR for a given Interest Period is set at 8.16 per cent (8.16%), the Fixed Coupon Amount on the corresponding Interest Payment Date will be equal to £17.45 (rounded to two decimal places). This figure is calculated as £1,000 × Rate of Interest of 7% (or 0.07) × Day Count Fraction of 91/365 or 0.2493151. The Rate of Interest (7%) is set as the Maximum Rate of Interest because LIBOR of 8.16% (or 0.0816) and then – 1% (or 0.01) of Margin, results in a rate of 7.16%. In this scenario the Rate of Interest is capped at 7%;

(iii) if LIBOR for a given Interest Period is set at 0.5 per cent (0.50%), the Fixed Coupon Amount on the corresponding Interest Payment Date will be equal to £0. This figure is calculated as £1,000 × Rate of Interest of 0% × Day Count Fraction of 91/365 or 0.2493151. The Rate of Interest (0%) is set as the Minimum Rate of Interest because LIBOR of 0.5% (or 0.005) and then – 1% (or 0.01) of Margin results in a rate of -0.5%. In this scenario you will receive no Interest payment on your Notes for this Interest Period.

Put Option

A put option gives you the right to redeem a Note before the maturity date at a predetermined price on a specified date(s). If a Note is sold, you will be paid a pre-specified redemption value plus any accrued and unpaid interest. Notes that are not sold shall continue until the maturity date. The Notes will have a specified period or periods during which a put option may be exercised.

Following the exercise by you of a put option, in respect of that Note, as well as any accrued but unpaid interest, you will receive an amount in GBP equal to (x) the Optional Redemption Amount, less (y) any Optional Redemption Charge (both amounts specified in the Final Terms).

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

- **the Optional Redemption Amount is 110 per cent (110%) of the nominal amount, less an Optional Redemption Charge of 5 per cent (5%), so the early redemption amount payable will be £1,050;**
- **the Optional Redemption Amount is 100 per cent (100%) of the nominal amount, less the Optional Redemption Charge of 0 per cent (0%) of the nominal amount, so the early redemption amount payable will be £1,000; or**
- **the Optional Redemption Amount is 90 per cent (90%) of the nominal amount, less the Optional Redemption Charge of 10 per cent (10%) of the nominal amount, so the early redemption amount payable will be £800. In this scenario you will lose part of your investment.**

Extension of Maturity Date; Extension Option

If applicable, an extension option gives the Issuer the right to extend the maturity of some or all of your maturing Notes. If the Issuer wishes to exercise this option, you will be informed of (i) the proposed Maturity Date and (ii) the Rate of Interest, each of which will apply to any such Notes being extended. There is a specified period in which the Issuer can give you this notice and it will be in advance of when your Notes mature. If you wish to accept the extension of the maturity of some or all of your maturing Notes on the offered terms, you will have to complete and deliver an Extension Notice in a specified period. You will only be eligible to accept the extension of the maturity if you hold Notes on the Record Date, otherwise your Notes will be redeemed on the applicable Maturity Date.

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

- **the Maturity Date is 1 September 2021;**
- **the Notes have not been previously redeemed and cancelled; and**
- **the Final Redemption Amount is 100 per cent.,**

the Final Redemption Amount on the Maturity Date will be £1,000 (rounded to two decimal places).

If you choose to accept the extension of the maturity of all of your notes, the date on which you receive the £1,000 will be delayed to the new date for maturity specified by the Issuer.

In the interim period, you will continue to receive interest at the new Rate of Interest as per the worked examples above, depending on whether it is Fixed Rate or Floating Rate.

PART VI

FORM OF THE NOTES

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This section sets out how the way in which the Notes are issued and how Investors hold them.

The Notes of each Series are in registered form and are issued outside the United States in reliance on the exemption from registration provided by Regulation S and may only be offered and sold to non-U.S. persons outside the United States.

The Notes of each Series are initially represented by a global certificate in registered form, without receipts, interest coupons or talons (a ‘‘**Global Certificate**”) which is delivered to, and registered in the name of, the Nominee. Persons holding beneficial interests in Notes are entitled or required, as the case may be, to receive physical delivery of individual note certificates (“**Individual Certificates**” and together with the Global Certificate, the “**Certificates**”) in respect of their entire holding of a Series, if they wish to hold the legal title to their Notes. The Register of legal title to Notes is managed by the Registrar whilst the Nominee keeps a record of all beneficial interests in Notes it holds itself.

Payments of principal, interest and any other amount in respect of Notes represented by a Global Certificate will, in the absence of provision to the contrary, be made to the person shown on the Register on the relevant Record Date as the registered holder of the Global Certificate. Where the Nominee is the registered holder, any payment of principal, interest or other amount will be paid by the Issuer on behalf of the Nominee to that person registered with the Nominee as holding a beneficial interest in that Note. None of the Issuer, the Trustee, Castle Trust nor the Registrar has any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Individual Certificates will, in the absence of provision to the contrary, be made to persons shown on the Register on the relevant Record Date in the manner provided in Condition 7 (*Payments*).

Each of the persons shown in the records of the Nominee as the beneficial holder of a Note represented by a Global Certificate must look solely to the Nominee for such person’s share of each payment made by the Issuer to the registered holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the applicable procedures of the Nominee. Such persons have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by a Global Certificate and such obligations of the Issuer are discharged by payment to the registered holder of the Global Certificate in respect of each amount so paid.

Whenever a Global Certificate is to be exchanged for Individual Certificates, such Individual Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate being exchanged within five Business Days of the delivery by or on behalf of the registered holder of the Global Certificate to the Registrar of such information as is required to complete and deliver such Individual Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Trust Deed and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Interests in a Global Certificate may be exchanged in whole (but not in part) for duly authenticated and completed Individual Certificates if: (a) the Investor whose Notes are represented by such Global Certificate wishes to transfer legal title for Notes held by that Investor to another person pursuant to Condition 3.2 and as described below; or (b) the Global Certificate becomes void as described below.

If (a) Individual Certificates have not been issued and delivered by 5.00 p.m. (London time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Certificate or (b) any of the Notes evidenced by the Global Certificate has become due and payable in accordance with the Note Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the registered Noteholder of the Global Certificate on the due date for payment in accordance with the terms of the Global Certificate, then the Global Certificate (including the obligation to deliver Individual Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the Noteholder will have no further rights thereunder (but without prejudice to the rights which the Noteholder or others may have under the Trust Deed).

Interests in a Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Note. No beneficial owner of an interest in a Note is able to transfer such interest, except in accordance with the applicable procedures of the Nominee.

Amendment to Note Conditions

The Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Note Conditions set out in this Base Prospectus. The following is a summary of certain of those provisions:

Meetings: The registered Noteholder of a Global Certificate shall (unless such Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders. All holders of Notes are entitled to one vote in respect of each Note comprising such holder's holding, whether or not represented by a Global Certificate.

Notices: So long as any Notes are represented by a Global Certificate, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the registered holder of the Global Certificate and the Trustee.

PART VII

PRO FORMA FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Series of Notes issued under the Programme pursuant to this Base Prospectus.

MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET: Solely for the purposes of 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 Directive 2014/65/EU (as amended, "**MiFID II**"); 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 manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

PRIIPs Regulation

The Notes have a [fixed or floating] rate of interest and therefore do not constitute a "packaged" product for the purposes of Regulation (EU) No. 1286/2014 (as amended) (the "**PRIIPs Regulation**"). Accordingly, no key information document pursuant to the PRIIPs Regulation has been prepared by the Issuer.

[*Date*]

CASTLE TRUST DIRECT PLC

Issue of £[Aggregate nominal Amount of Series] [Title of Notes]

Offered by CASTLE TRUST CAPITAL PLC

Under the Castle Trust Direct Programme for the Issuance of Notes

PART A – CONTRACTUAL TERMS

[*For use in the event securities are issued under this Base Prospectus dated [•] 2019:*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") of the Notes set forth in the Base Prospectus dated [•] 2019 [and the supplementary prospectus[es] dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (and amendments thereto, including Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Base Prospectus and these Final Terms. The Base Prospectus is available for viewing at and copies may be obtained during normal working hours from the Issuer's registered office at 10 Norwich Street, London EC4A 1BD. For the purposes of Article 14 of the Prospectus Directive, the Base Prospectus and the Final Terms have been published on the Castle Trust Capital plc website: https://www.castletrust.co.uk/documents-investments. A summary of the individual issue is annexed to these Final Terms.]

[or]

[*For use in the event securities are issued under the Base Prospectus dated 17 June 2016:*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") of the Notes set forth in the Base Prospectus dated 17 June 2016 and the supplementary prospectuses dated 18 January 2017 and 1 February 2017, the Base Prospectus dated 13 June 2017 and the supplementary prospectuses dated 11 July 2017 and 26 January 2018, the Base Prospectus dated 13 June 2018 and the supplementary prospectuses dated 2 July 2018, 4 July 2018, 31 January 2019, 18 March 2019 and 23 May 2019 and this Base Prospectus dated [•] 2019 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (and amendments thereto, including Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus as so supplemented.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Base Prospectus and these Final Terms. The Base Prospectus is available for viewing at and copies may be obtained during normal working hours from the Issuer's registered office at 10 Norwich Street, London EC4A 1BD. For the purposes of Article 14 of the Prospectus Directive, the Base Prospectus and the Final Terms have been published on the Castle Trust Capital plc website: https://www.castletrust.co.uk/documents-investments. A summary of the individual issue is annexed to these Final Terms.]

[or]

[*For use in the event securities are issued under the Base Prospectus dated 3 July 2014:*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") of the Notes set forth in the base prospectus dated 3 July 2014 and the supplementary prospectuses dated 8 December 2014, 22 December 2014 and 22 May 2015, the base prospectus dated 17 June 2016 and the supplementary prospectuses dated 18 January 2017 and 1 February 2017, the Base Prospectus dated 13 June 2017 and the supplementary prospectuses dated 11 July 2017 and 26 January 2018, the Base Prospectus dated 13 June 2018 and the supplementary prospectuses dated 2 July 2018, 4 July 2018, 31 January 2019, 18 March 2019 and 23 May 2019 and this Base Prospectus dated [•] 2019 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (and amendments thereto, including Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus as so supplemented.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the base prospectus and these Final Terms. The base prospectus is available for viewing at and copies may be obtained during normal working hours from the Issuer's registered office at 10 Norwich Street, London EC4A 1BD. For the purposes of Article 14 of the Prospectus Directive, the base prospectus and the Final Terms have been published on the Castle Trust Capital plc website: https://www.castletrust.co.uk/documents-investments. A summary of the individual issue is annexed to these Final Terms.]

1	Issuer	Castle Trust Direct plc
2	Series Number:	[●]
3	Aggregate Nominal Amount of Series:	[●]
4	Issue Price:	100% of the Aggregate Nominal Amount [plus accrued interest from [●]].
5	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[[●]/[Issue Date]/[Not Applicable]
	(c) Calculation Amount:	[£1,000]/[●]

6	Maturity Date:	[•]/[Interest Payment Date falling in [•]] [subject to any extension]
7	Interest Basis:	[[•]% Fixed Rate] (as such rate may be[: (i)] increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period [; and (ii) amended (as part of any extension) to the rate notified by the Issuer to the Noteholder prior to the Election Period])] [[LIBOR/Bank of England Base Rate] +/- [•]% Floating Rate (as such rate may be[: (i)] increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period [; and (ii) amended (as part of any extension) to the rate notified by the Issuer to the Noteholder prior to the Election Period])]
8	Redemption/Payment Basis:	Subject to any early redemption, the Notes will be redeemed on the Maturity Date at [100]% of their nominal amount.
9	Change of Interest Basis or Redemption/Payment Basis:	[[•]/[Not Applicable]]
10	Put/Call Options:	[Investor Put]/[Not Applicable] [Issuer Call]/[Not Applicable]
11	Date [Board] approval for issuance of Notes obtained:	[•]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12	Fixed Rate Note Provisions	[Applicable/Not Applicable]
	(a) Rate(s) of Interest:	[•]% per annum payable [annually/semi-annually/quarterly/monthly/ on the Maturity Date]/[In respect of the period from and including [•] to but excluding [•]:[•] per annum] (as such rate[s] may be[: (i)] increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period[; and (ii) amended (as part of any extension) to the rate notified by the Issuer to the Noteholders prior to the Election Period])] in arrear
	(b) Interest Payment Date(s):	[[•] in each year up to and including the Maturity Date]/[•]
	(c) Fixed Coupon Amount(s):	[•] [per Calculation Amount]/[In respect of the period from and including [•] to but excluding [•]:[•] per Calculation Amount] (as such amount[s] may be[: (i)] increased to reflect an increase to the Rate of Interest by the Issuer (if

		at all and at its discretion) during the Offer Period and notified to Noteholders prior to the end of such period[; and (ii) amended (as part of any extension) to the amount notified by the Issuer to the Noteholders prior to the Election Period])]
	(d) Broken Amount(s):	[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]/[Not Applicable]
	(e) Determination Date(s):	[[•] in each year/Not Applicable]
	(f) Day Count Fraction:	[Actual/Actual (ICMA)]/[Actual/365 or Actual/Actual]/[Actual/365 Fixed]/[Actual 360]/[30/360 or 360/360 or bond basis]
	(g) Other terms relating to the method of calculating interest for the Notes:	[None]/[•]
13	Floating Rate Note Provisions	[Applicable/Not Applicable]
	(a) Specified Period(s)/Specified Interest Payment Dates:	[[•] in each year from (and including) [the Maturity Date]/[•]]
	(b) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(c) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/Bank of England Base Rate Determination]
	(d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuer):	[[•] shall be the Calculation Agent]
	(e) Screen Rate Determination:	[Applicable/Not Applicable]
	a. Reference Rate:	[•] month LIBOR
	b. Interest Determination Date:	[•]
	c. Relevant Screen Page:	[•]
	(a) Bank of England Base Rate Determination:	[Applicable/Not Applicable]
	a. Designated Maturity:	[Daily][•]
	b. Interest Determination Date:	[•]

		c. Relevant Screen Page:	[Reuters UKBASE][•]
	(b)	Margin(s):	[+/-] [●]% per annum (as such rate may[: (i)] be increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period[; and (ii) amended (as part of any extension) to the rate notified by the Issuer to the Noteholders prior to the Election Period])
	(c)	Minimum Rate of Interest:	[•]
	(d)	Maximum Rate of Interest:	[•]
	(e)	Day Count Fraction:	[Actual/Actual (ICMA)]/[Actual/365 or Actual/Actual]/[Actual/365 Fixed]/[Actual 360]/[30/360 or 360/360 or bond basis] [unadjusted/adjusted] [Not Applicable]
	(f)	Determination Date(s):	[[●] in each year/Not Applicable]
	(g)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]

PROVISIONS RELATING TO REDEMPTION

14		Issuer Call *(Applicable only for Notes held by Castle Trust Capital plc)*	
		Optional Redemption Amount and method, if any, of calculation of such amount(s):	
15		Investor Put	
	(a)	Optional Redemption Date(s):	
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	
	(c)	Notice Period:	
	(d)	Optional Redemption Charge:	
16		Extension of Maturity Date, Extension Option:	
17		Final Redemption Amount:	[[●] per Calculation Amount]/[•]
18		Final Repayment Date:	[●]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the £1,500,000,000 Castle Trust Direct Programme

THIRD PARTY INFORMATION

[[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Castle Trust Direct plc

By:	By:
....	....
Duly authorised	*Duly authorised*

PART B – OTHER INFORMATION

1 ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market. It is expected that the first dealing day will be [●]].

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing and trading on the Official List of The International Stock Exchange. It is expected that the first dealing day will be [●]].

2 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save as discussed in [the section headed "Subscription and Sale" of the Base Prospectus [and save for [●]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

RELATIONSHIPS MATERIAL TO THE ISSUE/OFFER BETWEEN THE ISSUER AND THE BORROWER

The Issuer will make a new Advance under the Borrower Loan Agreement in respect of the Offer Series on [●].

3 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(a) Reasons for the offer:	[●] [Not Applicable]
(b) Estimated net proceeds:	[●]
(c) Estimated total expenses:	[●]

4 [**YIELD** *(Fixed Rate Notes only)*

Indication of yield	[●] [Calculated on the Issue Date. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5 OPERATIONAL INFORMATION

(a) ISIN Code:	[●]
(b) Other Final Terms:	[●]
(c) Offer Period:	[●] - [●]
(d) Amount of any expenses and taxes specifically charged to the Investor	[Not Applicable]/ [●]
(e) Any other clear and objective conditions attached to the consent which are relevant for the use of	[●] / [Not applicable]

the Base Prospectus

(f)	[Names and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:	[None/[●]]

ANNEX – ISSUE SPECIFIC SUMMARY

PART VIII

TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions (the "**Conditions**" and each a "**Condition**") that, subject to completion or amendment in accordance with the provisions of the applicable Final Terms, are applicable to the Notes in definitive form (if any) issued in exchange for the Global Certificate representing each Series. The terms and conditions applicable to any Note represented by a Global Certificate differ from those terms and conditions which would apply to any Note were it in definitive form to the extent described under "Form of the Notes" above.*

Capitalised terms that are not defined in this section will have the meanings given to them in the applicable Final Terms.

This Part VIII is arranged under the following subheadings:

1 Introduction
2 Form, denomination and title
3 Transfers
4 Status
5 Interest
6 Redemption
7 Payments
8 Taxation
9 Prescription
10 Trustee
11 Meetings of noteholders; modification and waiver
12 Enforcement
13 Replacement of certificates
14 Further issues
15 Notices
16 Definitions
17 Law and jurisdiction

1 INTRODUCTION

1.1 Programme

Castle Trust Direct plc (the "**Issuer**") has established a programme (the "**Programme**") for the issuance of up to £1,500,000,000 in aggregate principal amount of notes (the "**Notes**"), as such aggregate principal amount may be increased by the Issuer from time to time and notified to the Noteholders. Upon any such notification, any references in the Trust Deed and these Conditions to the aggregate principal amount of the Notes that may be issued under the Programme shall be deemed to be increased accordingly.

1.2 Final Terms

Notes issued under the Programme are issued in series (each a "**Series**"). Each Series is the subject of final terms applying to such Notes (the "**Final Terms**"). The terms and conditions applicable to any particular Series of Notes are these Conditions as completed by the Final Terms, which are the "**applicable Final Terms**" in respect of each Series.

1.3 Offer Period

Each Series shall be offered to Investors for the period specified in the applicable Final Terms and beginning no earlier than the date on which the Notes are either (i) (in respect of Notes which are to be admitted to the Official List of Euronext Dublin and to trading on its regulated market) admitted to trading on the regulated market of the Irish Stock Exchange plc (the "**ISE**"); or (ii) (in respect of Notes which are to be admitted to listing and trading on the Official List of

The International Stock Exchange ("**TISE**")) admitted to listing and trading on the Official List of TISE, and ending on the last day of the specified period (the "**Offer Period**").

1.4 **Trust Deed, Registrar and Administration Agreement and Marketing and Agency Agreement**

The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 3 July 2014 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and JTC Trustees (UK) Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed), have the benefit of a registrar and administration agreement dated 3 July 2014 made between the Issuer, the Trustee and JTC (Jersey) Limited as registrar (the "**Registrar**") (as amended and/or supplemented and/or restated from time to time) (the "**Registrar and Administration Agreement**") and a marketing and agency agreement dated 3 July 2014 made between the Issuer, the Trustee and Castle Trust Capital Management Limited ("**CTCM**" and, in its capacity as calculation agent, the "**Calculation Agent**") (as amended and/or supplemented and/or restated from time to time) (the "**Marketing and Agency Agreement**").

1.5 **The Notes**

References in these Conditions to the ''**Notes**'' are to the Notes of one Series which are the subject of the applicable Final Terms.

1.6 **Summaries**

The holders and the Noteholders (each as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Registrar and Administration Agreement and the applicable Final Terms which are applicable to them. Copies of the Trust Deed and the Registrar and Administration Agreement are available for inspection by Noteholders during normal business hours at the specified offices of each of the Issuer, the Trustee and the Registrar, the initial specified offices of which are set out below. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. The Trustee acts for the benefit of the Noteholders in accordance with the provisions of the Trust Deed.

Words and expressions defined in the Deed of Covenant or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. In the event of any inconsistency between the Deed of Covenant and the applicable Final Terms, the applicable Final Terms shall prevail.

2 **FORM, DENOMINATION AND TITLE**

2.1 The Notes are issued in registered form and initially represented by a global certificate in registered form, without receipts, interest coupons or talons (a ''**Global Certificate**") which is delivered to, and registered in the name of a nominee or nominee (the "**Nominee**"), initially being CTCM, who has sub-delegated the role to Castle Trust Capital Nominees Limited ("**CTCN**"), for all Noteholders save for those persons holding beneficial interests in Notes ("**Beneficial Noteholders**") who choose for legal title to the Notes to be transferred to themselves or another person in accordance with Condition 3.2 who will be issued an individual certificate in registered form, without receipts, interest coupons or talons (an "**Individual Certificate**" and, together with each Global Certificate, the "**Certificates**").

2.2 The Notes are in the minimum denomination of £1.00 or integral multiples thereof.

2.3 The Notes may be a Fixed Rate Note or a Floating Rate Note, depending upon the interest basis shown in the applicable Final Terms.

2.4 Title to the Notes shall pass by registration in the register (the "**Register**") that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Registrar and Administration Agreement. References in these Conditions to "**Noteholder**" or "**holder**" means the person in whose name a Note is registered in the Register. A Certificate is issued to each

Noteholder in respect of its registered holding of each Series.

2.5 A Noteholder is (except as otherwise required by applicable law or regulatory requirement) treated as its absolute owner of its Notes 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 Noteholder.

3 TRANSFERS

3.1 A Note may, upon the terms and subject to the conditions set forth in this Condition 3 and the Trust Deed, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, £1.00) upon the surrender of the relevant Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar, together with such evidence as the Registrar may reasonably require to prove the title of the transferor and the authority of the persons who have executed the form of transfer. A new Certificate will be issued to the transferee and, in the case of a transfer of part only of a holding of Notes, a new Certificate in respect of the balance not transferred will be issued to the transferor.

3.2 Subject to the Trust Deed and Condition 3.6 below, if the Issuer consents and provided that the relevant Beneficial Noteholder has given the Nominee 10 Business Days' notice at its specified office of such Beneficial Noteholder's intention to exchange its beneficial interest in Notes for legal title to such Notes, such Beneficial Noteholder may exchange beneficial title to its holding of Notes by surrendering its evidence of beneficial entitlement to the relevant holding of Notes to the Nominee, together with such evidence as the Nominee may reasonably require to prove the title of the Beneficial Noteholder and the authority of the person(s) who have requested the exchange. An Individual Certificate will be issued to the Beneficial Noteholder in respect of its holding of Notes and a new Global Certificate in respect of the balance of the Notes of the Series in respect of which such Beneficial Noteholder has exchanged its beneficial interest for a legal interest shall be delivered to, and registered in the name of the Nominee in accordance with Condition 3.5 below.

3.3 Subject to the Trust Deed and Condition 3.6 below, Notes may be transferred by execution of the relevant form of transfer under the hand of the Noteholder or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing. Where the form of transfer is executed by an attorney or, in the case of a corporation, under seal or under the hand of two of its officers duly authorised in writing, a copy of the relevant power of attorney certified by a financial institution in good standing or a notary public or in such other manner as the Registrar may require or, as the case may be, copies certified in the manner aforesaid of the documents authorising such officers to sign and witness the affixing of the seal must be delivered with the form of transfer. In this Condition 3, "**transferor**" shall, where the context permits or requires, include joint transferors and shall be construed accordingly.

3.4 All transfers or exchanges of Notes (or interests therein) and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Trust Deed, including (without limitation) that no transfer or exchange of a Note may be effected unless:

3.4.1 such Note (or interest therein) is transferred or exchanged in a transaction that does not require registration under the Securities Act and is not in violation of the United States Investment Company Act of 1940, as amended;

3.4.2 such transfer or exchange is effected in accordance with the provisions of any restrictions on transfer specified in the legends (if any) set forth on the face of the Certificate issued in relation to such Note; and

3.4.3 in the case of a transfer, the transferee delivers to the Registrar a form of transfer (including any certification as to compliance with restrictions on transfer included in such form of transfer) endorsed on the Certificate issued in relation to such Note.

3.5 A Certificate to be issued upon the transfer, or exchange of interests in, a Note will, within three Relevant Banking Days of the transfer date (each as defined below) be available for collection by each relevant holder at the specified office of the Registrar or, at the option of the holder requesting such transfer, be mailed (by uninsured post at the risk of the holder(s) entitled thereto) to such address(es) as may be specified by such holder. For these purposes, a form of transfer received by the Registrar after the Record Date in respect of any payment due in respect of Notes shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment. For the purposes of these Conditions:

"**Relevant Banking Day**" means a day, other than a Saturday or Sunday:

3.5.1 on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located; and

3.5.2 the "**transfer date**" shall be the Relevant Banking Day following the day on which the relevant Note shall have been surrendered for transfer in accordance with Condition 3.1 above or, as the case may be, expiry of the 10 Business Days' notice period for exchange referred to in Condition 3.2 above.

3.6 No holder may require the transfer of, or exchange of interests in, a Note to be registered during the period of 15 days ending on the due date for the payment of any principal or interest in respect of such Note.

4 STATUS

The Notes constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Notes shall at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer other than such obligations as may be preferred by law.

5 INTEREST

5.1 Interest on Fixed Rate Notes

If no Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, the following provisions shall apply with respect to a Fixed Rate Note:

5.1.1 **Accrual of interest**: Each Note will bear interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Final Terms will be the day after the end of the Offer Period) at the rate(s) (expressed as a percentage) equal to the Rate(s) of Interest (in each case for the period(s) specified in the applicable Final Terms; in the case of Notes for which Extension of Maturity Date; Extension Option is specified in the applicable Final Terms, as amended to any such rate as is notified by the Issuer (in its absolute discretion) to the Noteholders prior to the Election Period, and subsequently accepted by the applicable Noteholders in an Extension Notice, in accordance with Condition 6.4 (*Extension of Maturity Date; Extension Option*)). Interest is payable in arrear on the Interest Payment Date(s) and/or on the Maturity Date.

5.1.2 **Calculation of interest**: Interest will be payable in respect of each Fixed Interest Period. In these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or Maturity Date (if no Interest Payment Dates are specified in the applicable Final Terms).

Unless Day Count Fraction is specified as "Not Applicable" in the Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Certificate, the aggregate outstanding nominal amount of the Notes represented by such Global Certificate; or

(b) in the case of Fixed Rate Notes which are represented by an Individual Certificate, the aggregate outstanding nominal amount of such Notes,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest £0.01, half of £0.01 being rounded upwards or otherwise in accordance with applicable market convention.

5.2 If a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date or Maturity Date (if no Interest Payment Dates are specified in the applicable Final Terms) in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

5.3 **Interest on Floating Rate Notes**

5.3.1 **Interest Payment Dates**: Each Floating Rate Note will bear interest from (and including) the Interest Commencement Date (which unless otherwise specified in the Final Terms will be the day after the end of the Offer Period) and such interest will be payable in arrear on either:

5.3.1.1 the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year, as specified in the applicable Final Terms; or

5.3.1.2 if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(a) in any case where Specified Periods are specified in accordance with Condition 5.3.1.2 above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(c) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

5.3.2 **Rate of Interest**: The Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the applicable Final Terms (as such rate may be: (i) increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period; and (ii) in the case of Notes for which Extension of Maturity Date; Extension Option is specified in the applicable Final Terms, as amended to any such rate as is notified by the Issuer (in its absolute discretion) to the Noteholders prior to the Election Period, and subsequently accepted by the applicable Noteholders in an Extension Notice, in accordance with Condition 6.4 (*Extension of Maturity Date; Extension Option*)).

5.3.2.1 *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(a) the offered quotation; or

(b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being LIBOR unless otherwise specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR) on the Interest Determination Date (as specified in the applicable Final Terms) in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any) all 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 (rounded as provided above) of such offered quotations.

The Marketing and Agency Agreement contains (or the applicable Final Terms will contain) provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (a) above, no such offered quotation appears or, in the case of (b) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate

Notes is specified in the applicable Final Terms as being other than LIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

5.3.2.2 *Bank of England Base Rate Determination for Floating Rate Notes*

Where Bank of England Base Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the Bank of England Base Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any) all as determined by the Calculation Agent.

"**Bank of England Base Rate**" means the most recent published rate for deposits for a period equal to the Designated Maturity (as specified in the applicable Final Terms) which appears on the Relevant Screen Page (as specified in the applicable Final Terms) as of 5:00 p.m., London time, on the Interest Determination Date (as specified in the applicable Final Terms) or, if such Relevant Screen Page is not available, such replacement page as the Calculation Agent shall select, or if the Calculation Agent determines no suitable replacement page exists, the rate determined by the Calculation Agent in good faith and in a commercially reasonable manner.

5.3.3 **Determination or Calculation by Trustee:** If the Calculation Agent fails at any time to determine a Rate of Interest or to calculate an Interest Amount, the Trustee will determine such Rate of Interest and make such determination or calculation which shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply all of the provisions of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof. Any such determination or calculation made by the Trustee shall be binding on the Issuer, the Registrar, the Noteholders and the Trustee may rely on the advice of a professional adviser in making such determinations or calculations or appoint an agent on behalf of the Issuer to do so.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.3.3 by the Trustee, shall (in the absence of manifest error) be binding on the Issuer, the Registrar and all Noteholders and (in the absence of wilful default) no liability to the Issuer or the Noteholders shall attach to the Trustee in connection with the exercise or non–exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3.4 **Minimum Rate of Interest and/or Maximum Rate of Interest**: If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5.3.2 above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If no other Minimum Rate of Interest for any Interest Period is specified in the applicable Final Terms, then the Minimum Rate of Interest in respect of such Interest Period shall be deemed to be zero and in no event shall the Rate of Interest for such calculation period in accordance with Condition 5.3.2 above be less than zero.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5.3.2 above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

5.3.5 **Determination of Rate of Interest and calculation of Interest Amounts**: The Issuer will (or will cause) at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Issuer will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(a) in the case of Floating Rate Notes which are represented by a Global Certificate, the aggregate outstanding nominal amount of the Notes represented by such Global Certificate; or

(b) in the case of Floating Rate Notes which are represented by an Individual Certificate, the aggregate outstanding nominal amount of such Notes,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest £0.01, half of £0.01 being rounded upwards or otherwise in accordance with applicable market convention.

5.3.6 **Notification of Rate of Interest and Interest Amounts**: The Calculation Agent will cause the Rate of Interest (including as: (i) increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period; and (ii) in the case of Notes for which Extension of Maturity Date; Extension Option is specified in the applicable Final Terms, amended to any such rate as is notified by the Issuer (in its absolute discretion) to the Noteholders prior to the Election Period, and subsequently accepted by the applicable Noteholders in an Extension Notice, in accordance with Condition 6.4 (*Extension of Maturity Date; Extension Option*)) and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter (or, in the case of an increase to the Rate of Interest, no later than the end of the Offer Period). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this Condition 5.3.6, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

5.3.7 **Certificates to be final**: All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and all Noteholders and (in the absence as aforesaid) no liability to the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3.8 **Interest calculations without a day count fraction**: If any amount of interest is to be determined and Day Count Fraction is specified as "Not Applicable" in the applicable Final Terms such amount of interest will be calculated as specified in the applicable Final Terms and any reference to a Day Count Fraction in this Condition 5 will be deemed not to apply.

5.4 For the purposes of these Conditions:

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5:

5.4.1 if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified in the applicable Final Terms:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year;

5.4.2 if "**Actual/Actual (ISDA)**", "**Actual/Actual**", "**Act/Act**" or "**Act/Act (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Fixed Interest Period divided by 365 (or, if any portion of that Fixed Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Interest Period falling in a non-leap year divided by 365);

5.4.3 if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified in the applicable Final Terms, the actual number of days in the relevant Fixed Interest Period, divided by 365;

5.4.4 if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Fixed Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

5.4.5 if "**Actual/360**", "**Act/360**" or "**A/360**" is specified in the applicable Final Terms, the actual number of days in the relevant Fixed Interest Period, divided by 360;

5.4.6 if "**30/360 (ICMA)**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) up to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12-

30 day months) divided by 360;

5.4.7 if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the relevant Fixed Interest 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:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Fixed Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Fixed Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Fixed Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Fixed Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30; and

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or Final Interest Payment Date is not a period commencing on the First Determination Date prior to, and ending on the First Determination Date falling after, such date).

5.5 **Cessation of accrual**: Each Note (or in the case of redemption of part only of a Note, that part only of such Note) will cease to bear interest from the date for its redemption unless payment of principal is improperly withheld or refused, in which event it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Registrar or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

6 REDEMPTION

6.1 **Redemption at Maturity:** Unless previously redeemed and cancelled, the Notes will be redeemed at their Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date, subject as provided in Condition 6.4 (*Extension of Maturity Date; Extension Option*) and Condition 7 (*Payments*).

6.2 **Redemption at option of the Issuer (Issuer Call):**

6.2.1 the Issuer shall, at its sole discretion, redeem all of the Notes in which Castle Trust Capital plc ("**Castle Trust**") holds an interest (save for such Notes which Castle Trust indicates it will transfer to an Investor subject to receipt of cleared funds) on the day before the Interest Commencement Date at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms;

6.2.2 where Castle Trust has failed to discharge the inter-company debt owed to the Issuer in consequence of the initial subscription for Notes by the end of day falling four Business Days after the day before the Interest Commencement Date, the Issuer shall, at its sole discretion, redeem all of the Notes in which Castle Trust holds an interest on the day falling five Business Days after the day before the Interest Commencement Date at the Issue Price; or

6.2.3 the Issuer shall, at its sole discretion, redeem all or any of the Notes which are held by Castle Trust at any time giving not less than 5 days' notice to redeem at the Optional Redemption Amount.

6.3 **Redemption at the option of the Noteholders (Investor Put):** If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving the Issuer notice (in accordance with Condition 15 (*Notices*)) within the Notice Period specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, redeem in whole (but not in part in the case of a Note represented by an Individual Certificate) and at the Optional Redemption Amount (as specified in the applicable Final Terms) less any Optional Redemption Charge (as specified in the applicable Final Terms) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise this option the Noteholder must deposit the Certificate representing its Note(s) with the Registrar at its specified office, accompanied by a duly completed and signed notice of exercise (a "**Put Notice**") in the form (for the time being current) obtainable from the specified office of the Registrar or the Nominee within the notice period and in which the Noteholder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition. In the case of beneficial holders of Notes, it shall not be necessary to deposit a Certificate in connection with the exercise of this option.

6.4 **Extension of Maturity Date; Extension Option:** If Extension of Maturity Date; Extension Option is specified in the applicable Final Terms, the Issuer may (in its sole absolute discretion) elect to extend the maturity of all the Notes to which such Final Terms pertain upon notice to the Noteholders. The Issuer shall provide any such notice to Noteholders on or prior to the first Business Day falling in the month which immediately precedes the month in which the then Maturity Date of the applicable Notes falls, whereupon the Notes will, with effect from the then Maturity Date of such Notes, be automatically extended to the new date and the Rate of Interest will be amended to the Rate of Interest specified in the notice provided by the Issuer to the Noteholders in accordance with this Condition 6.4. If a Noteholder as of the Record Date accepts this extension, such Noteholder must deliver to the Issuer a duly completed and signed notice of acceptance of such extension (an "**Extension Notice**") specifying the total value of Notes for which it accepts the extension (not to exceed the total principal amount of such Noteholder's holding of Notes plus interest due on the then Maturity Date (if applicable and specified in the Final Terms)) in the form (for the time being current) obtainable from the specified office of the Registrar or the Nominee within the period (the "**Election Period**") from (and including) the date on which the Issuer notifies the Noteholders of its election to extend the maturity date of such Notes and the new Rate of Interest which will apply to such Notes to (and including) the date falling five Business Days prior to the then Maturity Date.

Upon the expiry of the Election Period, the Issuer shall be bound to redeem, on the Maturity Date that applied prior to delivery of notice by the Issuer in accordance with this Condition 6.4, all Notes for which it has not received valid Extension Notices from the Noteholders recorded in the Register on the Record Date. The Issuer shall redeem all such Notes at their Final Redemption Amount together with any interest due on such Maturity Date in accordance with Condition 7.1 (*Payments*).

The Issuer will notify Noteholders of the principal amount of Notes that have been extended and the Rate of Interest which applies to such Notes within two Business Days of the last day of the Election Period.

6.5 **Agreed redemption:** All or any of the Notes held by an Investor which is an individual who is deceased may be redeemed by mutual agreement between the Issuer and such Investor's executor at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Investor's executor on the Issuer giving not less than 15 nor more than 30 days' notice to the relevant Investor's executor (which notice shall be irrevocable).

6.6 **Cancellation:** Notes redeemed by the Issuer shall be cancelled (together with all certificates) and may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 PAYMENTS

7.1 **At Maturity:** Payments of the Final Redemption Amount and any interest on the Notes due on the Maturity Date for such Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Registrar by cheque drawn in Sterling, or, if requested by the Noteholder, by BACS to a Sterling account of the relevant payee, and shall be made on the date specified in the Final Terms as being three Business Days after the Maturity Date (the "**Final Repayment Date**") or, if the repayment of the Advance under the Borrower Loan Agreement to which the Notes relate is delayed, within three Business Days of such later date on which the amount of each repayment is actually received by the Issuer in cleared monies (the "**Final Payment Date**").

7.2 **Interest:** Interest on the Notes shall be paid to the person shown on the Register at the close of business on the Interest Payment Date or the Maturity Date (as applicable). Payments of interest on each Note shall be made in Sterling by cheque drawn on a bank and mailed to the holder or by BACS to a Sterling account of the relevant payee (or to the first named of joint holders) of such Note at its address appearing in the Register, in each case within three Business Days of the relevant Interest Payment Date.

7.3 **General provisions applicable to payments**:

7.3.1 All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged to the Noteholders in respect of such payments.

7.3.2 The holder of a Global Certificate shall be the only person entitled to receive payments in respect of Notes represented by such Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Certificate in respect of each amount so paid. Each of the persons shown in the records of the Nominee as the beneficial holder of a particular nominal amount of Notes represented by such Global Certificate must look solely to Castle Trust for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Certificate.

7.4 **Appointment of Agents**:

7.4.1 The Registrar is initially appointed by the Issuer and its specified office is listed below. The Registrar acts solely as agent of the Issuer and does not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Registrar, provided that the Issuer shall at all times maintain a Registrar and such other agents as may be required by any other stock exchange on which the Notes may be listed.

7.4.2 The Nominee is initially appointed by the Issuer and its specified office is listed below. The Nominee acts solely as agent of the Issuer and does not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Nominee, provided that the Issuer shall at all times maintain a Nominee and such other agents as may be required by any other stock exchange on which the Notes may be listed.

7.5 **Non-Business Days**: If any date for payment in respect of any Note 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, subject to Condition 9, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets settle payments and are open for general business in the relevant place of presentation.

8 TAXATION

Payments made under the Notes shall be made free and clear of any deductions or withholding except to the extent that such deduction or withholding is required by law.

9 PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes 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.

10 TRUSTEE

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

In the exercise of its trusts, rights, powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the general interests of the Noteholders as a class and will not have regard or be responsible for any consequence for individual Noteholders as a result of such Noteholders being connected in any way with a particular territory or taxing jurisdiction and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

11 MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER

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

11.2 **Modification:** The Notes, the Trust Deed and these Conditions may be amended or modified without the consent of the Noteholders if in the opinion of the Trustee, such amendment or modification is to correct a manifest error or is of a formal, minor or technical nature or is not materially prejudicial to the interests of the Noteholders.

The Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to (a) any modification of any of the provisions of the Trust Deed or the Conditions of the Notes that is of a formal, minor or technical nature or is made to correct a manifest error, or (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Notes or Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

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

12 ENFORCEMENT

The Trustee may at any time after the Notes shall have become immediately due and payable, at its discretion and without further notice, institute such proceedings as it may think fit to enforce repayment thereof together with accrued interest and any other moneys payable pursuant to the Conditions or the Trust Deed but it shall not be bound to do so unless:

(i) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and

(ii) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

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

13 REPLACEMENT OF CERTIFICATES

If a Certificate 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 Registrar 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, among other things, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) or otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further securities upon such terms as the Issuer may determine at the time of their issue.

15 NOTICES

Notices to the holders of the Notes shall be mailed to them at their respective addresses in the Register and 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 be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes with the Registrar.

16 DEFINITIONS

In these Conditions, unless otherwise defined in the applicable Final Terms the following terms shall have the following meanings:

Advance: each advance made by the Issuer to one or both of the Borrowers, as required, under the Borrower Loan Agreement using the proceeds of issuance of each Series of Notes;

Bank of England Base Rate Determination: has the meaning given to such term in Condition 5.3.2.2;

Borrowers: Castle Trust or Castle Trust Treasury Limited;

Borrower Loan Agreement: the intercompany loan agreement dated 3 July 2014 and made between the Issuer (as lender) and the Borrowers (as amended and/or supplemented and/or restated from time to time, including 24 June 2015 and 28 April 2017);

Broken Amount: as specified in the applicable Final Terms;

Business Day: a day (excluding Saturdays, Sundays and public holidays) on which commercial banks in Dublin, Guernsey and London are normally open for business;

Business Day Convention: as specified in the applicable Final Terms;

Day Count Fraction: as specified in the applicable Final Terms;

Designated Maturity: as specified in the applicable Final Terms;

Determination Date: as specified in the applicable Final Terms;

Election Period: has the meaning given to such term in Condition 6.4;

Extension Notice: has the meaning given to such term in Condition 6.4;

Extraordinary Resolution: has the meaning given to such term in the Trust Deed;

Final Payment Date: has the meaning given in condition 7.1 above, as supplemented by the applicable Final Terms;

Final Redemption Amount: the amount payable on the relevant Maturity Date in respect of the relevant Notes, as specified in the applicable Final Terms;

Final Repayment Date as specified in the applicable Final Terms;

Fixed Coupon Amount: has the meaning given to such term in the applicable Final Terms;

Floating Rate Convention: has the meaning given to such term in Condition 5.3.1(a);

Following Business Day Convention: has the meaning given to such term in Condition 5.3.1(a);

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

Interest Commencement Date: the day after the end of the Offer Period of the relevant Notes or such other date as may be specified as the Interest Commencement Date in the applicable Final Terms;

Interest Determination Date: as specified in the applicable Final Terms;

Interest Payment Date: the date on which the Interest is paid to the Investor being the date(s) specified in the applicable Final Terms;

LIBOR: in respect of any specified period, the interest rate benchmark known as the London interbank offered rate which is administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate);

Margin: as specified in the applicable Final Terms;

Maturity Date: in relation to the Notes issued in respect of a Series, the date on which such Notes will be compulsorily redeemed or repurchased as specified in the applicable Final Terms as, in the case of Notes for which Extension of Maturity Date; Extension Option is specified in the applicable Final Terms, such Maturity Date as may be extended to the date specified in a notice from the Issuer to the Noteholders of the Notes pertaining to such applicable Final Terms, and accepted by such Noteholders by delivering an Extension Notice, in accordance with Condition 6.4;

Maximum Rate of Interest: as specified in the applicable Final Terms;

Minimum Rate of Interest: as specified in the applicable Final Terms;

Modified Following Business Day Convention: has the meaning given to such term in Condition 5.3.1(a);

Optional Redemption Amount: as specified in the applicable Final Terms;

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

Preceding Business Day Convention: has the meaning given to such term in Condition 5.3.1(a);

Rate of Interest: the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the applicable Final Terms (as such rate may be: (i) increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period; and (ii) in the case of Notes for which Extension of Maturity Date; Extension Option is specified in the applicable Final Terms, as amended to any such rate as is notified by the Issuer (in its absolute discretion) to the Noteholders prior to the Election Period, and subsequently accepted by the applicable Noteholders by delivering an Extension Notice, in accordance with Condition 6.4 (*Extension of Maturity Date; Extension Option*));

Record Date: means:

(a) the date by reference to which the recipients of Interest and the Final Redemption Amount as the persons shown on the Register at that date are determined, which, in the case of Interest, shall be the relevant Interest Payment Date and/or the Maturity Date, and, in the case of the Final Redemption Amount, shall be the Maturity Date; and

(b) for the purpose of any Notes for which Extension of Maturity Date; Extension Option is specified in the applicable Final Terms and Condition 6.4 (*Extension of Maturity Date; Extension Option*)), the first day of the Election Period in respect of such Notes;

Reference Rate: as specified in the applicable Final Terms;

Relevant Date: in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Registrar, the Trustee or any Investor whose Notes are represented by an Individual Certificate (as the case may be) on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

Relevant Screen Page: means the Bloomberg or Reuters screen page specified as such in the applicable Final Terms;

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

Screen Rate Determination: has the meaning given to such term in Condition 5.3.2.1;

Securities Act: the United States Securities Act of 1933, as amended;

Specified Interest Payment Date: as specified in the applicable Final Terms;

Specified Period: as specified in the applicable Final Terms; and

Sterling: the lawful currency of the United Kingdom.

17 **LAW AND JURISDICTION**

17.1 **Governing law:** The Trust Deed, the Notes 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.

17.2 **English courts:** The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with the Notes.

Specified Offices

Registrar:

JTC (Jersey) Limited
Elizabeth House
9 Castle Street
St. Helier
Jersey JE2 3RT

Nominee:

CTCM
10 Norwich Street
London EC4A 1BD

Who has sub-delegated to:

CTCN
10 Norwich Street
London EC4A 1BD

Issuer:

Castle Trust Direct plc
10 Norwich Street
London EC4A 1BD

PART IX

THE OFFER

This part sets out information relevant to each offer of Notes.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part IX is arranged under the following subheadings:

1 The Notes

Investors purchase their Notes (loan notes denominated in GBP issued by the Issuer, Castle Trust Direct plc) from Castle Trust Capital plc ("**Castle Trust**"). Castle Trust contracts with the Investor to repurchase their Notes on the Maturity Date for an amount equal to the Final Redemption Amount (such amount being specified in the applicable Final Terms) and any Interest due but unpaid on the Notes.

Castle Trust is authorised and regulated by the Financial Conduct Authority to carry out regulated activity and is a participant in the Financial Services Compensation Scheme ("**FSCS**") established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to Investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations. If an Investor has suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it fails to buy back the Notes because it has become insolvent) then the Investor would be able to seek compensation from the FSCS, provided the Investor is an eligible claimant.

Most Investors, including most individuals and some small businesses, would currently be deemed to be eligible claimants by the FSCS. However, Investors will only be covered if they have purchased their Notes directly from Castle Trust or inherited them from someone who purchased the Notes directly from Castle Trust. They will not be eligible for FSCS compensation if they purchase their Notes on the secondary market.

In respect of investments, an eligible investor is entitled to claim up to £85,000. For further information about the FSCS, including the amounts covered and eligibility to claim, please ask Castle Trust for more detail or refer to the FSCS website www.fscs.org.uk. Castle Trust Capital Management Limited ("**CTCM**") is the Marketing Manager for these Notes and Investors have no right of recourse against CTCM.

The key features of the Notes are:

- the Notes are Sterling-denominated, have a fixed investment term and are governed by English law;
- Investors receive interest on their Notes which varies according to the term of the Notes and the basis on which interest is paid on their Notes;
- (in respect of offers for Notes which are to be admitted to the Official List of Euronext Dublin and to trading on its regulated market) applications have been made to list and admit to

trading the Notes on the regulated market of Euronext Dublin by way of an offer for sale;

- (in respect of offers for Notes which are to be admitted to listing and trading on the Official List of TISE applications have been made to The International Stock Exchange Authority Limited for all Notes to be admitted to listing and trading on the Official List of TISE;
- the Notes are issued in registered global form (a global certificate in registered from representing the Notes held by Investors); and
- the Advance under the Borrower Loan Agreement for each Series of Notes (where the Issuer lends the money it raises from each Series of Notes to Castle Trust and/or Castle Trust Treasury Limited ("**CTT**"), as required, to fund the "Group's" (being Castle Trust and its subsidiaries) lending businesses) are the Issuer's sole assets and the Borrower Loan Agreement (and so the money lent by the Issuer to Castle Trust and/or CTT, as required) is unsecured.

It should be noted that separate Series of Notes are created from time to time for the Notes to be issued with varying terms and interest rates (each being a distinct "**Offer Series**").

Notes are issued to Castle Trust, which borrows the subscription amount from the Issuer with the amount left outstanding on inter-company account. The Notes are then allocated and transferred to Investors on a fully paid basis only and following the receipt by Castle Trust of a fully completed application form and the relevant Investment Amount (meaning the amount an applicant wishes to invest in a Series of Notes). Any Notes issued to Castle Trust not transferred to Investors and in respect of which the amount owed by Castle Trust on inter-company account has not been or will not be paid by close of business on the fifth Business Day following the expiry of the Offer Period (the offer period for the purchase of a Series of Notes), are redeemed by the Issuer at the end of the Offer Period. In the event that any Notes are held by Castle Trust at the end of the Offer Period that are not subsequently transferred to Investors by the close of business on the fifth Business Day following the expiry of the Offer Period, the Issuer redeems such Notes held by Castle Trust no later than that time.

The currency for the Offer is Sterling.

2 Issue Price

Under the Offer (as set out in this Part IX), applicants may apply for Notes in any Offer Series at the fixed Issue Price of £1.00 per Note.

3 Minimum Offer size

A minimum of one thousand (1,000) Notes in aggregate are made available under each Offer.

The Proceeds of each Offer (being the aggregate Issue Price of all Notes) are expected to be £1,000 if the minimum number of Notes are issued and the subscription price is paid, and the maximum amount will be equal to the Aggregate Nominal Amount of the relevant Series (plus accrued interest, if applicable) set out in the applicable Final Terms, if the subscription price is paid.

No Offer is underwritten. Notes that Castle Trust holds at the end of each Offer are automatically redeemed by the Issuer. The number of Notes available under each Offer should not therefore be viewed as indicative of the number of Notes that will remain issued after each Offer.

4 Minimum application size per Investor

The minimum application size per Investor is £1,000.

5 Expenses and taxes charged to the Investor

Investors are not charged any expenses or taxes by the Issuer (save for such tax that the Issuer is required to withhold or any transaction charges specifically incurred in the course of making payments due on the Notes).

6 Offer Period

Castle Trust offers Notes from the date on which the Offer Period begins until 14.00 (London time) on the date on which the Offer Period ends or such earlier or later date as the Issuer may agree. Applications received after the end of the Offer Period are not accepted. Notes are allocated and transferred to Investors as successful applications are received and processed by Castle Trust.

No Notes of any Offer Series are offered for sale after the end of the Offer Period (subject to the Issuer's above-mentioned discretion to extend or shorten the Offer Period). The Issuer (as advised by Castle Trust) may reject any application in respect of the Offer in its absolute discretion.

Multiple applications under the Offer are permitted. On receipt of an application, Castle Trust sends a notice within five Business Days detailing an Investor's right to cancel their investment and informing the Investor of the number of Notes they have acquired. Dealing may begin once Castle Trust has sent such notification. There is a 14 day period commencing on the receipt of such notice by the Investor during which an Investor can withdraw or reduce their investment. The right to cancel notice is deemed to be received by the Investor two Business Days after it is posted by Castle Trust. Castle Trust will repurchase Notes in such instances at the Issue Price in accordance with the Fortress Bond Terms and Conditions.

7 Conditions of Offer

The Offer is conditional upon the Issuer:

(a) (in respect of offers for Notes which are to be admitted to the Official List of Euronext Dublin and to trading on its regulated market) having received the approval of the Irish Stock Exchange, trading as Euronext Dublin ("Euronext Dublin") for the Notes in the Offer Series to be admitted to the Official List of Euronext Dublin and to trading on its regulated market (subject only to their issue);

(b) (in respect of offers for Notes which are to be admitted to listing and trading on the Official List of TISE) having received the approval of The International Stock Exchange Authority Limited for the Notes of the Offer Series to be admitted to listing and trading on the Official List of TISE (subject only to their issue); and

(c) having made (or the Issuer being satisfied that it is reasonably likely to be able to make) the Advance in respect of such Offer Series under the Borrower Loan Agreement on terms that the Issuer, at the time that such Advance is made (or, if earlier, on the date the Notes are issued (the "**Issue Date**"), considers to be such as to be reasonably likely to enable it to meet the investment objective of each Offer Series.

If either of these conditions is not satisfied in respect of the Notes in the Offer Series, the Issuer shall not issue any Notes pursuant to the Offer and shall return the application monies (without interest) for such Notes to each applicant at the applicant's risk by no later than 30 days after the date that the Offer Period closes.

In addition, the terms and conditions of each Offer Series will be determined by the Issuer at the time of issue pursuant to the Note Conditions (the terms and conditions of the Notes set out in Part VIII (*Terms and conditions of the Notes)* of this Base Prospectus) and specified in the applicable Final Terms. Any offer or sale of Notes to an investor by a Financial Intermediary (persons authorised to offer securities or distribute notes to the public), Castle Trust or CTCM will be made in accordance with any terms and other arrangements in place between such Financial Intermediary, Castle Trust or CTCM (as applicable) and such investor including as to price, allocations and settlement arrangements.

8 Cancellation of the Offer

The Issuer reserves the right, in its absolute discretion, to cancel the Offer and the issue of the Notes in the Offer Series at any time prior to the end of the Offer Period. If such a cancellation event occurs, all application monies relating to applications for Notes under the Offer will be returned (without interest) to each applicant at the applicant's risk by no later than 30 days after the date on which the Offer of the Notes is cancelled. Application monies will be returned by cheque mailed to the applicant's address (where provided by the applicant), or by interbank credit transfer back to the bank account from which such monies were first received or by any other method as the Issuer deems to be appropriate.

9 Final Redemption Amount

The Final Redemption Amount is the amount payable with respect to each Note on the relevant Maturity Date which will be specified in the applicable Final Terms and, subject to the terms of the relevant Offer Series, will usually be the Investment Amount.

10 Interest

Each Note bears interest from (and including) the first day following the end of the Offer Period at the rate(s) per annum as stated in the applicable Final Terms (in each case for the period(s) specified in the applicable Final Terms). Interest is payable in arrear on the Interest Payment Date(s) (if any) stated in the applicable Final Terms and/or on the Maturity Date. Interest is calculated on the full nominal amount outstanding of the Notes and is paid to Investors by Castle Trust by way of BACS or cheque within three Business Days after the Interest Payment Date. In respect of each Note, interest is calculated as stated in the applicable Final Terms (as such rate may be: (i) increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period; and (ii) in the case of Notes for which Extension of Maturity Date; Extension Option is specified in the applicable Final Terms, as amended for the rate notified by the Issuer to the Noteholders prior to the Election Period) and in accordance with the Note Conditions – see the section headed "Terms and Conditions of the Notes".

11 Listing and settlement

An application will be made to the Irish Stock Exchange plc, trading as Euronext Dublin for the Notes in the relevant Offer Series issued under the Programme to be admitted to the Official List of Euronext Dublin and to trading on its regulated market during the period from the date of this Base Prospectus to the date falling twelve months after the date of this Base Prospectus and issued to Castle Trust. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II.

An application will also be made to TISEA for the Notes of the relevant Offer Series issued under the Programme to be admitted to listing and trading on the Official List of TISE during the period from the date of this Base Prospectus to the date falling twelve months after the date of this Base Prospectus. The TISE is not a regulated market for the purposes of MiFID II.

Unless an investor requests that the Notes be registered in his name, legal title to the Notes vests in the Nominee with the beneficial interest being held by the Investor. On a transfer of the beneficial interest, the beneficial interest vests with the transferee only when the beneficial accounts maintained by the Nominee are updated to reflect such transfer. Every transfer of legal title of the Notes, once entered in the Register, shall vest in the transferee legal title in the Notes transferred.

Neither the admission of the Notes to the Official List of Euronext Dublin nor to trading on its regulated market shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to, or any other party connected with the Issuer, the adequacy of information contained in this Base Prospectus or the suitability of the Notes for investment purposes.

Neither the admission of the Notes to the Official List of TISE nor to trading on the Official List of TISE shall constitute a warranty or representation by TISEA as to the competence of service providers to, or any other party connected with the Issuer, the adequacy of information contained in this Base Prospectus or the suitability of the Notes for investment or for any other purpose.

For the purposes of the Prospectus Directive, the United Kingdom is the Issuer's Home Member State.

12 Final Offer details

Details of the total number of Notes issued and admitted to the Official List of Euronext Dublin pursuant to each Offer for Notes which are to be admitted to the Official List of Euronext Dublin and to trading on its regulated market will be available from Euronext Dublin website (http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data) within 30 days after each Offer has been made (having allowed for Investor's cancellation rights to be exercised). The Notes do not benefit from any collateral and there will accordingly be no part-issuance reporting in relation to collateral.

Details of the total number of Notes issued and admitted to listing and trading on the Official List of TISE pursuant to each Offer made for Notes which are to be admitted to listing and trading on the Official List of TISE will be available from The International Stock Exchange Authority Limited website (www.tisegroup.com) within 30 days after each Offer has been made (having allowed for Investor's cancellation rights to be exercised). The Notes do not benefit from any collateral and there will accordingly be no part-issuance reporting in relation to collateral.

PART X

SECTION 1

SUBSCRIPTION AND SALE

This part sets out information on how Notes are issued and purchased by Investors.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part X Section 1 is arranged under the following subheadings:

1 Subscription
2 Purchase
3 Sale
4 Diagram of the Issue structure

1 Subscription

The Registrar has been appointed to maintain the Register in which all issues, transfers and redemptions of Notes issued in respect of each Series are recorded.

In respect of each Series, all Notes are issued to the Nominee, who holds the legal title thereto on behalf of Castle Trust. Notes which are issued in respect of offers for Notes which are to be admitted to the Official List of Euronext Dublin and to trading on its regulated market shall be admitted to trading on the regulated market of Euronext Dublin on the same business day in accordance with the applicable Final Terms. Notes which are issued in respect of offers for Notes which are to be admitted to the listing and trading on the Official List of The International Stock Exchange will be admitted to trading on the same business day in accordance with the applicable Final Terms. Castle Trust borrows the subscription amount from the Issuer with the amount left outstanding on the inter-company account.

2 Purchase

Castle Trust offers for sale the Notes to potential investors and once sold, Castle Trust uses the Investment Amount to pay up the amounts due on the relevant number of Notes and arranges for the beneficial interest in the relevant number of Notes to be transferred to the Investor (apart from where the Investor wishes for the Notes to be registered in his name in which case legal title will be transferred). In the event that, as a result of transferring an ISA to be invested in a Fortress Bond, an Investor transfers an Investment Amount that is not a whole number of pounds, Castle Trust rounds the number of loan notes allocated to such Investor up to the nearest whole loan note. Castle Trust subscribes the missing fraction of a pound on behalf of the Investor.

The Issuer advances all subscription monies received from Castle Trust (less certain fees payable to CTCM) to Castle Trust and/or CTT, as required, as an Advance under the Borrower Loan Agreement. In practice, the Issuer offsets its liability to make the Advance under the Borrower Loan Agreement against Castle Trust's obligation to discharge the inter-company debt to reduce the number of money flows required in accordance with the Umbrella Agreement.

Any Notes issued to Castle Trust not transferred to Investors and in respect of which the amount owed by Castle Trust on intercompany account has not been or will not be paid by close of business on the fifth Business Day following the expiry of the Offer Period, are redeemed by the Issuer at the end of the Offer Period. In the event that any Notes are held by Castle Trust at the end of the Offer Period that are not subsequently transferred to Investors by the close of business on the fifth Business Day following the expiry of the Offer Period, the Issuer redeems such Notes held by Castle Trust no later than that time. Thereafter, the Nominee only holds Notes on behalf of Investors and Castle Trust's debt to the Issuer in respect of subscribing for the Notes is discharged.

Notes are issued in global registered form. Legal title to the Notes is held by the Nominee (unless an

Investor requests that the Notes be registered in his name) and so it is named on the register as the holder of the Notes.

Any change in address of an Investor should be notified to the Nominee.

Notes are transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor being delivered to the Registrar.

In the case of the death of one of the joint Investors, the survivor or survivors will be the only person or persons recognised by the Issuer or the Registrar as having any title to or interest in the Notes registered in the names of such joint Investors.

3 Sale

The distribution of this Base Prospectus and the applicable Final Terms and the offering or purchase of the Notes may be restricted in certain jurisdictions. Persons receiving a copy of this Base Prospectus and/or the applicable Final Terms in any such jurisdiction may not treat any such document as constituting an offer, invitation or solicitation to them to subscribe for Notes unless in that jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of this Base Prospectus and/or the applicable Final Terms and any persons wishing to apply for Notes pursuant to this Base Prospectus, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Applicants should inform themselves as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

CTCM performs marketing activities for the Issuer in respect of the Notes to potential investors pursuant to the Marketing and Agency Agreement (which, among other things, is a reduced scope marketing agreement) such activities being all marketing activities required to be undertaken by an authorised person and which the Issuer is not authorised to carry out itself. As at the date of this Base Prospectus, this scope is limited to the approval of non-real time communications to be issued by the Issuer and engaging in real time communications with potential investors and intermediaries in connection with the marketing of the Notes.

This document is not for distribution in the US, Australia, Canada or Japan. The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, including outside the United States in offshore transactions in reliance on Regulation S.

Subject to certain exceptions, the Notes may not, directly or indirectly, be offered or sold within Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. No action has been taken by the Issuer, Castle Trust or CTCM that would permit an offer of Notes or possession or distribution of this document (or other offer or publicity material or application form relating to the Notes) in any jurisdiction where action for that purpose is required, other than the United Kingdom.

Guernsey

An offer for subscription, sale or exchange of the Notes will not be circulated in the Bailiwick of Guernsey and this Base Prospectus will not be circulated in the Bailiwick of Guernsey unless all relevant legal and regulatory requirements of Guernsey law have been complied with prior to such circulation.

Jersey

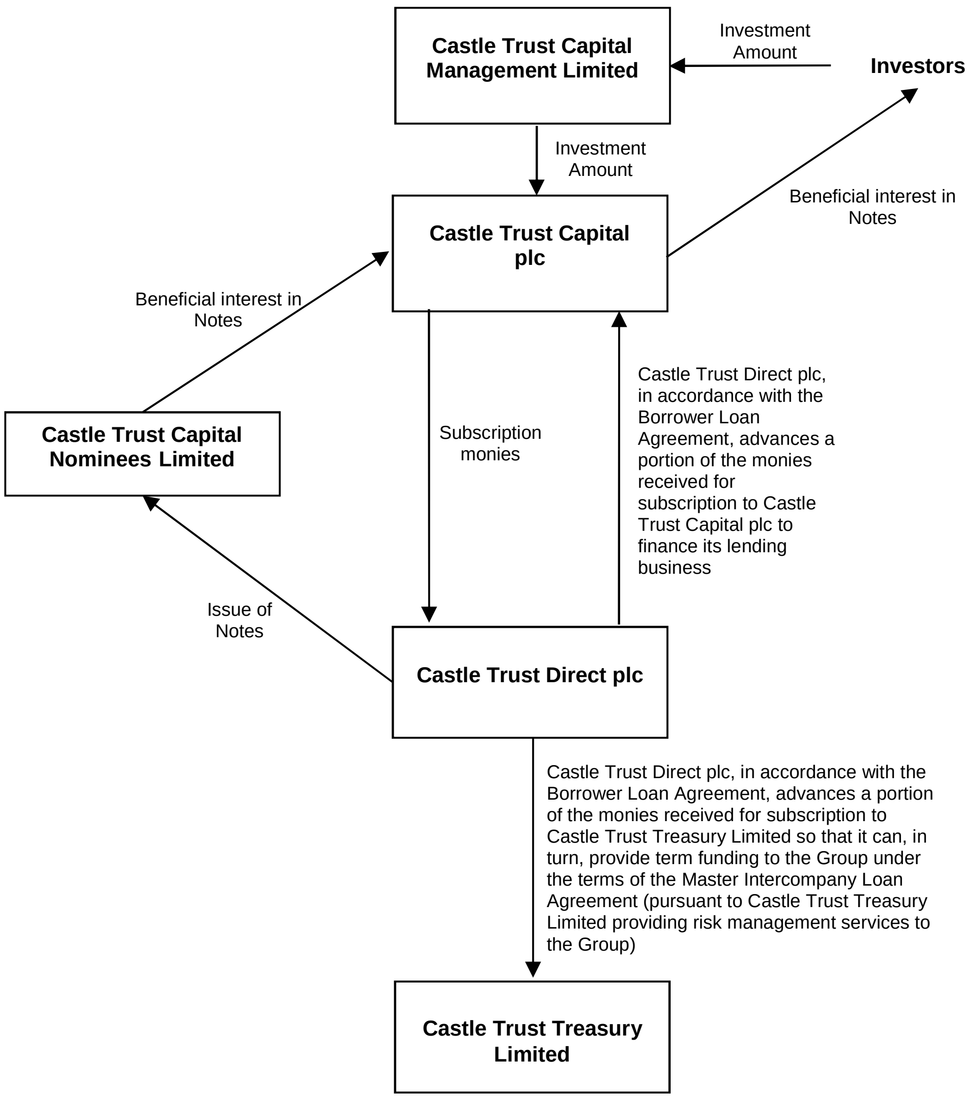
An offer for subscription, sale or exchange of the Notes will not be circulated in Jersey and this Base Prospectus will not be circulated in Jersey unless all relevant legal and regulatory requirements of Jersey law have been complied with prior to such circulation.

No incorporation of website information

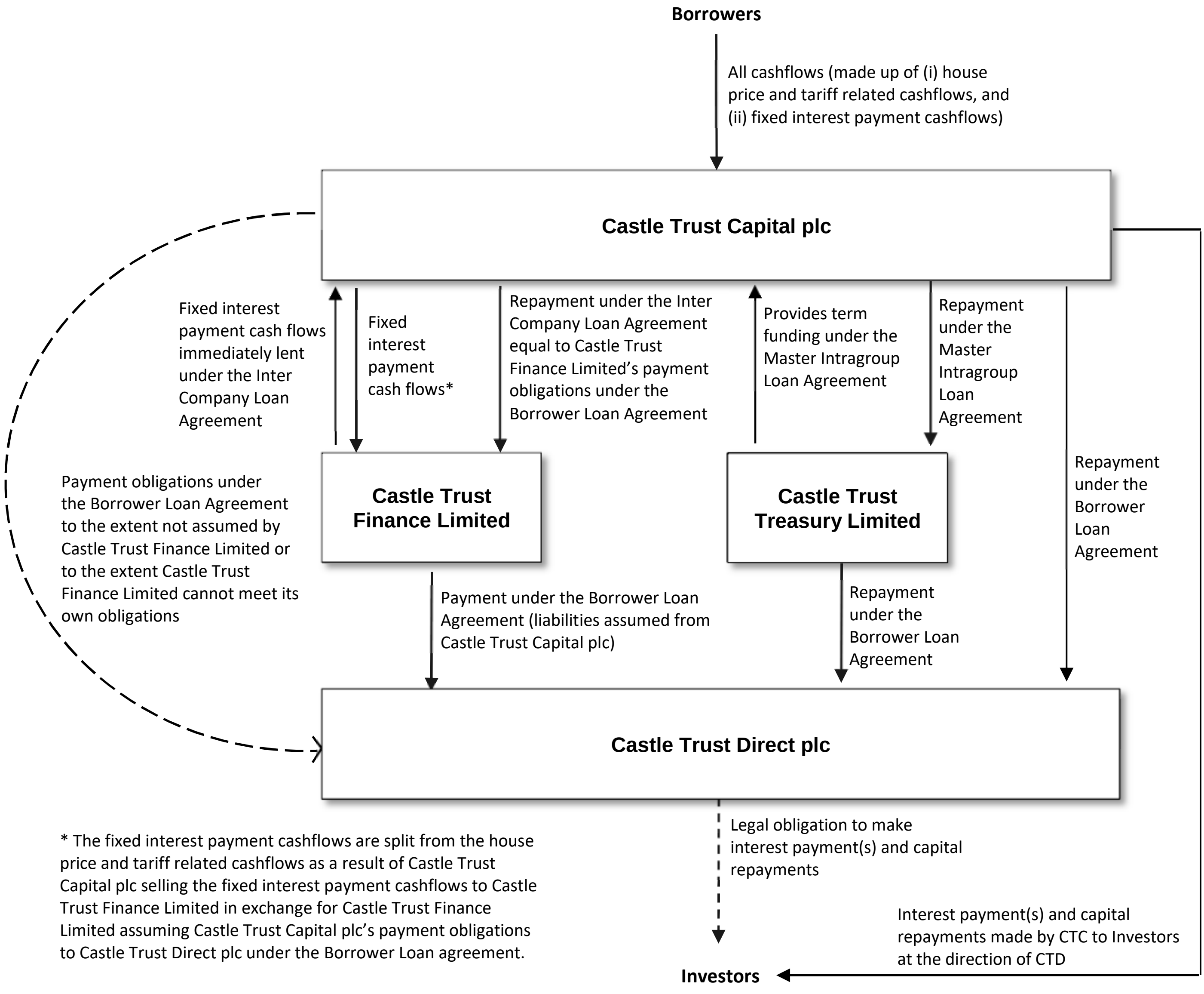
The content of any of the websites of the Issuer, Castle Trust or CTCM does not form part of this document and prospective investors should not rely on it.

4 **Diagram of the Issue structure**

The structure diagram below illustrates what happens before and immediately after Investors invest in Notes. In it you can see how Castle Trust Capital plc sells the beneficial interest in the Notes to Investors, then transfers the money invested (after receiving it from Castle Trust Capital Management Limited, which takes payment of the investment amount from investors on behalf of Castle Trust Capital plc) to Castle Trust Direct plc (the Issuer of the Notes), and finally Castle Trust Capital plc and/or Castle Trust Treasury Limited receives all or a portion of this money from Castle Trust Direct plc, as the case may be, in the form of a loan (the Advance) under the Borrower Loan Agreement. Castle Trust Capital plc lends this money to Mortgage borrowers and Castle Trust Treasury Limited, as part of the risk management services it provides to the Group, provides term funding to certain members of the Group so that those Group companies can in turn fund their respective lending activities and/or working capital requirements.



The structure diagram below illustrates what happens once Investors hold the beneficial interest in the Notes. In it you can see how (i) cashflows received by Castle Trust Capital plc in relation to money lent to Mortgage borrowers and (ii) cashflows received by Castle Trust Treasury Limited from Castle Trust Capital plc (and certain other members of the Group) under the Master Intragroup Loan Agreement are used to pay interest to Investors. The cashflows Castle Trust Capital plc receives from its Mortgage borrowers are a mixture of (i) house price and tariff related cashflows and (ii) fixed interest payment cashflows. This separation ensures that Castle Trust's accounting treatment is consistent with other market participants and is expected to provide Castle Trust with clearer and more stable information on the performance of its Mortgages. The fixed interest payment cashflows are paid to Castle Trust Finance Limited, who in turn uses this money to pay off the Advance made by Castle Trust Direct plc to Castle Trust Capital plc under the Borrower Loan Agreement. Castle Trust Capital plc meets its repayment obligations (i) to Castle Trust Direct plc under the Borrower Loan Agreement and (ii) to Castle Trust Treasury Limited under the Master Intragroup Loan Agreement, by using the remaining cashflows. Castle Trust Direct plc then directs Castle Trust Capital plc to pay interest and capital repayments to Investors.



* The fixed interest payment cashflows are split from the house price and tariff related cashflows as a result of Castle Trust Capital plc selling the fixed interest payment cashflows to Castle Trust Finance Limited in exchange for Castle Trust Finance Limited assuming Castle Trust Capital plc's payment obligations to Castle Trust Direct plc under the Borrower Loan agreement.

SECTION 2

INFORMATION ON PAYMENTS AND REDEMPTION OF NOTES

This part sets out how returns are paid to Investors.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part X Section 2 is arranged under the following subheadings:

1 Payment of Interest
2 Payment at Maturity
3 Market for Notes and Early Redemption
4 Redemption at Maturity

1 Payment of Interest

Interest is payable on the date(s) stated in the applicable Final Terms. Castle Trust pays the Interest to Investors directly on the direction of the Issuer. Interest is funded by the obligations of the Borrowers under the Borrower Loan Agreement. A target of a minimum of 10% of the Investment Amount paid by Investors is retained in assets such as cash at bank, senior bank debt, externally managed liquidity funds, securities issued by the UK government and other high quality liquid assets (all with a maturity of less than or equal to two years). This is intended to ensure that Castle Trust has sufficient liquid reserves in order to fund the Interest payments and the Final Redemption Amount payments due pursuant to the Borrower Loan Agreement.

2 Payment at Maturity

Payment of the Final Redemption Amount in respect of Notes which are redeemed on their Maturity Date shall be made by the Issuer to Investors within three Business Days of the Maturity Date or, if the repayment of the Advance under the Borrower Loan Agreement of the Series to which the Notes relate is delayed, within three Business Days of such later date on which the amount repaid is actually received by the Issuer in cleared monies.

The payment of redemption proceeds will be made by Castle Trust at the direction of the Issuer by cheque or BACS made payable to each relevant Investor (or all named holders in the case of joint holders) and sent by first class post to the name and address of the Investor (or to the name and address of the first named holder in the case of joint holders) as appearing in the Register; all at the risk of the Investor(s) concerned.

An Investor may make a request in writing (signed by all holders in the case of joint holders) in the form of a Payment Instruction Form to Castle Trust for the payment of redemption proceeds to be made by BACS or by cheque, whereupon the Issuer will be deemed authorised to deduct any bank charges to be incurred in effecting such alternative payment method from the Investor’s entitlement before such payment is made. A Payment Instruction Form for this purpose is available from CTCM.

Any further details of the mechanics for redemption of Notes at the Maturity Date for the relevant Series will be notified to Investors at that time.

3 Market for Notes and Early Redemption

Investors should be aware that investment in any Notes should be viewed as an investment for the full Investment Term of such Notes.

Except where an Investor Put is specified in the applicable Final Terms and save as described below in relation to the executors of deceased Investors, Noteholders may not request Castle Trust to repurchase their Notes prior to their Maturity Date.

Where Investor Put is specified in the applicable Final Terms, Investors may within the applicable notice period require the Issuer to redeem their Notes at the end of the applicable notice period for the Optional Redemption Amount less the Optional Redemption Charge.

As below, provisions in the Borrower Loan Agreement enable the Notes to be redeemed in return for a proportional part of each Advance being prepaid and cancelled.

If Castle Trust does acquire Notes prior to their maturity, specific provisions in the Borrower Loan Agreement enable the Notes to be redeemed (with the agreement of the Issuer) in return for a proportionate part of each Advance being prepaid and cancelled. Investors should be aware that the price offered, will be based on the actual period of investment and will take into consideration any income paid prior to repurchase. It is not expected that Castle Trust would hold any Notes so acquired for any material length of time and would not offer them to new investors. Castle Trust may realise profits or sustain losses in the amount of any differences between the prices at which it buys Notes and the amounts it receives on redemption of such Notes. Castle Trust or CTT may realise profits or sustain losses as a result of the proportionate prepayment and cancellation of each relevant Advance. Any profit made by Castle Trust or CTT may be retained by it for its absolute use and it is not liable to account to the Issuer in respect of such profits.

However, there is no assurance and no expectation that an active trading market for the Notes will develop independently of Castle Trust or, if developed, be sustained until Notes reach their Maturity Date. If Castle Trust is not able to repurchase Notes, there may not be a market maker to offer to buy and sell the Notes in the secondary market during their Investment Term, and Noteholders may have to wait for the relevant Maturity Date to realise the value of their investment.

Any Investor who disposes of any Notes prior to their Maturity Date will receive back less than if such Investor were to hold its Notes until the Maturity Date and an Investor may get back less than the amount he or she invested in the Notes if an early encashment charge applies.

4 Procedure for executors of deceased Investors requesting early redemption of Notes or Investors exercising an Investor Put

Executors of deceased Investors wishing to have the relevant Investor's Notes redeemed early or Noteholders who wish to exercise the Investor Put should contact Castle Trust at PO Box 6965, Basingstoke, RG24 4XE (or by telephone (Freephone) 0808 164 5000) to request an "early encashment form". This form must be completed and submitted to Castle Trust following the instructions provided with the form. Investors will receive, in the case of requested early redemption, a redemption amount equal to the Investment Amount together with accrued Interest up to the date of redemption or, in the case of the exercise of an Investor Put, the Optional Redemption Amount less any Optional Redemption Charge.

5 Redemption at Maturity

On or about the Maturity Date for the Notes issued in respect of a Series, the Advance made by the Issuer in relation to that Series will be repayable in order to generate the Final Redemption Amount per Note and such Notes will be redeemed in full at the applicable Maturity Date by the Issuer.

The payment obligations of the Borrowers under the Borrower Loan Agreement on or around the Maturity Date are designed to enable the Issuer, in turn, to pay to Investors on or around the Final Payment Date the Final Redemption Amount in respect of their Notes on the redemption of those Notes together, if appropriate, with interest accrued to (but excluding) the Maturity Date. Except where Investor Put is specified in the applicable Final Terms and save in the case of any agreement between the Issuer and the executor of a deceased Investor, an Investor has no right to require the Issuer to redeem or purchase any of its Notes prior to the Maturity Date.

The Fortress Bond Terms and Conditions and the application form contain a buy back arrangement in favour of Castle Trust over Notes held by Investors under which, as part of selling the Notes to an Investor, it agrees to purchase the Notes held by that Investor on the Maturity Date if they have not been redeemed by 14.00 on that day and the Nominee will be deemed authorised to sell the Investor's Notes to Castle Trust on the Maturity Date for an amount equal to the Final Redemption Amount together, if appropriate, with interest due but unpaid on such Notes. However, the Issuer intends to redeem the

Notes and pay any accrued interest prior to this buy-back taking place. The Note redemption will be funded by the amount due from the Borrowers under the maturing Advance under the Borrower Loan Agreement. The Umbrella Agreement will offset the Advance repayment and the redemption of the Notes payment and because the Final Redemption Amount and due but unpaid Interest will then lie with Castle Trust, Castle Trust will pay to Investors their Final Redemption Amount and due but unpaid Interest.

Investors who purchase their Notes from Castle Trust, an FCA authorised firm, can seek compensation from the FSCS in the event that Castle Trust is unable to meet the repayment to that Investor of an amount equivalent to the Final Redemption Amount and due but unpaid Interest, provided the Investor is an eligible claimant. The buyback arrangement will only apply to Investors who initially acquired their Notes from Castle Trust and so it will not apply to Investors who acquire Notes on the secondary market. Those Investors who have bought their Notes on the secondary market will not qualify for the FSCS.

If the buyback has occurred, immediately following Castle Trust's purchase of the Notes from the Investors, the Issuer will redeem the Notes for an amount equal to the Final Redemption Amount and will pay, if appropriate, Interest due but unpaid. The Note redemption by the Issuer will be funded by the payment due from the Borrowers under the now mature Advance. As Castle Trust will be the holder of the Notes having bought them back from Investors, these payments and any payments due to CTF from Castle Trust under the Intra Group Loan Agreement and to CTT under the Master Intragroup Loan Agreement will be offset under the Umbrella Agreement.

Please refer to the Risk Factors section for information on the circumstances in which the Issuer's ability to pay to Investors the full amount scheduled to be paid in respect of the Notes may be adversely affected.

SECTION 3

INFORMATION ON THE OPERATION OF THE OFFER SERIES

This part sets out the objective of the Offer Series and the rights (including rights on redemption) attaching to the Notes.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part X Section 3 is arranged under the following subheadings:

1 Objective of the Notes
2 Suitability
3 Borrower Loan Agreement and Intra Group Loan Agreement
4 Calculations and determinations
5 Taxation

1 Objective of the Notes

The Notes provide the Investors in the Series with the Final Redemption Amount plus interest on the Investment Amount.

The Issuer solely invests the Proceeds in respect of a Series in making an Advance to Castle Trust and/or CTT, as the case may be, that is solely for the purposes of achieving the investment object of that Series, as described below under the heading "Borrower Loan Agreement". No hedging transactions are undertaken by the Issuer in respect of any Series.

2 Suitability

Applicants should determine the suitability of an investment in any Notes in light of their own circumstances. In particular, applicants should:

- have sufficient knowledge and experience to make an evaluation of an investment in the relevant Notes and the merits and risks of investing in such Notes;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in any Notes, including the risk of loss of such investment and, where their currency is not Sterling, any currency risk; and
- be able to meet the Minimum Application Size.

The Offer is made to and an investment in the Notes may be suitable for investors (both retail and institutional investors) who seek a competitive return on their capital or who wish to diversify their existing low risk investment portfolios.

3 Borrower Loan Agreement and Intra Group Loan Agreement

The Issuer makes an Advance to Castle Trust and/or CTT, as the case may be, under the Borrower Loan Agreement in respect of each Series. Each Advance is governed by the Borrower Loan Agreement. Descriptions of certain provisions of the Borrower Loan Agreement in this Base Prospectus are summaries only and are subject to the detailed terms of the Borrower Loan Agreement. The Borrower Loan Agreement is designed such that all Proceeds from subscriptions for Notes (less certain costs payable by the Issuer) can be on-lent by the Issuer to Castle Trust and/or CTT, as the case may be, as a new Advance. In consideration, Castle Trust, CTF and CTT (as applicable) are obligated to pay to the Issuer amounts not less than the Interest as it falls due and amounts equal to the Final Redemption Amount as the Notes mature.

On 29 June 2015, CTF acceded as a borrower to the Borrower Loan Agreement accepting liability for

£52m of loans (notional value) made pursuant to the Borrower Loan Agreement in consideration for Castle Trust making a payment equal to the fair value of those obligations under the Borrower Loan Agreement, which are to be taken on by CTF. Castle Trust retains its obligations to the Issuer to the extent CTF is unable to meet its payment obligations. In addition the Borrower Loan Agreement provides for the possibility of CTF accepting liability for further loans made by the Issuer to Castle Trust pursuant to the Borrower Loan Agreement in return for Castle Trust paying CTF an amount equal to the fair value of those further loans, with any such transfer taking place on future dates to be agreed between the parties.

On 29 June 2015, CTF entered into the Purchase Agreement with Castle Trust to purchase all non-house price and tariff related cashflows in respect of Castle Trust's portfolio of Mortgages (along with the whole of the customer credit risk subject to Castle Trust taking the first loss on the house price and tariff related cashflows) as at 31 July 2015. In addition the Purchase Agreement provides for the possibility of further portfolio sales of such cashflows by Castle Trust to CTF in exchange for CTF purchasing these cashflows at fair value, with any such transfer taking place on future dates to be agreed between the parties. These purchases will be funded by the amounts paid to CTF by Castle Trust in consideration of CTF accepting liability for Loans made pursuant to the Borrower Loan Agreement.

Also on 29 June 2015, CTF and Castle Trust entered into the Intra Group Loan Agreement, under which CTF uses the income it receives from the Mortgage cashflows to make advances to Castle Trust to fund Castle Trust's general corporate and working capital requirements. Castle Trust is obliged to repay the Intra Group Loan Agreement so as to allow CTF to satisfy its payment obligations to the Issuer under the Borrower Loan Agreement when they fall due. Descriptions of certain provisions of the Purchase Agreement and the Intra Group Loan Agreement in this Base Prospectus are summaries only and are subject to the detailed terms of the Purchase Agreement and the Intra Group Loan Agreement respectively.

On 28 April 2017, the Borrower Loan Agreement was further amended to allow for CTT's accession as the Second Additional Borrower (with CTF becoming the First Additional Borrower). CTT is a special purpose vehicle that was incorporated to provide risk management services to the Group, including managing the Group's interest rate risk and liquidity risk. As part of the risk management services it provides to the Group, CTT borrows from the Issuer under the Borrower Loan Agreement in order to provide term funding to certain members of the Group so that those Group companies can in turn fund their respective lending activities and/or working capital requirements. CTT lends money to certain Group companies (including Castle Trust) under the terms of the facility agreement entered into on 28 April 2017 between certain members of the Group for the purpose of providing a contractual framework for the provision of loans between Group companies (the "**Master Intragroup Loan Agreement**"). CTT meets its obligations under the Borrower Loan Agreement to pay the Interest and the Final Redemption Amount by using the income from the intercompany term loans it makes to certain Group companies under the Master Intragroup Loan Agreement to service its repayment obligations.

The Borrower Loan Agreement (and each Advance thereunder) backing the issue has the characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

The terms of the Borrower Loan Agreement are such that the Borrowers are obliged to meet the payments (which are at least equal to the Interest payments and the Final Redemption Amounts) as they fall due and payable prior to the Issuer being obliged to make the equivalent payments to Investors. Therefore, the Issuer should always have the necessary funds to meet Interest and Final Redemption Amount payments. Castle Trust, as Principal Borrower, will ultimately meet such obligations through returns it earns on the Mortgages it lends and its liquid investments. CTF will meet its obligations through returns it earns on the Mortgage cashflows purchased pursuant to the Purchase Agreement. CTT will meet its obligations through returns it earns on loans made to Group companies under the Master Intragroup Loan Agreement and its liquid investments. The Borrower Loan Agreement has the capacity to produce funds to service any payments due and payable on the Notes.

On receipt of the Investment Amount from the Issuer, having received the same from Investors, Castle Trust uses a maximum of 90% of such funds to offer Mortgages and POS Loans (though its subsidiary, OCRF), keeping a minimum of 10% of funds received in liquid assets with a maturity of less than two years. Applicants should note that the principal assets of the Issuer comprise the obligations owed to the Issuer by the Borrowers in respect of each Advance under the Borrower Loan Agreement. The Borrower Loan Agreement, the Intra Group Loan Agreement and Master Intragroup Loan Agreement are governed by English law. The Borrowers do not provide collateral to meet their obligations under the Borrower Loan Agreement and the Borrower Loan Agreement is therefore unsecured. Castle Trust does not provide collateral to CTF to meet its obligations under the Intra Group Loan Agreement and the Intra Group Loan Agreement is also unsecured. With the exception of OCRF, Group companies are not expected to provide collateral to CTT to meet their respective obligations under the Master Intragroup Loan Agreement (though the Master Intragroup Loan Agreement does provide for such collateral to be provided). Any assets or arrangements which the Borrowers acquire or enter into to hedge their obligations under the Borrower Loan Agreement do not form part of the assets of the Issuer. **The Interest and Final Redemption Amounts payable to the Investors are dependent on the ability of the Borrowers to meet their payment obligations under the Borrower Loan Agreement.**

Each Advance will be repayable on the maturity of the relevant Notes. The Borrower Loan Agreement is entered into by the Issuer and the Borrowers, and each Advance is made thereunder by the Issuer to Castle Trust and/or CTT, as required, for the sole purpose of providing this investment opportunity. The relationship between the Issuer and the Borrowers is material because the payments due from the Borrowers to the Issuer to allow the Issuer to meet the Interest payments, Optional Redemption Amounts, Final Redemption Amounts and any other amounts due in respect of the Notes, are the only source of income for the Issuer. Further, the Borrowers have a material interest in the offer because the net Proceeds are advanced to Castle Trust and/or CTT, as required, under the Borrower Loan Agreement. Castle Trust uses such monies for its Mortgage business and CTT uses such monies to provide term funding to certain Group companies. Those companies include Castle Trust, to provide additional funding for its Mortgage business (in addition to the funding it receives/has received directly from the Issuer under the Borrower Loan Agreement) and OCRF, to provide funding for its point-of-sale finance business. CTT's lending operations centralise interest rate risk and liquidity risk in CTT and so provides risk management services to the Group. The lending businesses in the Group fund the payment obligations of the Borrowers under the Borrower Loan Agreement.

The Borrower Loan Agreement is structured such that there is a new Advance made with each fresh issue of Notes and therefore each Advance is repayable at the same time as each Series matures. It should be noted, however, there is not a separate identifiable pool of Mortgages, POS Loans or liquid assets for each Advance. **Accordingly the same assets may be used to support the obligations of the Borrowers under multiple Advances and therefore the Issuer proposes to issue further securities, each month, backed by the same assets**. Each new issue of Notes will be announced to the market (including Noteholders).

Details of the total number of Notes issued and admitted to the Official List of Euronext Dublin pursuant to each Offer in respect of Notes which are to be admitted to the Official List of Euronext Dublin and to trading on its regulated market in accordance with the applicable Final Terms are available from the Euronext Dublin website.

Details of the total number of Notes issued and admitted to listing and trading on the Official List of The International Stock Exchange ("TISE") pursuant to each Offer in respect of Notes which are to be admitted to listing and trading on the Official List of TISE in accordance with the applicable Final Terms are available from the TISEA website.

For further information in relation to the Borrower Loan Agreement, please see pages 119, 120, 121, 150 and 151.

4 Calculations and determinations

CTCM is the calculation agent (the "**Calculation Agent**") responsible for calculating the Interest and Final Redemption Amounts payable on the Notes. The Calculation Agent shall make calculations and determinations in its sole discretion with respect to Interest and the Final Redemption Amounts and any other amounts payable in respect of the Notes, acting in good faith and in a commercially reasonable manner.

5 Taxation

Currently, it is not expected that withholding tax will be deducted from any part of the Interest or the Final Redemption Amounts paid by the Issuer. Further taxation information for Investors is set out in Part XIV

(*Taxation*) of this Base Prospectus.

PART XI

OPERATING AND FINANCIAL REVIEW OF CASTLE TRUST

The operating and financial review of Castle Trust should be read in conjunction with the historical financial information for the 2 years ending 30 September 2017 and 30 September 2018, as covered by an Independent Accountant's report, which are incorporated by reference in Part III (Documents incorporated by reference) of this document.

Unless otherwise indicated, the selected financial information included in this Part XI has been extracted without material adjustment from Castle Trust's statutory consolidated financial statements for the 2 years ending 30 September 2017 and 30 September 2018, as covered by an Independent Accountant's report, which are incorporated by reference in Part III (Documents incorporated by reference) of this document.

This Part XI is arranged under the following subheadings:

1 Overview
2 Risk management and exposure to risk
3 Liquidity
4 Credit Risk
5 Results and Dividends

1 Overview

Following the receipt of the necessary regulatory authorisations, Castle Trust commenced trading on 1 October 2012 as a provider of mortgages and investment products. Castle Trust Capital plc was granted permission by the Financial Services Authority (now the FCA) to carry out regulated investment activities on 5 September 2012.

Castle Trust has established an experienced board and management team and has implemented a robust legal, regulatory and operational framework for its business.

In the financial period to 30 September 2018, a number of significant developments have taken place:

1.1 Housas in issuance at 30 September 2018 total £9,650,000;

1.2 Fortress Bonds in issuance at 30 September 2018 total £727,770,000; and

1.3 Mortgage lending activity has increased considerably over the period, with lending as at 30 September 2018 standing at £532,055,000 (30 September 2017: £466,417,000), and with investment funding standing at £737,420,000 (30 September 2017: £615,592,000).

2 Risk management and exposure to risk

Castle Trust measures and monitors risk on a regular basis and formally reviews its risk position at the Risk Committee every quarter. The main risks to which Castle Trust is exposed are Liquidity and Credit risk. Neither risk is sought, but these risks are inherent in Castle Trust's business model, and as such are regularly measured and monitored, and appropriately managed.

3 Liquidity

Liquidity risk is inherent within the Castle Trust business model. However, active management of the duration profile of the assets and liabilities significantly reduces the company's exposure to liquidity risk. In addition, a target of a minimum 10% buffer will be maintained once Mortgage and POS Loan lending builds, to ensure that the funds created from Housa and Fortress Bond investments are not loaned beyond this level.

Triggers which define risk tolerance have been determined by the Risk Committee, which has been delegated authority from the main Board. These risk limits can only be changed with Board approval, and are reviewed on a quarterly basis.

4 Credit Risk

Credit risk is inherent in Castle Trust's Mortgage and POS Loan products. This risk is managed in the loan origination and servicing processes. Castle Trust has modelled the scenarios which might lead to a change in these risks, and these are measured and monitored on a monthly basis by the Board.

5 Results and Dividends

The results of Castle Trust for the year ended 30 September 2018 are set out in the audited Group consolidated statement of comprehensive income incorporated by reference into the document on pages 47 and 48. Castle Trust, on a consolidated basis, has made a loss in the year ended 30 September 2018 amounting to £28,667,000 (30 September 2017: loss of £8,189,000 and 30 September 2016: loss of £3,070,966). No dividend has been recommended to date.

PART XII

USE OF PROCEEDS, INVESTMENT POLICY AND RETURNS AND INFORMATION ABOUT THE ISSUER

This part sets out further information on the use of the proceeds raised by the issue of Notes.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part XII is arranged under the following subheadings:

1 Use of proceeds

The net proceeds from each issue of Notes are used by the Issuer for making the Advance for that Series under the Borrower Loan Agreement. This is in line with the investment objective to pay to Investors the Final Redemption Amount at the Maturity Date and to pay Interest.

Investors purchase their Notes from Castle Trust and contract for Castle Trust to buy back the Notes from them on the maturity of such Notes Final Redemption Amount and due but unpaid Interest. Castle Trust is authorised and regulated by the Financial Conduct Authority to carry out regulated activity and is a participant in the Financial Services Compensation Scheme ("**FSCS**") established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to Investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations. If an Investor has suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back the Notes because it had become insolvent) then the Investor would be able to seek compensation from the FSCS, provided the Investor is an eligible claimant. Most Investors, including most individuals and some small businesses, would currently be deemed to be eligible claimants by the FSCS. In respect of investments, an eligible investor is entitled to claim up to £85,000. For further information about the FSCS, including the amounts covered and eligibility to claim, please ask Castle Trust for more detail or refer to the FSCS website www.fscs.org.uk. **Those Investors who have bought their Notes on the secondary market will not qualify for the FSCS.**

The only business that the Issuer carries out is the provision of the investment opportunity for Investors in the Notes by investing the Proceeds in making an Advance under the Borrower Loan Agreement. Such Notes receive Interest at the intervals applicable to the relevant Note and the Final Redemption Amount on maturity of such Notes.

2 Investment policy and objective

The objective of the Issuer is to provide a return to Investors in each Series equal to Interest payable for the relevant Series and the Final Redemption Amount of the relevant Series on the relevant Maturity Date.

The only source of funding that is available to the Issuer to make each Advance under the Borrower Loan Agreement designed to generate Interest in respect of any Notes and fund payment of the Final Redemption Amount of any Notes derives from the capital subscribed by the purchasers of such Notes. The investment policy prevents the Issuer from borrowing any funds other than the Notes.

The Issuer and its Directors are responsible for the formulation of the investment policy of each Series and any subsequent change to that policy.

In order to generate the Interest and the source of funds to pay the Final Redemption Amount, the Issuer entered into the Borrower Loan Agreement on 3 July 2014 with the Principal Borrower. Under the Borrower Loan Agreement, the monies received by the Issuer for subscription for Notes (less certain costs payable by the Issuer) are advanced to Castle Trust for a period equal to the Investment Term. However, on 29 June 2015 CTF acceded as a borrower to the Borrower Loan Agreement accepting liability for £52m of loans (notional value) made pursuant to the Borrower Loan Agreement (with the possibility of CTF accepting liability for further loans made to Castle Trust pursuant to the Borrower Loan Agreement). On 28 April 2017, the Borrower Loan Agreement was further amended to allow for CTT's accession as a second additional borrower in order to provide risk management services to the Group (by providing term funding to Group companies and thereby centralising interest rate risk and liquidity risk in CTT).

On or about the Maturity Date of such Notes, the relevant Advance under the Borrower Loan Agreement will be repayable by the Borrowers to the Issuer for an amount not less than the Final Redemption Amount for each Note maturing and, where applicable, Interest payable on such Notes on the Maturity Date. The Notes will then be redeemed for an amount equal to the Final Redemption Amount and any such Interest. The Umbrella Agreement offsets these payments to the extent identical and so Castle Trust will be free to pay Investors the Final Redemption Amount and Interest (if applicable).

On issue, Castle Trust subscribes for the Notes and borrows the subscription amount from the Issuer with the amount left outstanding on the intercompany account. Investors apply to Castle Trust during the relevant Offer Period to purchase Notes and this purchase is governed by the Fortress Bond Terms and Conditions. The Fortress Bond Terms and Conditions contain an obligation on the part of Castle Trust to repurchase the Notes held by the Investor on the Maturity Date of such Notes for an amount equal to the Final Redemption Amount and due but unpaid Interest for such maturing Notes. However, the Issuer will redeem the Notes prior to this buy back taking place. The Note redemption will be funded by the amount due from the Borrowers under the maturing Advance. The Umbrella Agreement offsets the Advance repayments (to be made by Castle Trust, CTF and/or CTT, as applicable) and the redemption of the Notes payment and because the Final Redemption Amount then lies with Castle Trust, Castle Trust will pay to Investors their Final Redemption Amount.

In the absence of unforeseen circumstances, the term of the Advance with respect to each Series will match the Investment Term of that Series.

It is the intention of the Issuer that the investment objectives for each Series will be achieved by investing the net Proceeds of the Notes issued in respect of such Series in the making of an Advance to Castle Trust and/or CTT, as the case may be, under the Borrower Loan Agreement.

The returns on the Advances are designed to enable the Issuer to meet its stated investment objective for the relevant Series. The Advances are designed by the Issuer to provide a Series, as at the relevant Interest Payment Date(s) and/or the relevant Maturity Date, with an amount not less than the aggregate Interest and Final Redemption Amount of the Notes issued in respect of that Series. However, there is no guarantee that the investment objective of a Series will be met.

3 Investment restrictions

The Proceeds in respect of each Offer Series are only invested by way of making Advances to Castle Trust and/or CTT, as the case may be, under the Borrower Loan Agreement and used to pay fees incurred in connection with such investment and the costs of offering the Notes.

4 Borrower Loan Agreement returns

The Borrower Loan Agreement is designed to impose an obligation on the Borrowers to pay the Issuer an amount equal to the Interest payable by the Issuer on each Interest Payment Date and/or the Maturity Date and to pay or repay to the Issuer on or around the relevant Maturity Date an aggregate amount not less than the Final Redemption Amount for the Notes issued in respect of the relevant Series, as set out in the applicable Final Terms.

The total amount payable or repayable by the Borrowers to the Issuer in respect of the relevant Advance for each Series will be paid on or around the Maturity Date for the Notes issued in respect of the relevant Series.

Under the Borrower Loan Agreement, the Borrowers are obliged to pay the Final Redemption Amount, and any Interest due, on or around the Maturity Date to enable the Issuer, in turn, to pay to Investors on or around the Final Repayment Date the Final Redemption Amount, and any Interest due on such date, in respect of their Notes.

The obligations of the Borrowers under the Borrower Loan Agreement for each Series are not collateralised or secured.

In practice, Investors are expected to have acquired their Notes in the first instance from Castle Trust under the Fortress Bond Terms and Conditions. Castle Trust uses the Investment Amount to discharge the intercompany debt owed to the Issuer by a corresponding amount and the Issuer advances those monies to Castle Trust and/or CTT, as the case may be, under the Borrower Loan Agreement. The Umbrella Agreement offsets those payments.

The Fortress Bond Terms and Conditions and the application form contain a buy back arrangement in favour of Castle Trust over Notes held by Investors under which, as part of selling the Notes to an Investor, it agrees to purchase the Notes held by that Investor on the Maturity Date if they have not been redeemed by 14.00 on that day and the Nominee is authorised to sell the Investor's Notes to Castle Trust on the Maturity Date for an amount equal to the Final Redemption Amount and any due but unpaid Interest. However, the Issuer intends to redeem the Notes prior to this buy back taking place. The Note redemption will be funded by the amount due from the Borrowers under the maturing Advance. The Umbrella Agreement offsets the Advance repayments due from Castle Trust, CTF and/or CTT (as applicable) and the redemption of the Notes payment and because the Final Redemption Amount then lies with Castle Trust, Castle Trust will pay to Investors their Final Redemption Amount.

Investors who purchase their Notes from Castle Trust, an FCA authorised firm, can seek compensation from the FSCS in the event that Castle Trust is unable to meet the repayment to that Investor of an amount equivalent to the Final Redemption Amount and any due but unpaid Interest, provided the Investor is an eligible claimant. The buyback arrangement will only apply to Investors who initially acquire their Notes from Castle Trust and so it will not apply to Investors who acquire Notes on the secondary market. Those Investors who have bought their Notes on the secondary market will not qualify for the FSCS.

If the realised assets of a Series are greater than the amounts payable on the relevant Notes and the Investors of that Series have been paid the amounts payable, the Investors shall have no entitlement to any such surplus. Any surplus will be retained by the Issuer.

The Notes are intended to appeal to investors who seek a competitive return on their capital or who wish to diversify their existing low risk investment portfolios. The Notes are suitable to be marketed to retail and institutional investors alike.

5 **Additional Series**

The Issuer may create new Series of the Notes to be offered to Investors. Each Series may have a different maturity date, offer period, issue date, interest rate and certain other matters all as set out in the applicable Final Terms.

Any additional Series will be conditional on (i) (in respect of additional Series created in respect of Notes which are to be admitted to the Official List of Euronext Dublin and to trading on its regulated market) the Issuer receiving the approval of Euronext Dublin for the admission of the relevant Notes to the Official List of Euronext Dublin and to trading on its regulated market by the issue date specified in the applicable Final Terms; or (ii) (in respect of additional Series to be created in respect of Notes which are to be admitted to the listing and trading on the Official List of The International Stock Exchange ("**TISE**")) the Issuer receiving the approval from The International Stock Exchange Authority Limited for the admission of the relevant notes to listing and trading on the Official List of TISE, and, subject to that, the making of the relevant Advance under the Borrower Loan Agreement and any conditions set out in the applicable Final Terms, will be offered by the Issuer at the Issue Price and the Offer of Notes issued in respect of each new Series.

In the event that any of the above conditions is not satisfied in respect of any Offer, the Offer will be terminated, no Notes will be allotted and all subscription monies will be returned by Castle Trust to applicants (without interest) within 30 days of the Offer being terminated by cheque at the risk of the applicant and the Issuer will cancel the relevant Series.

The Issuer reserves the right to limit the Offer in respect of Notes issued in respect of a new Series as set out in this document. In this event, the basis of Note allocation shall be at the Issuer's sole discretion and the Issuer reserves the right to reject any application in whole or in part. Castle Trust will then return any monies (without interest) or the balance thereof within 30 days of the rejection by cheque at the risk of the applicant.

In addition, the terms and conditions of each Offer Series will be determined by the Issuer at the time of issue and specified in the applicable Final Terms pursuant to the Note Conditions. Any offer or sale of Notes to an investor by a Financial Intermediary, Castle Trust or CTCM will be made in accordance with any terms and other arrangements in place between such Financial Intermediary, Castle Trust or CTCM (as applicable) and such investor including as to price, allocations and settlement arrangements.

6 **Administration of the Offer**

6.1 Introduction

The Directors are responsible for the determination of the Issuer's investment policy and have overall responsibility for the Issuer's activities.

6.2 Marketing Manager

CTCM has been appointed by the Issuer as Marketing Manager pursuant to the Marketing and Agency Agreement and is responsible to the Issuer for the approval of non-real time communications to be issued by the Issuer and engaging in real time communications with potential investors and intermediaries in connection with the marketing of the Notes on behalf of the Issuer in respect of its Notes in the UK.

CTCM is authorised and regulated by the FCA in the United Kingdom. The Issuer may appoint other persons to act as marketing manager in relation to Notes issued in respect of particular Series.

6.3 Registrar and Administrator

JTC has been appointed as Registrar, Transfer Agent, Receiving Agent and Administrator pursuant to the Registrar and Administration Agreement, a summary of which is described in paragraph 5.2 of Part XIX (*General information)* of this document.

JTC, registered in Jersey under registered number 37293, was incorporated on 23 March 1987 and has an indefinite life. JTC is established as a Jersey company limited by shares and is registered under the Financial Services Law to carry out the appropriate classes of financial services business services.

6.4 No Custodian

The assets of the Issuer do not require to be held by a custodian. Accordingly, no custodian has been appointed. JTC is responsible for the safe keeping of the Issuer's books and records in relation to the Notes pursuant to the Registrar and Administration Agreement.

6.5 Investment Administration

CTC carries out as agent on behalf of the Issuer investment administration services including the maintenance of the register of beneficial interests of Notes.

6.6 Listing Agents

The Listing Agents are each obliged to assist the Issuer in complying with its continuing obligations under the appropriate Listing Guidelines.

7 Conflicts of interest affecting the Issuer

The Directors and each of the persons or entities occupying the incumbency of the Borrowers, Marketing Manager, Administrator, Registrar, Calculation Agent and any paying and receiving agents from time to time may, in the course of their business, have potential conflicts of interests with the Issuer. Each of such entities and the Directors has regard to their respective duties to the Issuer and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts arise in respect of the Issuer or any Series, each of such persons and entities shall be requested by the Issuer (for itself and each of the relevant Series) to undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Issuer and of the Investors are not unfairly prejudiced. Where any such conflict cannot be resolved, the conflicted Director(s) will not participate in deliberations or vote on the relevant issue.

Where conflicts of interest or potential conflicts of interest arise, the Issuer will seek to mitigate such conflicts or potential conflicts in an appropriate manner.

The Directors have acknowledged and accepted that, in having regard to their obligations as Borrowers under the Borrower Loan Agreement and as issuer of any other investments, Castle Trust, CTF and CTT may resolve any conflicts of interest in respect of their obligations in their own, or their Affiliates', favour taking into account their, or their respective Affiliates', own interests as the Borrowers or issuers of other investments, as the case may be.

Each of the Directors is also a director of Castle Trust. Castle Trust acts as the borrower under the Intra Group Loan Agreement, a borrower under the Master Intragroup Loan Agreement and a borrower under the Borrower Loan Agreement. Whilst the Issuer's directors are aware of their duties and obligations as Directors and when acting in respect of the Issuer's business do so mindful of such duties and obligations, conflicts of interests may arise where such actions conflict their obligations as directors of Castle Trust.

Other than as stated above, in relation to acting as directors of Castle Trust, none of the Directors has any potential conflicts of interest between his duties to the Issuer and his private interests or other duties.

8 Investor restrictions

This document is not for distribution in the US, Australia, Canada or Japan. The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, including outside the United States in offshore transactions in reliance on Regulation S.

Subject to certain exceptions, the Notes may not, directly or indirectly, be offered or sold within Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. No action has been taken by the Issuer, Castle Trust or CTCM that would permit an offer of Notes or possession or distribution of this document (or other offer or publicity material or application form relating to the Notes) in any jurisdiction where action for that purpose is required, other than the United Kingdom.

PART XIII

INFORMATION ON THE ISSUER

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part XIII is arranged under the following subheadings:

This Base Prospectus together with the applicable Final Terms shall form the Listing Document for the purpose of the Admission of each Series of Notes that are the subject of the Programme and includes particulars given in compliance with the Listing Guidelines for the purpose of giving information with regard to the Issuer.

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information given in this Base Prospectus is, to the best of the knowledge of the Issuer, in accordance with the facts and does not omit anything likely to affect the import of such information.

1 Incorporation and general

1.1 The Issuer was incorporated in England and Wales as a limited liability company under the Companies Act 2006 on 19 May 2014 under the name of Castle Trust Direct plc with registered number 9046984. The liability of its members is limited. For the purposes of the Prospectus Directive, the Issuer was incorporated as a special purpose vehicle for the purpose of issuing asset backed securities.

1.2 The Issuer's registered office is at 10 Norwich Street, London EC4A 1BD and principal place of business is at Tower 42, 25 Old Broad Street, London EC2N 1HQ (telephone number: +44 (0) 207 166 6260). The Issuer is resident in the United Kingdom. The statutory records of the Issuer are kept at its registered office address.

2 Statutory auditors

The auditors of the Issuer are Ernst & Young LLP. Ernst & Young LLP are members of the Institute of Chartered Accountants in England and Wales. The address of Ernst & Young LLP is 1 More London Place, London SE1 2AF.

3 Share capital of the Issuer

3.1 The authorised share capital of the Issuer on incorporation was £50,000 divided into 500,000 ordinary shares of £0.10 each.

3.2 Castle Trust in aggregate controls the exercise of 100 per cent of the rights to vote at a general meeting of the Issuer.

3.3 As at the date of this document, no options have been granted (or have been agreed to be granted) over any shares in the capital of the Issuer.

4 Directors

The board of directors of the Issuer currently comprises three Directors. The Directors are as follows:

Name	Position	Date appointed to the Board
Richard Ramsay	Non-executive director	12 June 2014
Martin Bischoff	Executive director	30 May 2018
Paul Lloyd-Jones	Executive director	8 May 2019

The business address of the Directors is currently Tower 42, 25 Old Broad Street, London EC2N 1HQ.

Each of the Directors is also a director of Castle Trust. Castle Trust is a borrower in respect of the Borrower Loan Agreement and, therefore, a conflict of interest may arise should either the Issuer or Castle Trust fail to fulfil its obligations under the Borrower Loan Agreement.

Each of the Directors is also a director of CTF. CTF is a borrower in respect of the Borrower Loan Agreement and, therefore, a conflict of interest may arise should either the Issuer or CTF fail to fulfil its obligations under the Borrower Loan Agreement.

Each of the Directors is also a director of CTT. CTT is a borrower in respect of the Borrower Loan Agreement and, therefore, a conflict of interest may arise should either the Issuer or Castle Trust fail to fulfil its obligations under the Borrower Loan Agreement.

These potential conflicts of interest are more fully examined at paragraph 7 of Part XII (*Use of proceeds, investment policy and returns and information about the Issuer)* of this Base Prospectus.

5 Corporate governance

The Issuer complies with its continuing obligations under the Listing Guidelines. There is no applicable regime of corporate governance to which the Directors must adhere over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under English law.

6 Memorandum and articles of association

The Issuer's objects are unrestricted.

The issued share capital of the Issuer is £500,000 divided into 500,000 ordinary shares of £0.10 nominal and £0.90 premium each.

The liability of a shareholder arising from the holding of a share in the Issuer is limited to the amount (if any) unpaid on it.

7 Directors' interests

The functions of the Directors are set out in the section entitled "Directors" contained in this Part XIII of this document. When referred to in this document, the members of the administrative, management or supervisory bodies of the Issuer are the Directors.

The Directors have no voting rights, directly or indirectly, in respect of the share capital of the Issuer as at 10 June 2019 (being the last practicable date prior to publication of this document).

Other than as disclosed, no Directors have any potential conflicts of interest between their duties to the Issuer and their private interests and/or their duties to third parties save that each of the Directors is also a director of Castle Trust, which is a counterparty with respect to certain of the Material Contracts described in paragraph 5 of Part XIX (*General information)* of this document.

8 Major shareholder

As the sole beneficial holder of the Ordinary Shares, Castle Trust exercises control over the Issuer. Only holders of Ordinary Shares are entitled to attend and vote at general meetings of the Issuer and save as disclosed in this paragraph 8, as at the date of this document, the Issuer is not aware of any person who directly or indirectly has an interest in the Issuer's capital or voting rights which is notifiable under English law.

The Directors are aware of their fiduciary duties and their duties under law to act in the best interests of the Issuer. The Directors are aware that the sole shareholder of the Issuer is Castle Trust and will not allow the interests of Castle Trust to encroach on the interests of the Issuer or Investors.

9 Nature of financial information

Since the date of its incorporation, the Issuer has not commenced operations and no financial statements have been made up at of the date of this Base Prospectus.

10 General

The total costs and expenses payable by the Issuer in connection with Admission have been and are to be paid by CTCM.

11 Business of the Issuer

The only business that the Issuer carries out is the provision of the investment opportunity for Investors in the Notes by investing the Proceeds in the Borrower Loan Agreement. Such Notes receive Interest and the Final Redemption Amount on maturity of such Notes.

12 Financial reporting

The financial statements of the Issuer will be maintained in Sterling and prepared in accordance with International Financial Reporting Standards on a yearly and half-yearly basis in accordance with the applicable provisions of the Listing Guidelines and the 2006 Act. The financial statements of the Issuer will be prepared by Castle Trust with advice from the Auditors. Each set of annual financial statements will be prepared up to 30 September in each year and copies are available for the Noteholders in accordance with the Listing Guidelines within a period of four months following the relevant accounting date. Each set of half-yearly reports will be prepared up to 31 March in each year and copies will be available for the Noteholders within a period of three months following the relevant accounting date.

Copies of the Issuer's annual report and accounts and half-yearly reports will be available for inspection at the registered office of the Issuer at 10 Norwich Street, London EC4A 1BD and the registered office of the Trustee at 7th Floor, 9 Berkeley Street, London, United Kingdom W1J 8DW. They will also be published in supplementary prospectuses which will be available for download on the Issuer's website (https://www.castletrust.co.uk/documents-investments).

PART XIV

TAXATION

UNITED KINGDOM TAXATION

This summary is intended only as a general guide to certain aspects of UK tax law and HMRC's published practice applicable at the date of this document. UK tax law and HMRC practice are subject to change at any time, potentially with retroactive effect. This section only addresses the position of prospective Investors who are individuals resident solely in the United Kingdom who are absolute beneficial owners of their Notes and hold their Notes as an investment. It does not deal with certain types of prospective Investors such as companies or other persons subject to corporation tax, insurance companies, dealers in securities, clearing houses, trusts, collective investment schemes, persons who have (or are deemed to have) acquired their Notes by reason of employment or persons connected with the Issuer. The summary does not purport to be a complete analysis of all the potential tax consequences of acquiring, holding and disposing of the Notes. Investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK should consult an appropriate independent advisor.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

Taxation of the Issuer

United Kingdom Corporation Tax and Income Tax

The Issuer is managed so that it is resident in the United Kingdom for tax purposes. The Issuer is therefore liable to UK corporation tax on its worldwide profits and capital gains.

Taxation of Interest

Investors

The Notes are intended to be "quoted Eurobonds" within the meaning of Section 987 of the Income Tax Act 2007. Accordingly, payments of Interest on the Notes may be made without withholding or deduction for or an account of United Kingdom income tax.

If the Notes are not quoted Eurobonds, the Issuer will be obliged to deduct a sum from any Interest payments representing United Kingdom income tax at the basic rate. Where such deduction is made, the sum deducted will be treated as income tax paid by the recipient.

Investors who acquire their investment in Notes through an Individual Savings Account ("ISA")

The Notes are intended to be eligible investments for the stocks and shares element of an ISA under HMRC's revised rules effective 1 July 2014.

Subject to that limitation, UK tax resident Investors who acquire their investment in Notes through an ISA and who satisfy the tax exemption conditions set out in the ISA Regulations will not be subject to either UK income tax or UK capital gains tax on income and gains realised from Notes. Any losses on Notes held in an ISA will, however, not be allowable for the purposes of UK capital gains tax.

Accrued Income Scheme

The provisions of the accrued income scheme in Part 12 of the Income Tax Act 2007 may apply on the transfer of a Note and may also apply to the person to whom that Note is transferred.

On a transfer of a Note to which the accrued income scheme applies, an amount equal to any Interest which has accrued on the Note from the preceding Interest Payment Date to the date of transfer may be liable to income tax.

*Stamp Duty and Stamp Duty Reserve Tax ("**SDRT**")*

Neither the allotment and issue of Notes by the Issuer pursuant to the Offer nor any subsequent transfer or agreement to transfer any of the Notes will give rise to a charge to stamp duty or SDRT.

Information Reporting Obligations

Reporting

The UK has implemented sections 1471 to 1474 (inclusive) of the US Internal Revenue Code ("**FATCA**"), the OECD's common reporting standard ("**CRS**") and Directive 2011/16/EU ("**DAC**"), each of which provide for the automatic exchange of financial account information between relevant jurisdictions, pursuant to the International Tax Compliance Regulations 2015 (together with each of FATCA, CRS and DAC, the "**Reporting Regulations**"). The broad aim of the Reporting Regulations is to strengthen the information sharing powers of relevant tax authorities to combat tax evasion in cross-border transactions.

The Reporting Regulations tackle tax evasion by requiring certain categories of entities to make regular information disclosures to their local tax authority. The Issuer is expected to be treated as a "Reporting Financial Institution" under the Reporting Regulations and will therefore report annually to HMRC to identify holdings of, and payments made to, investors treated as "Reportable Persons" under the Reporting Regulations.

Withholding

Under FATCA, non-US financial institutions are required to withhold on certain payments made to persons failing certain certification or information reporting requirements. However, where such non-US financial institution is resident in a jurisdiction which has entered into a 'Model 1' intergovernmental agreement with the US (such as the UK), the financial institution is not generally required to withhold on payments made to others. Accordingly, the Issuer is not expected to be required to withhold on payments made under the Notes. Certain aspects of FATCA remain uncertain and may be subject to change in the future.

CRS and DAC do not impose any withholding obligations upon financial institutions.

IRISH TAXATION

The following is a summary of certain Irish tax issues relating to the Notes. It is based on the laws and practice of the Revenue Commissioners currently in force in Ireland as at the date of this Supplementary Prospectus and may be subject to change. Prospective investors in any Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of Notes and the receipt of payments thereon under any laws applicable to them.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of the Base Prospectus.

Withholding Tax

Tax at the standard rate of income tax (currently 20 per cent (20%)) is required to be withheld from payments of Irish source interest. Interest paid on Notes should not be treated as having an Irish source unless:

1. the Issuer is resident in Ireland for tax purposes; or
2. the Issuer has a branch or permanent establishment in Ireland, the assets or income of which is

used to fund the payments on such Notes; or

3. the Issuer is not resident in Ireland for tax purposes but the register for such Notes is maintained in Ireland; or (if the Notes are in bearer form) the Notes are physically held in Ireland.

It is anticipated that the Issuer is not, nor will be, resident in Ireland for tax purposes; will not have a branch or permanent establishment in Ireland; and will not maintain a register in Ireland and bearer notes will not be physically located in Ireland.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent (20%)) from payments on Notes issued by a company not resident in Ireland, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder who is Irish resident. Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration in the described form to the encashment agent or bank.

If you are in any doubt as to your tax position you should consult your professional tax adviser.

PART XV

ADDITIONAL INFORMATION ON CASTLE TRUST

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part XV is arranged under the following subheadings:

1 Incorporation and general information about Castle Trust
2 Statutory auditors
3 Bankers
4 Organisation structure
5 Directors
6 Senior management team of Castle Trust
7 Potential conflicts of interest of the Castle Trust directors and the senior management team of Castle Trust
8 Corporate governance
9 Legal and arbitration proceedings
10 Material adverse change
11 Significant change
12 Recent Events
13 Financial information audited and independently reported upon
14 Capital and funding resources
15 Regulatory status
16 Asset and liability management
17 Financial information

Castle Trust accepts responsibility for the statements of belief attributed to it relating to Castle Trust, the information contained in this Base Prospectus relating to Castle Trust, the risks relating to Castle Trust and its business in Part II (*Risk factors*) of this Base Prospectus and Parts III (*Documents incorporated by reference)* (in relation to Castle Trust), IV (*Overview of Castle Trust and its Business*) and XV (*Additional information on Castle Trust*) of this Base Prospectus and declares that, to the best of the knowledge and belief of Castle Trust (having taken all reasonable care to ensure that such is the case), the statements of belief attributed to it relating to Castle Trust, the information contained in this Base Prospectus relating to Castle Trust, the risks relating to Castle Trust and its business in Part II (*Risk factors*) of this Base Prospectus and Parts III (*Documents incorporated by reference)* (in relation to Castle Trust), IV (*Overview of Castle Trust and its Business*) and XV (*Additional information on Castle Trust*) of this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

1 Incorporation and general information about Castle Trust

Castle Trust was incorporated in England on 29 November 2010 with registered number 07454474 as a private company limited by shares under the 2006 Act. The liability of the members is limited. Castle Trust's name was changed to Castle Trust Capital Limited on 24 January 2011 and it was converted to a public limited company on 24 November 2011.

Castle Trust's registered office is at 10 Norwich Street, London EC4A 1BD, and its principal place of business is at Tower 42, 25 Old Broad Street, London EC2N 1HQ (telephone number: +44 (0)20 7166 6260). Castle Trust is coordinating the offer for sale of Notes to the public.

2 Statutory auditors

The auditors of Castle Trust are Ernst & Young LLP. Ernst & Young LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. The address of Ernst & Young LLP is 1 More London Place, London SE1 2AF.

3 Bankers

The primary bankers for Castle Trust and its group companies are HSBC Bank plc, whose address is 8 Canada Square, London E14 5HQ. HSBC Bank plc is a banking and financial services company listed on the London, Hong Kong, New York, Paris and Bermuda stock exchanges. HSBC is a multinational banking and financial services company headquartered in London, United Kingdom. It is one of the four major clearing banks in the United Kingdom, with activities ranging from commercial banking (such as personal finance, private banking and consumer finance) to corporate and investment banking. HSBC Holdings plc, the parent company of HSBC Bank plc, has a dual primary listing on the Hong Kong Stock Exchange and the London Stock Exchange.

4 Organisation structure

Castle Trust is a wholly owned subsidiary of Castle Trust Holdings (Jersey) Limited, a Jersey-based entity. Castle Trust is ultimately (but not wholly) beneficially owned and controlled by J.C. Flowers & Co., a subsidiary within the J.C. Flowers group, and for this reason it is regarded as being the arranger of the Issuer's investment scheme. The significant presence of non-executive directors on the board of Castle Trust ensures that control of Castle Trust by Castle Trust Holdings (Jersey) Limited is checked.

Castle Trust's subsidiaries include: Castle Trust Capital Management Limited, the Issuer, Castle Trust Finance Limited, Castle Trust Treasury Limited, Castle Trust POS Limited and Omni Capital Retail Finance Limited ("**OCRF**"). Castle Trust Capital Management Limited, Capital Trust Finance Limited, Castle Trust Treasury Limited, Castle Trust POS Limited and OCRF are private companies limited by shares. The Issuer is a public company limited by shares.

5 Directors

The board of directors of Castle Trust currently comprises two executive directors and six non-executive directors. The Castle Trust Directors are as follows:

Name	Position	Date appointed to the Board
Andrew Doman	Chairman	28 March 2017
Richard Ramsay	Non-executive director	27 May 2011
The Rt Hon The Lord Deben	Non-executive director	18 February 2011
Patrick Gale	Non-executive director	1 February 2011
Tim Hanford	Non-executive director	14 December 2010
Jonathan Cox	Non-executive director	20 January 2017
Martin Bischoff	Executive director	12 June 2018
Paul Lloyd-Jones	Executive director	8 May 2019

Andrew Doman, Chairman, Date of birth: 12 December 1951

Directorships:
- 77 Holland Park Management Limited
- Vimreach Pty Ltd
- Yadlamalka Land Pty Ltd
- Yadlamalka Operating Pty Ltd
- Tungsten Corporation plc
- Harlosh Limited
- Target Financial Systems Limited

- Elderbridge Limited
- Target Servicing Limited
- Target Group Limited
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Omni Capital Retail Finance Limited

Richard Ramsay, Non-executive Director, Date of birth: 27 December 1949

Directorships:
- Northcourt Limited
- GPS Malta Limited
- John Laing Environmental Assets Group Limited
- Wolsey Group Limited
- Richard Ramsay Limited
- URICA Limited
- Seneca Global Income & Growth Trust plc
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income Housa plc
- Castle Trust Direct plc
- Castle Trust Finance Limited
- Castle Trust Services Limited
- Castle Trust POS Limited
- Castle Trust Treasury Limited

The Rt Hon The Lord Deben, Non-executive Director, Date of birth: 26 November 1939

Directorships:
- Valpak Limited
- Valpak Holdings Limited
- Sancroft International Limited
- Personal Investment Management & Financial Advice Association
- Prince Albert II of Monaco Foundation
- Blue Marine Foundation
- The Christian Heritage Centre at Stonyhurst
- Cool Earth Action Limited
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited

Patrick Gale, Non-executive Director, Date of birth: 8 March 1960

Directorships:
- Aztec Group Limited
- World Outreach
- RAC Motoring Services
- RAC Financial Services Limited
- RAC Insurance Limited
- JLT Benefit Solutions Limited
- JLT EB Holdings Limited
- JLT Investment Management Limited
- JLT Wealth Management Limited
- Castle Trust Capital plc
- Castle Trust Capital Management Limited

- Castle Trust Capital Nominees Limited

Tim Hanford, Non-executive Director, Date of birth: 26 April 1964

Directorships:
- J.C. Flowers & Co. UK LLP
- The Vitae Trading Company Limited
- UK General Insurance Limited
- UK General Insurance Group Limited
- Interactive Investor Limited
- Chicago Bidco Limited
- Antler Holdco Limited
- Otto UK Bidco Limited
- Yorkshire Hydropower Limited
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited

Jonathan Cox, Non-executive Director, Date of birth: 25 April 1980

Directorships:
- Chicago Midco Limited
- Chicago Bidco Limited
- Acuon Capital Corp
- UK General Insurance Limited
- UK General Insurance Group Limited
- Interactive Investor Limited
- SSL Endeavour Limited
- Otto UK Bidco Limited
- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Omni Capital Retail Finance Limited

Martin Bischoff, Chief Executive Officer, Date of birth: 14 October 1968

Directorships:

- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income Housa plc
- Castle Trust Direct plc
- Castle Trust Finance Limited
- Castle Trust Treasury Limited
- Castle Trust Services Limited
- Castle Trust POS Limited
- Omni Capital Retail Finance Limited
- M P Bischoff Ltd

Paul Lloyd-Jones, Chief Financial Officer, Date of birth: 11 September 1970

- Castle Trust Capital plc
- Castle Trust Capital Management Limited
- Castle Trust Capital Nominees Limited
- Castle Trust Income Housa plc
- Castle Trust Direct plc

- Castle Trust Finance Limited
- Castle Trust Treasury Limited
- Castle Trust Services Limited
- Castle Trust POS Limited
- Omni Capital Retail Finance Limited

6 Senior management team of Castle Trust

The business address of the senior management team is Tower 42, 25 Old Broad Street, London EC2N 1HQ.

Stuart Sykes, Operations Director

Andrew Macdonald, General Counsel

Ronnie Denholm, Managing Director, OCRF

Barry Searle, Managing Director, Property

Jon Higgs, Chief Risk Officer

Abbas Jeraj, HR Director

Al Southhall, Chief Technology Officer

Caroline Baker, Compliance Oversight Officer

7 Potential conflicts of interest of the Castle Trust Directors and the senior management team of Castle Trust

Each of the Issuer's Directors is also a director of Castle Trust and each senior manager of the Issuer is also a senior manager of Castle Trust. Those Castle Trust Directors who are also directors of the Issuer and senior managers may therefore have a potential conflict of interest when considering or taking action in relation to a contract of arrangement which affects the Issuer or any Series. The principal such contract is the Borrower Loan Agreement.

In the event that an actual or potential conflict of interest arises in respect of the Issuer or any Series, directors of both the Issuer and Castle Trust will seek to mitigate such conflicts or potential conflicts in an appropriate manner being mindful of their fiduciary duties as directors of both Castle Trust and the Issuer. Castle Trust and its directors shall be requested by the Issuer to undertake to use their reasonable endeavours to resolve any such conflicts of interest fairly (having regard to their respective obligations and duties) and to ensure that the interests of the Issuer and of the Investors are not unfairly prejudiced.

The directors of the Issuer have acknowledged and accepted that, in having regard to its obligations as Principal Borrower in respect of any Advance and as issuer of any other investments, Castle Trust may resolve any conflicts of interest in respect of its obligations in its, or its Affiliates', own favour taking into account their own, or their respective Affiliates', interests as the Principal Borrower or issuer of other investments, as the case may be.

Except as stated above in respect of their capacities as directors and senior management of the Issuer, the Castle Trust Directors and the senior management team of Castle Trust do not have any actual or potential conflicts of interests between their duties as directors or as the senior management team of Castle Trust and their private interests or any other duties they might have.

8 Corporate governance

Compliance with the UK Corporate Governance Code ("Code")

Castle Trust is not obliged to meet the requirements of the Code. Nevertheless, the Castle Trust Board has established Audit, Risk, Remuneration and Nomination Committees with formally delegated duties and responsibilities. Other committees not prescribed by the Code are formed from time to time as necessary to increase Board-member engagement and facilitate swift decision-making in certain areas of Castle Trust's business.

Audit Committee

The Audit Committee's purpose is to evaluate and make recommendations to the Castle Trust Board in relation to accounting policies, internal control and financial reporting functions.

The Audit Committee's primary responsibilities include oversight of overall financial affairs of the business, accounting and financial reporting, ensuring principles and policies adopted comply with statutory requirements, effectiveness and adequacy of standards of internal control, internal audit, (including the internal audit programme), external audit (including the appointment, reappointment, remuneration and removal of external auditors), and the effectiveness and adequacy of regulatory compliance (including the compliance programme). The Audit Committee has the authority to obtain any information it requires from any employee or external adviser, and at least once a year may meet with Castle Trust's external auditors and internal audit function without any executive Castle Trust Directors being present.

The Audit Committee as at the date of this Base Prospectus is comprised of Richard Ramsay, Patrick Gale and Tim Hanford. The chair of the Audit Committee is Richard Ramsay. The quorum for meetings of the Audit Committee is two members.

The Issuer does not have its own Audit Committee.

Risk Committee

The Risk Committee's purpose is to oversee, evaluate, challenge, and make recommendations in relation all risk matters within Castle Trust.

The Risk Committee's primary responsibilities include oversight of the risk management framework, definition of and compliance with risk appetite metrics, monitoring the risk register (including risk trends and concentration), reputational and conduct risk, Treating Customers Fairly, outsourced partner and distribution risks, systems and start up risks, risk key performance indicators, provisions experience against budget, and financial risks (ICAAP and individual liquidity adequacy assessments).

The Risk Committee as at the date of this Base Prospectus is comprised of Tim Hanford, Andrew Doman, Richard Ramsay and Patrick Gale. The chair of the Risk Committee is Tim Hanford. The quorum for meetings of the Risk Committee is two members.

Remuneration Committee

The Remuneration Committee's purpose is to evaluate and make recommendations to the Castle Trust Board in relation to remuneration policy and remuneration recommendations in respect of Castle Trust's senior executives

The primary responsibilities of the Remuneration Committee are to: approve, review, and make recommendations of changes to and the termination of incentive schemes for approval by the Castle Trust Board; oversee any major changes in employee benefits structures throughout the company or group; manage the selection, appointment and setting of terms of reference for any external advisers to the Committee; receive guidance on risk weightings for performance objectives from the Risk Committee; report to the board on the annual remuneration policy statement to be made available to the FCA.

The Remuneration Committee as at the date of this Base Prospectus is comprised of Tim Hanford, Andrew Doman and The Rt Hon The Lord Deben. The chair of the Remuneration Committee is Andrew Doman. The quorum for meetings of the Remuneration Committee is two members.

Nomination Committee

The Nomination Committee's primary responsibilities are to: consider and make recommendations to the Board regarding future appointments to the Board; evaluate the composition of the board, considering the following factors total number of directors, balance between executive and non-executive directors and proportion of independent non-executive directors, length of service, mix of skills versus requirements, expected time commitment of non-executive directors, succession planning.

The Nomination Committee as at the date of this Base Prospectus is comprised of Tim Hanford, The Rt Hon The Lord Deben and Andrew Doman. The chair of the Nomination Committee is Tim Hanford. The quorum for meetings of the Nomination Committee is two members.

9 Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Castle Trust is aware) nor have there been any such proceedings during the 12 months prior to the date of this Base Prospectus, which may have, or have had, in the recent past a significant effect on Castle Trust's and/or the Group's financial position or profitability.

10 Material adverse change

There has been no material adverse change in the prospects of Castle Trust since 30 September 2018 (being the date of its last published audited financial statements).

11 Significant change

There has been no significant change in the financial or trading position of Castle Trust and its subsidiaries since 30 September 2018 (being the date of Castle Trust's last published audited financial statements).

12 Recent Events

There are no recent events that are materially relevant to an evaluation of Castle Trust's solvency.

13 Financial information audited and independently reported upon

The consolidated historical financial information of Castle Trust for the 2 years ended 30 September 2017 and 30 September 2018 incorporated by reference in Part III *(Documents incorporated by reference)* of this Base Prospectus, has been prepared under IFRS as adopted by the EU and has been independently reported upon.

14 Capital and funding resources

The Capital Requirements Regulation (Regulation (EU) 575/2013) (the "**CRR**") is an EU law that has direct effect in English law (meaning that it does not need to be implemented through English legislation in order to have effect in England). The CRR was designed to strengthen the prudential framework for banks, building societies and investment firms, responding to financial stability concerns that arose during the most recent banking crisis. In summary, the CRR impose regulations on banks, building societies and investment firms that are designed to decrease the likelihood of such institutions going insolvent and, in so doing, decrease the likelihood of unsecured debtors of such institutions (such as, for example, individuals who invest in such institution's corporate bonds) being adversely affected.

As at 30 September 2018, Castle Trust had, on a consolidated basis, £64,816,000 in equity capital. The FCA, applying the CRR, requires minimum amounts of capital to be held according to the quality of capital held (known as "**Pillar 1 Capital**"), and equity capital is the part of Pillar 1 Capital that has the highest level quality of capital (known as "**Core Equity Tier 1 capital**" or "**CET1**"). As at 30 September 2018, based on the returns submitted to the FCA, Castle Trust was required to hold, on a solo basis, £21,204,260 of CET1. This Pillar 1 Capital requirement was calculated in accordance with the CRR, representing 8% of CTC's risk-weighted assets on a solo basis. "**Risk-weighted assets**" are calculated using the value of CTC's assets on its solo balance sheet (including lending assets) multiplied by a risk modifier (a "**risk-weighting**") prescribed by the CRR for the type asset in question. For example, the CRR prescribes that the risk-weighted value of mortgages is 35% of the balance sheet value for those mortgages, provided they were made at a loan-to-value of 80% and below. This reflects the CRR's view that these assets are relatively low risk compared to other lending assets. In contrast, loans to other corporate entities (such as other group entities) is risk-weighted at 100% and loans secured on properties that are being developed are typically risk-weighted at 150%, reflecting the fact that these assets are thought to pose a greater risk to the solvency of the institution and therefore require a greater amount of capital to be held against such assets. At 30 September 2018, Castle Trust held, on a solo basis, £117,158,334 of CET1, £51,959,447 total capital after deductions, meaning there was a CET1 surplus of £30,750,188 above the minimum Pillar 1 Capital requirement.

Castle Trust's capital resources comprise share capital, share premium and retained earnings/(losses). Funding is provided through Fortress Bonds, the Citibank Facility (as defined below) and, before 1 November 2015, Growth, Protected and Foundation Housas (Shares) and Income Housas (loan notes issued by CTIH). This funding is a financial liability in the Statement of Financial Position contained in the audited accounts.

Castle Trust's ability to lend to Mortgage and POS Loan borrowers is constrained by the Tier 1 regulatory capital requirements imposed on Castle Trust and the amount of funding raised via Housa, Fortress Bond products and the Citibank Facility (as defined below). Prudential regulation management requires Castle Trust, as a firm regulated by the FCA under IFPRU, to hold appropriate levels of capital at all times.

Castle Trust's principal source of cash flow is the receipt of subscription proceeds from (i) before 1 November 2015, Housa sales that are invested with Castle Trust by CTIH and by Castle Trust Growth Housa PC, (ii) Fortress Bond sales that are issued by the Issuer and sold to Investors by Castle Trust, and (iii) the securitisation of POS Loans via the Citibank Facility (as defined below). As at 30 September 2018, and in each case reflecting the position on Castle Trust's consolidated balance sheet, £5,240,000 had been invested with Castle Trust by Castle Trust Growth Housa PC in respect of subscriptions for Growth Housas (Shares), £3,151,000 had been invested by Castle Trust Growth Housa PC in respect of subscriptions for Protected and Foundation Housas (Shares), £1,259,000 had been invested by CTIH in respect of subscriptions for Income Housas (Notes) and £727,770,000 had been lent by Castle Trust Direct plc in respect of subscriptions for Fortress Bonds (Notes), giving an aggregate total of £737,420,000.

To provide a liquidity buffer for fluctuations around the expected average duration, Castle Trust targets retaining a minimum of 10% of funds raised from Fortress Bonds in assets such as cash at bank (money held in a bank account), senior bank debt (deposits, certificates of deposit and commercial paper), externally managed liquidity funds, securities issued by the UK government (gilts and treasury bills) and other high-quality liquid assets. All of these investments must have a maturity of less than or equal to two years. This rolling target is in place to ensure that Castle Trust has sufficient liquid resources to meet its expected redemptions as they arise over the coming 12 months. Over the longer term, these liquid assets provide a buffer against the peaks and troughs in the rate at which Mortgages and POS Loans are redeemed. The remaining funds are loaned to borrowers as Mortgages and POS Loans (though Castle Trust's subsidiary, OCRF). As at 30 September 2018, 1,792 Mortgages have been issued and remain on Castle Trust's consolidated balance sheet at a carrying value of £532,055,000. The remainder of the subscription proceeds are invested in accordance with Castle Trust's liquidity policy.

Castle Trust has recently diversified its funding by entering into a private securitisation with Citibank, N.A., London Branch ("**Citibank**") whereby, in effect, a £75,000,000 two-year loan facility secured by first ranking security over OCRF's (Castle Trust's subsidiary) POS Loans has been granted by Citibank to OCRF to be used to support the Group's business activities (the "**Citibank Facility**"). However, the Issuer, and by extension Castle Trust and the Group, is still reliant on funding from retail investors (via Fortress Bonds, which is the only investment product Castle Trust currently offers) to maintain and grow its business. Fortress Bonds, typically with 1, 2, 3 and 5-year durations, are issued each month. Over the 12-month period immediately preceding the date of this Base Prospectus, the majority (between 70% and 85%) of those Noteholders whose Fortress Bonds matured in a given month in that period have elected to roll their maturing investment into another Fortress Bond. This means that a high percentage (around 67% on average) of each month's issuance of Fortress Bonds is sold to existing Noteholders who wish to rollover their existing investment rather than to new Noteholders. Where such a rollover occurs, Noteholders are simply allocated new Fortress Bonds (as per their instructions), meaning no cash leaves the business on maturity. If, for any reason, a lower percentage of maturing Noteholders chose to re-invest with Castle Trust in any one month this would result in a significantly higher cash outflow from Castle Trust's business than it would typically expect. That additional cash outflow would be funded using a combination of cash inflows received from (a) in the first instance, principal repayments and interest payments from Castle Trust's lending assets (Mortgages and POS Loans), (b) second, and only if deemed appropriate and sustainable, Fortress Bond issuance to new Noteholders, (c) third, where available and when not already fully utilised, utilisation of the Citibank Facility, and (d) fourth, liquidations of Castle Trust's liquid assets, which it holds precisely for such sudden liquidity shortages (i.e. higher than expected cash outflow events). However, if lower rollovers persisted for several months then Castle Trust may ultimately exhaust its liquid asset buffer. Exhausting the liquid asset buffer would result in Castle Trust not being able to meet its obligations to maturing Noteholders when they fell due.

Regarding the use of funds received from new Fortress Bond investors being used to repay maturing Fortress Bond investors, this usually occurs where there is a timing mismatch between maturity dates on lending assets and retail investor liabilities. So long as Castle Trust's total assets remains higher than its total liabilities on a consolidated basis then Noteholders should expect to receive the principal and interest on their Fortress Bond to be paid at maturity, regardless of whether their investment monies were technically used to repay an existing Noteholder. This duration risk is managed within the risk limits agreed in Castle Trust's liquidity risk management policy.

Castle Trust receives investment income from the assets in which its capital is invested such as cash at bank, senior bank debt, externally managed liquidity funds, securities issued by the UK government and other high quality liquid assets (all with a maturity of less than or equal to two years), although such income is negligible (£311,000 in the period from 1 October 2017 to 30 September 2018; £196,000 in the period from 1 October 2016 to 30 September 2017; £382,685 in the period from 1 October 2015 to 30 September 2016). The Mortgage and POS Loan business lines are expected to provide further sources of cash flow through arrangement fees and commissions on sales (as applicable) together with the eventual redemption of the Mortgages and POS Loans. Mortgages and POS Loans may be redeemed at the expiry of the terms for which they are issued, which may typically be between 1 and 5 years; they may also be redeemed before the expiry of the term at the option of the borrower, in some cases subject to an early repayment charge. During the period from 1 October 2017 to 30 September 2018, Castle Trust has received fees totalling £3,326,955 from the sale of the Mortgages referred to above, and 631 Mortgages with a value of £157,608,915 have been redeemed or partially redeemed.

Before Castle Trust commenced operations on 4 October 2012, it was funded by capital injections provided by Castle Trust's parent company, Castle Trust Holdings (Jersey) Limited. These were used to fund the costs incurred in establishing the business platform and infrastructure of Castle Trust and launching the business and the issue of Housa products.

The historical financial information for Castle Trust sets out the cash flow in the statement of cash flow. Castle Trust has no other sources of cash flow. To gain a more complete view of Castle Trust's liquidity, consideration should be given to Castle Trust's cash and cash equivalents (£118,514,000] as at 30 September 2018 of which £64,943,000 is invested in Treasury Bills (2017: £64,225,000 was invested in a sterling liquidity fund) and £10,415,000 relates to short-term deposits and other liquid assets) and its loans and advances to credit institutions (£nil as at 30 September 2018). Deposits were for no more than 12 months.

15 **Regulatory status**

FCA regulation

In the UK, activities carried out by Castle Trust are regulated under FSMA, together with secondary legislation and other rules made under it, including the FCA Rules. It is an offence for a person to carry on "regulated activities" in the UK unless it is an authorised person or exempt from the need to be authorised. Castle Trust is authorised and regulated by the FCA to carry on the regulated activities that it currently conducts.

Threshold conditions

A FCA authorised firm must satisfy at all times certain "threshold conditions" which are set out in FSMA. These threshold conditions include the requirement that an authorised firm must have adequate financial resources. The firm must also generally satisfy the FCA that it is "fit and proper" and otherwise suitable to be authorised.

Approved persons

The approval of the FCA is required for the performance of certain "controlled functions". Persons performing a "controlled function" in relation to a FCA authorised firm include, inter alia, the chief executive officer, the directors, persons with oversight of money laundering reporting and compliance and certain persons carrying out important management or customer facing functions.

The FCA Rules

A FCA authorised firm must comply with the principles and rules set out in the FCA Rules, which also provide guidance on the application and interpretation of these rules.

The FCA's Principles for Business ("**Principles**") are high level principles which are a general statement of the fundamental obligations of FCA authorised firms under the regulatory system. The FCA expects firms to meet the standards of behaviour set out in the Principles. These Principles include obligations to treating customers fairly. The FCA may take disciplinary action against any firm which breaches one or more of the Principles, irrespective of whether it has also breached a specific FCA rule.

If a breach of the FCA Rules occurs, the FCA has the power to take a wide range of disciplinary actions against regulated firms and any FCA approved persons, including public censure, the imposition of fines, the variation, suspension or termination of the firm's authorisations or the removal of approved status from individuals.

Regulatory capital

Regulatory capital requirements form an integral part of the FCA's prudential supervision of UK authorised firms. The regulatory capital rules oblige firms to hold a certain amount of capital at all times (taking into account the particular risks to which the firm may be exposed given its business activities), thereby seeking to ensure that firms can meet their liabilities as they fall due and safeguarding their (and their counterparties') financial stability. The FCA also expects firms to take a pro-active approach to monitoring and managing risks, consistent with its high level requirement for firms to have adequate financial resources.

Mortgage Credit Directive

Castle Trust is also required to comply with the Mortgage Credit Directive (2014/17/EU) through its implementing legislation in the UK (including amendments to the Financial Services and Markets Act 2000 and Mortgage Conduct of Business Sourcebook in the FCA Handbook). This implementing legislation contains rules on (among other things) advertising, pre-contract disclosure, suitability of borrowers and post-credit information.

The implementing legislation came into effect on 21 March 2016, on which date Castle Trust was granted authorisation by the FCA to arrange (bring about) regulated mortgage contracts (limited to second charge mortgages only). Some of Castle Trust's Mortgage products fell within the definition of a regulated mortgage contract from 21 March 2016, so authorisation was required in order to continue offering these Mortgage products.

Other legislation

Castle Trust is also required to comply with a wide range of other legislation as a result of its activities, including (amongst other things) the Data Protection Act 1998, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) and the Proceeds of Crime Act 2002.

Legal/Regulatory changes

If for any reason changes in applicable laws and regulation meant that Castle Trust was unable to issue Mortgages, or OCRF, Castle Trust's subsidiary, was unable to issue POS Loans, then the Issuer may not be able to continue to issue Notes until and unless it could provide an alternative means of funding the returns for new Notes.

16 Asset and liability management

Regulation

As a firm authorised and regulated by the FCA, Castle Trust has a formal governance structure in place to manage and mitigate risks (including house price risk, interest rate risk and liquidity risk) in accordance with FCA requirements.

Capital and funding

Castle Trust has been capitalised by shareholder equity capital. Its business activities are funded through customer investments in Fortress Bonds and, before 1 November 2015, Growth, Protected and Foundation Housas (Shares) and Income Housas (loan notes issued by CTIH). Castle Trust does not have any other funding facilities in place currently (except for the Intra Group Loan Agreement and the Master Intragroup Loan Agreement) and has no exposure to the bank wholesale markets. Castle Trust is developing plans for additional house price linked investment products for distribution to institutional investors.

House price risk management

The Castle Trust Board sets and approves Castle Trust's house price risk management strategy. The Executive Committee, comprising senior executives of Castle Trust, monitors house price risk. Key house price risk management information is reported by the treasury team and monitored by the Chief Executive Officer and Chief Financial Officer and other members of the Executive Committee on a monthly basis to review house price risk exposure.

Regular consideration is given to the internal matching between (i) the Mortgage assets and (ii) historic Housa investments, house price linked investment products sold to institutional investors, Fortress Bond and other liabilities to ensure compliance with risk appetite metrics as approved by the Castle Trust Directors. Matching is considered in terms of the exposure of the balance sheet to movements in house prices up or down, the expected duration profile of the assets and liabilities and the degree to which the profile of the individual properties backing the Mortgages matches the profile of the liabilities. Castle Trust seeks to mitigate house price risk. Castle Trust's intention is to manage its exposure to house price risk within operational and risk tolerances.

New business volume and mix will be used to manage the exposure to house price risk.

Interest rate risk management

Key interest rate risk management information is reported by the treasury team and monitored by the Chief Executive Officer, Chief Financial Officer and Group Treasurer on a monthly basis or more frequently (as appropriate).

Liquidity risk management

The Castle Trust Board sets and approves Castle Trust's liquidity risk management policy. Castle Trust has an agreed liquidity policy under which it will maintain at all times adequate liquidity resources, both in terms of amount and quality. The Castle Trust Board routinely reviews its liquidity policy and, amongst other things, the controls in place for liquidity management.

The Executive Committee monitors liquidity risk. Key liquidity risk management information is reported by the treasury team and monitored by the Chief Executive Officer, Chief Financial Officer and Group Treasurer on a monthly basis or as appropriate.

To ensure sufficient liquidity is retained by Castle Trust, a significant cash buffer is established as Castle Trust targets retaining a minimum of 10% of funds raised from Housas and Fortress Bonds in liquid assets such as cash at bank, senior bank debt, externally managed liquidity funds, securities issued by the UK government and other high quality liquid assets (with all investments not exceeding two years in duration). To reduce liquidity risk, Castle Trust intends to actively manage the blend of investments (ranging from one to five years) with the expected duration of the mortgage and point-of-sale finance (originated and held by its subsidiary, OCRF) portfolio (which is based on UK experience) using its systems and controls.

Liquidity retained under the liquidity risk management policy will be used to satisfy contractual liabilities in the event of an unexpected mismatch between assets and liabilities.

The Executive Committee meets monthly to review liquidity risk exposure at which at which consideration is given to correcting between assets and liabilities.

17 Financial information

Castle Trust has not published any quarterly or other interim financial information since the date of Castle Trust's last audited financial statements.

Castle Trust started trading on 1 October 2012. Castle Trust has paid no dividend since incorporation. Prior to approving any dividend, the board of Castle Trust will satisfy itself that after any such dividend had been paid, Castle Trust would retain surplus capital resources in excess of its regulatory capital requirements.

PART XVI

INFORMATION ON CASTLE TRUST CAPITAL MANAGEMENT LIMITED

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part XVI is arranged under the following subheadings:

1 Incorporation and general
2 Regulatory Status
3 Directors

1 Incorporation and general

1.1 CTCM was incorporated in England on 25 January 2011 under the name of Castle Trust Capital Management Limited with registered number 07504954 as a private company limited by shares under the 2006 Act. The liability of the members is limited.

1.2 CTCM's registered office is at 10 Norwich Street, London EC4A 1BD, and its principal place of business is at Tower 42, 25 Old Broad Street, London EC2N 1HQ (telephone number: +44 (0)20 7166 6260).

2 Regulatory status

2.1 CTCM is authorised and regulated by the FCA to provide investment management services to the Issuer.

3 Directors

The board of directors of CTCM currently comprises two executive directors and six non-executive directors. The directors are as follows:

Name	Position	Date appointed to the Board
Andrew Doman	Chairman	28 March 2017
Richard Ramsay	Non-executive director	27 May 2011
The Rt Hon The Lord Deben	Non-executive director	17 March 2011
Patrick Gale	Non-executive director	17 March 2011
Tim Hanford	Non-executive director	28 January 2011
Jonathan Cox	Non-executive director	20 January 2017
Martin Bischoff	Executive director	12 June 2018
Paul Lloyd-Jones	Executive director	8 May 2019

The business address of the directors is currently Tower 42, 25 Old Broad Street, London EC2N 1HQ. The details in relation to the directorships and biographies for the directors of CTCM are the same as for Castle Trust set out in paragraph 5 of Part XV (*Additional information on Castle Trust)* of this document.

The directors of CTCM do not have any actual or potential conflicts of interests between their duties as directors of CTCM and their private interests or any other duties they might have (save for those already disclosed in their capacity as directors of the Issuer and of Castle Trust).

PART XVII

INFORMATION ON CASTLE TRUST FINANCE LIMITED

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part XVII is arranged under the following subheadings:

1 Incorporation and general information about Castle Trust Finance Limited

CTF was incorporated in England on 18 May 2015 with registered number 09596607 as a private company limited by shares under the 2006 Act. The liability of the members is limited.

CTF's registered office is at 10 Norwich Street, London EC4A 1BD, and its principal place of business is at Tower 42, 25 Old Broad Street, London EC2N 1HQ (telephone number: +44 (0)20 7166 6260).

2 Statutory auditors

The auditors of CTF are Ernst & Young LLP. Ernst & Young LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. The address of Ernst & Young LLP is 1 More London Place, London SE1 2AF.

3 Principal activities

CTF is a special purpose vehicle which purchases certain non-house price and tariff related cashflows (meaning any fixed rate interest payments made to Castle Trust by Mortgage customers but excluding any payments that are made in connection with movements in house prices or tariff payments) in respect of the Mortgages and lends the proceeds to Castle Trust under the Intra Group Loan Agreement.

4 Organisation structure

CTF is a wholly owned subsidiary of Castle Trust.

Castle Trust's subsidiaries include: Castle Trust Capital Management Limited, the Issuer, CTF, Castle Trust Treasury Limited, Castle Trust POS Limited and Omni Capital Retail Finance Limited.

CTF manages the control of Castle Trust (and keeps it in check) through CTF's conflicts policy (which is described below under the heading "*Potential conflicts of interest of CTF's directors and the senior management team of CTF*"). In addition, as a matter of English law, each of CTF's directors is under a duty to act honestly and in good faith with a view to the best interests of CTF, regardless of any other directorship he may hold.

5 Directors

The board of directors of CTF currently comprises three directors. The CTF directors are as follows:

Name	Position	Date appointed to the Board
Richard Ramsay	Non-executive chairman	18 May 2015
Martin Bischoff	Executive director	30 May 2018
Paul Lloyd-Jones	Executive director	8 May 2019

6 Senior management team of CTF

The business address of the senior management team is Tower 42, 25 Old Broad Street, London EC2N 1HQ.

Stuart Sykes, Operations Director

Andrew Macdonald, General Counsel

7 Potential conflicts of interest of CTF's directors and the senior management team of CTF

Each of CTF's directors is also a director of Castle Trust and each senior manager of CTF is also a senior manager of Castle Trust. Those Castle Trust Directors who are also directors of CTF and senior managers may therefore have a potential conflict of interest when considering or taking action in relation to a contract of arrangement which affects CTF. The principal such contract is the Intra Group Loan Agreement.

In the event that an actual or potential conflict of interest arises in respect of CTF, directors of both CTF and Castle Trust will seek to mitigate such conflicts or potential conflicts in an appropriate manner being mindful of their fiduciary duties as directors of both Castle Trust and CTF. Castle Trust and its directors shall be requested by CTF to undertake to use their reasonable endeavours to resolve any such conflicts of interest fairly (having regard to their respective obligations and duties) and to ensure that the interests of CTF are not unfairly prejudiced.

The directors of CTF have acknowledged and accepted that, in having regard to its obligations as borrower under the Intra Group Loan Agreement and as issuer of any other investments, Castle Trust may resolve any conflicts of interest in respect of its obligations in its, or its Affiliates', own favour taking into account their own, or their respective Affiliates', interests as borrower or issuer of other investments, as the case may be.

Except as stated above in respect of their capacities as directors and senior management of CTF, the Castle Trust Directors and the senior management team of Castle Trust do not have any actual or potential conflicts of interests between their duties as directors or as the senior management team of Castle Trust and their private interests or any other duties they might have.

8 Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CTF is aware) nor have there been any such proceedings during the 12 months prior to the date of this Base Prospectus, which may have, or have had, in the recent past a significant effect on CTF's financial position or profitability.

9 Material adverse change

There has been no material adverse change in the prospects of CTF since 30 September 2018 (being the date of its last published audited financial statements).

10 Significant change

There has been no significant change in the financial or trading position of CTF since 30 September 2018 (being the date of its last published audited financial statements).

11 Recent Events

There are no recent events that are materially relevant to an evaluation of CTF's solvency.

PART XVIII

INFORMATION ON CASTLE TRUST TREASURY LIMITED

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

This Part XVIII is arranged under the following subheadings:

1 Incorporation and general information about Castle Trust Treasury Limited

CTT was incorporated in England on 31 October 2016 with registered number 10452649 as a private company limited by shares under the 2006 Act. The liability of the members is limited.

CTT's registered office is at 10 Norwich Street, London EC4A 1BD, and its principal place of business is at Tower 42, 25 Old Broad Street, London EC2N 1HQ (telephone number: +44 (0)20 7166 6260).

2 Statutory auditors

The auditors of CTT are Ernst & Young LLP. Ernst & Young LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. The address of Ernst & Young LLP is 1 More London Place, London SE1 2AF.

3 Principal activities

CTT is a special purpose vehicle that was incorporated to provide risk management services to the Group, including managing the Group's interest rate risk and liquidity risk. As part of the risk management services it provides to the Group, CTT borrows from the Issuer under the Borrower Loan Agreement in order to provide term funding under the Master Intragroup Loan Agreement to certain members of the Group so that Group companies can in turn fund their respective lending activities and/or working capital requirements. This process centralises interest rate and liquidity risks in CTT.

4 Organisation structure

CTT is a wholly owned subsidiary of Castle Trust.

Castle Trust's subsidiaries include: Castle Trust Capital Management Limited, the Issuer, Castle Trust Finance Limited, CTT, Castle Trust POS Limited and Omni Capital Retail Finance Limited.

CTT manages the control of Castle Trust (and keeps it in check) through CTT's conflicts policy (which is described below under the heading "*Potential conflicts of interest of CTT's directors and the senior management team of CTT*"). In addition, as a matter of English law, each of CTT's directors is under a duty to act honestly and in good faith with a view to the best interests of CTT, regardless of any other directorship he may hold.

5 Directors

The board of directors of CTT currently comprises three directors. The CTT directors are as follows:

Name	Position	Date appointed to the Board
Richard Ramsay	Non-executive chairman	31 October 2016
Martin Bischoff	Executive director	30 May 2018
Paul Lloyd-Jones	Executive director	8 May 2019

6 Senior management team of CTT

The business address of the senior management team is Tower 42, 25 Old Broad Street, London EC2N 1HQ.

Stuart Sykes, Operations Director

Andrew Macdonald, General Counsel

7 Potential conflicts of interest of CTT's directors and the senior management team of CTT

Each of CTT's directors is also a director of Castle Trust and each senior manager of CTT is also a senior manager of Castle Trust. Those Castle Trust Directors who are also directors of CTT and senior managers may therefore have a potential conflict of interest when considering or taking action in relation to a contract of arrangement which affects CTT. The principal such contract is the Master Intragroup Loan Agreement.

In the event that an actual or potential conflict of interest arises in respect of CTT, directors of both CTT and Castle Trust will seek to mitigate such conflicts or potential conflicts in an appropriate manner being mindful of their fiduciary duties as directors of both Castle Trust and CTT. Castle Trust and its directors shall be requested by CTT to undertake to use their reasonable endeavours to resolve any such conflicts of interest fairly (having regard to their respective obligations and duties) and to ensure that the interests of CTT are not unfairly prejudiced.

The directors of CTT have acknowledged and accepted that, in having regard to its obligations as borrower under the Master Intragroup Loan Agreement and as issuer of any other investments, Castle Trust may resolve any conflicts of interest in respect of its obligations in its, or its Affiliates', own favour taking into account their own, or their respective Affiliates', interests as borrower or issuer of other investments, as the case may be.

Except as stated above in respect of their capacities as directors and senior management of CTT, the Castle Trust Directors and the senior management team of Castle Trust do not have any actual or potential conflicts of interests between their duties as directors or as the senior management team of Castle Trust and their private interests or any other duties they might have.

8 Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CTT is aware) nor have there been any such proceedings during the 12 months prior to the date of this Base Prospectus, which may have, or have had, in the recent past a significant effect on CTT's financial position or profitability.

9 Material adverse change

There has been no material adverse change in the prospects of CTF since 30 September 2018 (being the date of its last published audited financial statements).

10 Significant change

There has been no significant change in the financial or trading position of CTT since 30 September 2018 (being the date of its last published audited financial statements).

11 Recent Events

There are no recent events that are materially relevant to an evaluation of CTT's solvency.

PART XIX

GENERAL INFORMATION

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

1 Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Directors of the Issuer dated 30 May 2017. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

2 Listing and admission to trading

This document has been approved by the UKLA as a Prospectus in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Notes to be issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof.

An application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin for the Notes issued under the Programme to be admitted to the Official List of Euronext Dublin and to trading on its regulated market during the period from the date of this Base Prospectus to the date falling twelve months after the date of this Base Prospectus and issued to Castle Trust. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II. An application has also been made to The International Stock Exchange Authority Limited for the Notes issued under the Programme to be admitted to listing and trading on the Official List of The International Stock Exchange during the period from the date of this Base Prospectus to the date falling twelve months after the date of this Base Prospectus. The TISE is not a regulated market for the purposes of MiFID II.

3 Documents available for inspection

Copies of the following documents are available for inspection at the offices of Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT and at the registered office of the Trustee, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months from the date of this document:

3.1 the memorandum and articles of association of the Issuer, Castle Trust, CTF and CTT;

3.2 the consolidated historical financial information of Castle Trust for the 2 years ended 30 September 2017 and 30 September 2018;

3.3 this document;

3.4 the applicable Final Terms;

3.5 each of the Material Contracts (including, amongst others, the Borrower Loan Agreement made between the Issuer and CTC and the Trust Deed); and

3.6 the audited financial statements of the Issuer and its unaudited interim reports, when published.

Copies of the following documents are available for inspection at the offices of Carey Olsen Corporate Finance Limited at 47 Esplanade, St Helier, Jersey JE1 0BD and may be inspected free of charge, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months from the date of this document:

3.7 the memorandum and articles of association of the Issuer, Castle Trust, CTF and CTT;

3.8 each of the Material Contracts; and

3.9 the applicable Final Terms for each Series listed on the Official List of TISE.

Potential investors may wish to obtain and consider carefully copies of the important documents referred to above, and seek such independent advice on their terms as they consider appropriate, prior to making any investment in Notes.

4 Auditors

The auditors of the Issuer, Castle Trust, CTF and CTT are Ernst & Young LLP. Ernst & Young LLP are registered to carry out work by the Institute of Chartered Accountants in England and Wales. The address of Ernst & Young LLP is 1 More London Place, London SE1 2AF.

5 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) (together the "**Material Contracts**") have been entered into by the Issuer and are, or may be, material as at the date of this document:

5.1 a marketing and agency agreement (the "**Marketing and Agency Agreement**") between the Issuer and CTCM dated 16 October 2015 (which replaced the previous marketing and agency agreement dated 3 July 2014), under which CTCM approves non-real time communications to be issued by the Issuer and engages in real time communications with potential investors and intermediaries in connection with the marketing of the Notes, in return for a fee of 2% of subscription proceeds received in respect of each Series and conducts Calculation agency functions in respect of the Notes. Such fees are paid to CTCM by Castle Trust under the Umbrella Agreement described below and so no cost is borne by either the Issuer or the Investors.

5.2 a registrar and administrator agreement (the "**Registrar and Administration Agreement**") between the Issuer and JTC dated 3 July 2014, under which JTC manages the Register and acts as the Issuer's registrar. JTC also carries out the administrative functions of the Issuer and performs all ancillary functions including making the relevant filings to the Jersey authorities and providing company secretarial services.

In consideration for the services provided, the Issuer pays the Administrator £25,000 per annum. These fees are paid by CTCM under the Umbrella Agreement described below and so no cost is borne by either the Issuer or the Investors.

5.3 an intercompany loan agreement (the "**Borrower Loan Agreement**") between the Issuer and Castle Trust (in its capacity as the borrower) dated 3 July 2014 under which the Issuer agrees to make Advances to Castle Trust. The Borrower Loan Agreement was amended on 29 June 2015 to enable CTF to accede to the agreement as an additional borrower so that it could take on a portion of the payment obligations of Castle Trust. However, Castle Trust retains its obligations to the Issuer to the extent that CTF is unable to meet its payment obligations. The Borrower Loan Agreement was further amended on 28 April 2017 to enable CTT to accede to the agreement as a second additional borrower. CTT is a special purpose vehicle that was incorporated to provide risk management services to the Group, including managing the Group's interest rate risk and liquidity risk. As part of the risk management services it provides to the Group, CTT borrows from the Issuer under the Borrower Loan Agreement in order to provide term funding to certain members of the Group so that those Group companies can in turn fund their respective lending activities and/or working capital requirements. This process centralises interest rate and liquidity risks in CTT. Under the Borrower Loan Agreement, the monies received by the Issuer from Castle Trust for the purchase of Notes, less certain costs and expenses payable by the Issuer, are paid to Castle Trust or CTT, as required, which applies these monies for use in the Group's lending businesses. In consideration, Castle Trust agrees to pay the Issuer an amount not less than the Interest due on each Note issued as it falls due, and, as such Notes mature, the relevant Final Redemption Amount if and to the extent that CTF cannot pay the Issuer these amounts when they fall due. The obligations of CTF, CTT and

Castle Trust to meet such payments to the Issuer are unsecured. The Borrower Loan Agreement is structured so that there is a new Advance made with the proceeds of each new issue of Notes and therefore each Advance matures at the same time as each Series matures.

5.4 an umbrella agreement (the "**Umbrella Agreement**") between the Issuer, Castle Trust and CTCM dated 3 July 2014, and amended on 29 June 2015 to include CTF as a party and amended on 28 April 2017 to include CTT as a party, whereby sums owed by Castle Trust to the Issuer and left outstanding on intercompany account in subscribing for the Notes issued by the Issuer are set off against the sums Castle Trust and/or CTT would be due to receive from the Issuer under the Borrower Loan Agreement with net payments only then being made. The Notes are initially issued to Castle Trust which borrows the subscription amount from the Issuer with the amount left outstanding on intercompany account. Castle Trust then transfers Notes to investors on a fully paid basis following receipt of a completed Application Form and the relevant Investment Amount. Castle Trust repays sums owed to the Issuer on intercompany account. The subscription monies received by the Issuer, less certain costs and expenses payable by the Issuer are then advanced to Castle Trust and/or CTT, as required, under the Borrower Loan Agreement. The Umbrella Agreement offsets these payments. On the maturity of each Advance, (i) Castle Trust and CTT are obliged to pay the Issuer under the Borrower Loan Agreement (with Castle Trust meeting this obligation using income from its Mortgage business and CTT meeting this obligation using income from the intragroup loans it has made to Group companies) and (ii) Castle Trust is obliged to pay CTF under the Intra Group Loan Agreement, and in turn CTF is obliged to pay the Issuer under the Borrower Loan Agreement, an amount equal to the Advance in respect of the relevant maturing Note and then the Issuer would pay back the Advance to Investors on the redemption of the maturing Notes. The Issuer will redeem such Notes for an amount not less than the Final Redemption Amount. The loan note redemption by the Issuer will be funded by the payment due from CTF, CTT and/or Castle Trust (as applicable) in respect of the relevant Advance. As the repayment of the Advance by CTF (and the payment of an amount equal to the repayment of the Advance by Castle Trust to CTF), CTT and/or Castle Trust is due to occur at the same time as the redemption of the Notes by the Issuer, then to the extent that they are the same amount the payments are offset under the Umbrella Agreement once Castle Trust redeems such Notes on behalf of the Issuer. The Umbrella Agreement also covers the fees payable to CTCM under the Marketing and Agency Agreement and any excess monies paid to the Issuer under the Borrower Loan Agreement.

5.5 a trust deed dated 3 July 2014 (as amended or supplemented from time to time including on 24 June 2015 and 13 June 2017, the "**Trust Deed**") between the Issuer and JTC Trustees (UK) Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).

6 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) nor have there been any such proceedings since the date of incorporation of the Issuer, which may have, or have had, in the recent past a significant effect on the Issuer's financial position or profitability.

7 Material adverse change

There has been no material adverse change in the financial position or prospects of the Issuer since 30 September 2018 (being the date of its last published audited financial statements).

8 Trustee's action

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

Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the

Trust Deed to take the relevant action directly.

PART XX

THE CASTLE TRUST DIRECT PLC FORTRESS BOND TERMS AND CONDITIONS

The terms and conditions set out below are the terms and conditions applicable to the sale of Notes by Castle Trust and CTCM to Investors, the repurchase by Castle Trust of Notes and their safeguarding. They should be read in conjunction with the terms and conditions of the Notes contained in Part VIII (Terms and conditions of the Notes) of this Base Prospectus and the applicable Final Terms for the relevant Series of Notes.

Capitalised terms that are not defined in this section will have the meanings given to them in Part XXI (Glossary of terms and definitions) of this document.

These Terms and Conditions govern your investment in your Fortress Bond. You should read these Terms and Conditions carefully.

If there is anything you do not understand, you should contact us for information or seek independent advice.

These Terms and Conditions are valid as at 11 June 2019.

All capitalised terms are explained below.

Product summary

A Fortress Bond is an investment for a fixed term with a fixed rate or floating rate of interest, all as set out in the applicable Final Terms (as defined below).

A Fortress Bond is a 'loan note' (also known as a corporate bond) issued by Castle Trust Direct plc, an English company to Castle Trust and subsequently sold by Castle Trust to you subject to these Terms and Conditions. In effect, you are lending the Company money for a fixed term and the income you receive is the interest it pays on the loan note.

The Company repays the loan note (i.e. your original investment) at the end of the term and pays interest during the term of the loan note or at the end of the term, depending on the type of loan note.

Financial Services Compensation Scheme

Castle Trust is authorised and regulated by the Financial Conduct Authority to carry out regulated activity and is a participant in the Financial Services Compensation Scheme ("**FSCS**") established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations of up to £85,000 per eligible claimant. If an investor has suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back the applicable Loan Notes because it had become insolvent) then the investor would be able to seek compensation from the FSCS, provided the investor is an eligible claimant.

For further details, please see condition 24 (*Compensation*).

1. Definitions

"**applicable Loan Notes**" means the Loan Notes of the Company purchased by us for you as described in condition 3(e) (*Your application*) below;

"**applicable Final Terms**" means the Final Terms specific to the applicable Loan Notes or the series of Loan Notes of which the applicable Loan Notes form part **which will be available from us or by going to https://www.castletrust.co.uk/documents-investments**;

"**Application**" means the steps required (online, by post or by telephone) to apply for your Fortress Bond;

"**Business Day**" means any day (other than a Saturday, Sunday and bank holidays) on which we are open for business;

"**Castle Trust**" means Castle Trust Capital plc, a company registered in England & Wales (no. 07454474), authorised and regulated by the Financial Conduct Authority in the conduct of investment business;

"**Castle Trust Group**" means Castle Trust and any subsidiary from time to time of Castle Trust;

"**Castle Trust Management**" means Castle Trust Capital Management Limited, a company registered in England and Wales (no. 07504954) authorised and regulated by the Financial Conduct Authority;

"**Client Investment Account**" means the client account we open for you in order to administer these Terms and Conditions and your investment in your Loan Notes (i.e. the Fortress Bond);

"**Client Reference**" means the unique reference number given to every Client Investment Account;

"**Company**" means Castle Trust Direct plc, a company registered in England and Wales (no. 9046984) with its office at 10 Norwich Street, London EC4A 1BD, a subsidiary of Castle Trust;

"**condition**" means a condition of these Terms and Conditions;

"**FCA**" means the UK Financial Conduct Authority or any successor regulatory body;

"**FCA Rules**" means the rules made by the FCA which apply to the services provided to you in respect of the Fortress Bond, as amended from time to time;

"**Final Terms**" means, in respect of each series of Loan Notes, the document setting out, among other things, the maturity date of those Loan Notes and the interest payable in respect of those Loan Notes. See the section of the Prospectus entitled – "**Pro Forma Final Terms**".

"**Fortress Bond**" means a fixed rate bond or floating rate bond (as the case may be), being the Investment made in the applicable Loan Notes in accordance with these Terms and Conditions;

"**Investment**" means your initial investment monies, and, following the Settlement Date, Loan Notes held on your behalf by the Nominee subject to these Terms and Conditions;

"**Investment Term**" means the duration of the Fortress Bond, which, subject to section 3a) below, starts on (and includes) the day after the end of the Offer Period and ends on the Maturity Date;

"**Loan Note Instrument**" means the instrument of the Company creating the Loan Notes;

"**Loan Notes**" means the loan notes representing the Fortress Bond issued by the Company and held by the Nominee from time to time and references to transfers of Loan Notes shall, unless the context otherwise requires, include transfers of the beneficial interest in Loan Notes held by the Nominee;

"**Maturity Date**" means the date when your Loan Notes are, or are to be, redeemed by the Company or repurchased by Castle Trust, as specified in the applicable Final Terms;

"**Nominee**" means Castle Trust Capital Nominees Limited or any other nominee Castle Trust Management decides to use to hold Loan Notes on your behalf;

"**Offer Period**" means the period during which you may apply for the Fortress Bond as specified in the applicable Final Terms;

"**Product Terms and Conditions**" means these Terms and Conditions, the Application, the Prospectus and the applicable Final Terms **all of which are available from us or by going to https://www.castletrust.co.uk/how-to-apply-investments**;

"**Prospectus**" means the prospectus in respect of the offer of the Loan Notes including the current Base Prospectus and the relevant Final Terms, **which is available from us or by going to https://www.castletrust.co.uk/documents-investments**;

"**Rate of Interest**" means, for the applicable Loan Notes, the rate of interest specified in the applicable Final Terms, which will either be (i) fixed at a single rate throughout the Investment Term, (ii) fixed but with more than one fixed rate such that different fixed rates apply for certain periods during the Investment Term, or (iii) variable (floating) throughout the Investment Term (as such rate(s) may be increased by the Company (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period);

"**Register**" means the register of holders of the legal title to Loan Notes;

"**Registrar**" means the person appointed from time to time by the Company as its registrar to maintain the Register;

"**Repurchase Facility**" has the meaning set out in condition 8(b) (*Maturity of the Fortress Bond*) below;

"**Settlement Date**" means the date on which the Loan Notes will be transferred to you, which will be the date of our acceptance of your Application;

"**Terms and Conditions**" means these terms and conditions;

"**We**", "**us**", "**our**" means Castle Trust and/or Castle Trust Management, as applicable, the use of which terms is further explained in condition 2(f) (*Introduction*) below; and

"**You**" and "**your**" means the person on whose behalf the Nominee is holding the Loan Notes and who is named as the applicant in the Application or, if appropriate, your representative.

2. Introduction

a) You should read the Product Terms and Conditions. They make up a legally binding contract between you, Castle Trust and Castle Trust Management in respect of your investment in the Fortress Bond. These documents are available from us or may be found at **https://www.castletrust.co.uk/how-to-apply-investments**.

b) For individuals, an investment in a Fortress Bond is only available to those over 18 years of age.

c) Your investment in the Fortress Bond will take the form of a purchase of Loan Notes of the Company which Castle Trust Management will arrange to be held on your behalf by the Nominee in accordance with the Product Terms and Conditions.

d) By making your investment in the Fortress Bond, i.e. your Loan Notes, you agree to be bound by the Product Terms and Conditions (and the ISA Terms, where applicable).

e) Castle Trust and Castle Trust Management are each authorised and regulated by the FCA.

f) Castle Trust Management is the entity within the Castle Trust Group responsible for safeguarding and administering your Investment. Castle Trust is the entity from which you will purchase Loan Notes and which will buy those Loan Notes back under the Repurchase Facility as described below. To assist in the clarity of these terms and conditions the words "we" "our" and "us" are used to refer to either or both entities. In case of any ambiguity arising from the use of such terms they shall be interpreted in line with the intended functions of each entity and, where any ambiguity could be of any detriment to you, such ambiguity will be construed in your favour.

g) The Castle Trust Group's Best Execution Policy, which sets out how the Castle Trust Group will achieve the best possible result for its customers taking into account all relevant execution factors, may be found at **https://www.castletrust.co.uk/documents-investments**.

h) You risk losing capital should Castle Trust become insolvent.

3. Your application

a) The Investment Term of your Fortress Bond will begin only when we have accepted a correctly completed Application by the close of the Offer Period together with the relevant amount of investment monies by cheque or by electronic transfer, where applicable. Payments in cash will not be accepted. You can make further investments in the same Fortress Bond during an Offer Period by completing a new Application. No additional investments in the same Fortress Bond are possible after the end of the Offer Period.

b) The minimum investment in a Fortress Bond is £1,000 or as otherwise specified in the applicable Final Terms.

c) You confirm that the information supplied, and any declarations made, on your Application are true, accurate and complete. You acknowledge that we may arrange for your Investment to be cancelled if any of the information supplied or declarations made are untrue, inaccurate or incomplete.

d) Once we have accepted your Application a contract will be formed between you, Castle Trust and Castle Trust Management, the Terms and Conditions will come into force and your Fortress Bond will begin. We will send you written confirmation of each investment, showing the number of Loan Notes purchased from us.

e) Castle Trust Management will arrange for us to invest your monies by applying them, on your behalf, in purchasing Loan Notes from Castle Trust on the Settlement Date and we will send you written confirmation of your Client Reference, the date the Application is accepted, and the Maturity Date.

f) Where your monies have not cleared as at the Settlement Date, Castle Trust will still transfer the Loan Notes to you on that date, but will retain security over the Loan Notes for the monies not yet cleared. If such monies do not clear within a reasonable timeframe (to be not less than 5 Business Days after the Settlement Date) you agree that Castle Trust Management may arrange for the appropriate number of Loan Notes to be transferred back to Castle Trust and an administration charge may be made in accordance with condition 12 (*Charges and expenses*).

g) We reserve the right to close Applications for investments in any Fortress Bond without notice during the Offer Period and decline to accept any further Applications.

h) We reserve the right to reject an Application at our discretion, but we will notify you of our decision. You agree that we will have no liability to you for any loss you may incur if we decide to reject an Application and you do not acquire a Fortress Bond.

i) We will deal with you solely on an execution only basis which means we do not provide any advice to you in relation to your Investment. By accepting your Application, we are not confirming that an investment in the Fortress Bond is suitable for you. If you are in any doubt as to whether the Fortress Bond is suitable for you, you should speak to your financial adviser.

4. Cancellation

You have the right to change your mind and cancel your Application for an investment in a Fortress Bond within 14 days after receiving notice from us of your cancellation rights. A cancellation form will be sent to you within 5 Business Days after we have received your completed Application. You can exercise your right to cancel by sending the completed cancellation form or a letter to **Castle Trust, PO Box 6965, Basingstoke, RG24 4XE**. Alternatively, you can cancel via telephone on (Freephone) 0808 164 5000 (Monday – Friday, 9am – 5pm) or via secure message on the online Self Service Portal if you have registered for an online account. If you exercise your right to cancel, any investment monies paid to Castle Trust will be repaid (no interest is payable). We will repay your investment monies in full as soon as reasonably practicable and in any event within 30 days of the date upon which your cancellation became effective. If we have arranged for Loan Notes to be purchased on your behalf, we will arrange for Castle Trust to repurchase them for the amount of your Investment to enable us to do this.

5. Cash held before your purchase

Pending purchase of Loan Notes on your behalf, money that Castle Trust holds on your behalf will be held in a Castle Trust client account as trustee (or in Scotland as agent) and in accordance with the FCA's client money rules. Interest will not be paid on any money held on your behalf prior to the first day of the Investment Term.

6. How your Investment is held

a) Castle Trust Management is responsible for arranging and carrying out the safeguarding of your Loan Notes, which it does via the Nominee. All Loan Notes purchased on your behalf from Castle Trust will be registered in the name of the Nominee, which will hold the Loan Notes on your behalf. This arrangement is called a bare trust and is subject to the constitutional documents of the Company, the Prospectus and any other document governing the terms on which the Loan Notes are issued. You will remain the beneficial owner of the Loan Notes which means that, although they are legally registered in the name of the Nominee, their economic benefits belong to you and you may call for them to be transferred to you at any time (as described, and subject to payment of any charges we apply as set out in condition 9 (*Transferring your Investment*), below). The Nominee will maintain a register of beneficial owners of Loan Notes.

b) Your Client Reference is shown on the written confirmation we send to you following our accepting your Application. Please keep your Client Reference safe as we may ask for it when you contact us.

c) Castle Trust Management will maintain the Client Investment Account. You agree to provide promptly any information we request in respect of the Loan Notes registered in the Nominee's name on your behalf.

d) We will only take instructions for the Fortress Bond from persons on the Nominee's register. We do not recognise the beneficial interest of any person under any trust and we will not take notice of any such beneficial interest under any trust express, implied or constructive.

e) We will not lend your Loan Notes to, or deposit your Loan Notes with, any third party. No money will be borrowed using them as security.

7. Interest on your Investment

a) Interest will accrue and be paid on your Loan Notes by Castle Trust (at the direction of the Company) at the annual rate equal to the Rate of Interest commencing on (and including) the first day of the Investment Term until (but excluding) the last day of the Investment Term. Interest will be calculated on the basis of the Rate of Interest applied to the amount of your Loan Notes for the relevant period during which interest accrues under your Loan Notes (all as set out in the applicable Final Terms).

b) Interest due to be paid under the Loan Notes by Castle Trust (at the direction of the Company) will be paid directly to your bank account within three Business Days following the relevant due date. As set out in the applicable Final Terms, this will be either an interest payment date during the

Investment Term or the Maturity Date, after which interest will be paid together with the repayment of your Investment.

8. Maturity of the Fortress Bond

a) Prior to the Maturity Date, we will write to you at the address held on file for you to confirm your wishes in relation to the proceeds of your maturing Fortress Bond (including any interest due but unpaid) on the Maturity Date. The options available are (i) payment by Castle Trust direct to your bank or building society account, (ii) payment by cheque made out to the name of the person held on the Nominee's register, or (iii) reinvestment in further Fortress Bonds (or other investment products) offered by the Castle Trust Group at the time, where available, with such instruction specifying the type and amount of Fortress Bonds and/or investment products for the proceeds to be reinvested into.

b) On the Maturity Date your Loan Notes will be redeemed by the Company by 2pm or, failing that, they will be repurchased by Castle Trust (the "**Repurchase Facility**"). The Repurchase Facility is only available to those persons named on the Nominee's register.

c) Loan Notes will be redeemed by the Company or repurchased by Castle Trust for an amount equal to the amount of your Fortress Bond together with any interest due but unpaid at that time. The amount of your Fortress Bond and any interest will be retained subject to receiving instruction from you as set out in condition 8(a)) above.

d) Following receipt of your instruction sent to us pursuant to condition 8(a)), and subject to the terms of condition 8(f)), the proceeds of your Fortress Bond (including any interest due but unpaid) will either be (i) paid to your bank or building society account, as notified to us, within three Business Days of the Maturity Date, (ii) paid by way of a cheque, which shall be posted by us within three Business Days of the Maturity Date to the address notified to us, or (iii) where available, invested in the Fortress Bonds (on the terms of the Terms and Conditions applicable at the time) and/or other investment products (on the terms of their terms and conditions applicable at the time) specified in your instruction on the Maturity Date, whereby Castle Trust Capital Management shall immediately use the proceeds of your matured Fortress Bonds (including any interest due but unpaid), which are redeemed at 2pm on the Maturity Date in accordance with condition 8(b)), to acquire the Loan Notes relating to the Fortress Bonds specified in your instruction and/or the securities relating to the other investment products specified.

e) If no instruction is received from you in relation to the amounts owing to you (as described in condition 8(a)), it will be held by Castle Trust until we receive an instruction from you.

f) You will not earn any interest on the amounts that we hold after the Maturity Date. Any funds which Castle Trust holds after the Maturity Date on your behalf will be held by Castle Trust in a client money account as trustee (or in Scotland as agent) and will be held in accordance with the FCA's client money rules.

9. Transferring your Investment

a) The Loan Notes are listed on (i) the Official List of the Irish Stock Exchange, or (ii) the Official List of The International Stock Exchange (as indicated in the appropriate Final Terms for each Series of Loan Notes) and are therefore freely transferable. However, you should be aware that there may not be a ready market for your Loan Notes prior to maturity.

b) If you wish to transfer all or some of your Loan Notes to another beneficial owner, you must notify us in writing at least 30 days before the date of the proposed transfer. The Nominee will register the transfer of the beneficial interest in your Loan Notes in accordance with your instructions. We may make a charge for transfers of Loan Notes to cover the Nominee's administration costs.

c) If you wish to exchange your beneficial interest in Loan Notes so that you hold legal title to those Loan Notes, you must notify us in writing at least 30 days before the date of the proposed exchange. If the conditions for exchange of beneficial title for legal title to Loan Notes, which are set out in the Note Conditions (which are available from us or in the Prospectus at **https://www.castletrust.co.uk/documents-investments**), are met, Castle Trust Management will arrange for the Nominee to register the exchange of the beneficial interest in your Loan Notes for legal title and for the Registrar to record you as holder of the Loan Notes. We may make a charge for exchanges of beneficial title for legal title to Loan Notes to cover the Nominee's and the Registrar's administration costs.

d) If you transfer all or part of your Loan Notes before the Maturity Date you may get back less than you would receive if you were to hold your Investment until the Maturity Date and you may get back less than you invested if an early encashment charge applies (as described below). If you transfer all of your Loan Notes to another beneficial owner other than to the legal representatives or beneficiaries of your estate in the event of your death, or if you have opted to hold legal title to your Loan Notes and you transfer those Loan Notes this will have the effect of terminating these Terms and Conditions as between you and each of Castle Trust and Castle Trust Management (such that the Fortress Bond will cease to exist) and the person acquiring an interest in such Loan Notes will not be covered by the Financial Services Compensation Scheme (see condition 24 (*Compensation*)).

e) If you are not transferring all of your Loan Notes, the remaining value of your Investment after the transfer must meet the minimum investment level for the Fortress Bond.

f) Transferring all or some of your Loan Notes will not affect any of your rights or obligations arising before, during or after the date of such transfer or which arise as a result of such transfer or which relate to our provision of the Fortress Bond to you and all such rights and obligations shall continue to be subject to the Terms and Conditions applying at the time of your original Application.

10. Early encashment

a) **You may not encash your Loan Notes prior to their Maturity Date unless early encashment is permitted by the applicable Final Terms, other than in the case of death (as per condition 11 (*Death*)).**

b) If early encashment is permitted by the applicable Final Terms (where it would be referred to as Optional Redemption (Investor Put)), you may request at the time(s) specified in the applicable Final Terms that Castle Trust repurchase your Loan Notes from you and Castle Trust will agree to repurchase Loan Notes at a price reflecting the date on which early encashment is to occur subject to an early encashment charge which will be calculated with reference to a number of days' interest in respect of the original duration of the Loan Notes, as set out in the applicable Final Terms.

b) Where Castle Trust has repurchased your Loan Notes in accordance with condition 10(b)), payment of the sale proceeds will be made by cheque to your last known address or direct to your chosen UK bank or building society account, within three Business Days of the repurchase becoming effective.

c) Castle Trust will only repurchase Loan Notes early on receipt of an early encashment request form, signed by all the registered investors. You may write to us or call us to ask for a form.

d) You may only request that Castle Trust repurchase all the Loan Notes you own in a particular Series – partial early encashment is not allowed.

11. Death

a) If you die before the Maturity Date, your Investment will continue pending instructions from the legal representative of your estate. If the Loan Notes are held by the Nominee for your benefit only, then they can be released to your legal representative on request. Alternatively, your legal representative may instruct us to arrange for the Nominee to hold the Loan Notes for the benefit of another beneficiary or encash early in accordance with the provisions of condition 10 (*Early encashment*).

b) If your Loan Notes are held by the Nominee for the benefit of you and another person then after your death they will be held for the benefit of the surviving joint holder.

c) We will need to see the death certificate and grant of probate (or Scottish equivalent) before we can act on administrators' or executors' instructions.

12. Charges and expenses

Castle Trust Management reserves the right to charge you for the administration by the Nominee or the Registrar (depending on whether beneficial title or legal title is being transferred (or exchanged)) of any transfer of your Loan Notes or the issue of duplicate documentation. We will tell you about the charges for these services before we provide the service and at any time on request.

13. Statements

a) Castle Trust Management will arrange for you to be provided with a valuation statement four times a year, in February, May, August and November. This will show the value of your Fortress Bond as well as any transactions that have occurred in the period since the previous valuation statement was issued. You may also be provided with a client money statement, if appropriate, in January, April, July and October. We may supply you with duplicate or additional statements on request. We reserve the right to charge a fee for this.

b) You should check any statement which you receive from us and if you have any query or concern in relation to the matters disclosed you should contact us as soon as possible.

14. Joint holders

a) The Nominee will hold Loan Notes for up to two joint holders, unless the Loan Notes are held by trustees when up to four joint holders will be permissible.

b) All references in these Terms and Conditions apply to each holder jointly and severally. Each holder agrees that:

   i) all obligations, undertakings and agreements on our part and the part of the Nominee are given to the joint holders taken together and not separately to each of them; and

   ii) all obligations, undertakings, agreements and liabilities arising out of or pursuant to these Terms and Conditions constitute joint and several (i.e. individual) obligations of each joint holder.

   If exercising your right to cancel your Investment under condition 4 (*Cancellation*), the cancellation instruction must be signed by all joint account holders and, where the Investment is held on behalf of a trust, by all trustees. We reserve the right to accept other instructions signed by the first named holder. The bank or building society account into which you ask us to pay any sale proceeds under condition 10(b) (*Early encashment*) must be held in the name of all holders unless the other holders instruct us otherwise in writing.

c) Please see condition 11 (*Death*) for information on what happens if a joint holder dies.

15. Corporate and trustee holders

a) Castle Trust no longer accepts Applications from investors that are corporate entities, unless such investors have previously invested in Fortress Bonds and still hold those investments. If you are a company that has previously invested in Fortress Bonds (which you still hold) and are making an Application for a further investment in Fortress Bonds, then by making such Application, you confirm that:

i) you are a company duly incorporated and validly existing in the United Kingdom;

ii) you have the necessary corporate rights and authority to make your investment in the Fortress Bond;

iii) you have duly authorised, executed and delivered the Application;

iv) these Terms and Conditions constitute your valid and legally binding obligations enforceable under English law; and

v) you agree to provide to us any documents or information that we may reasonably require in support of the above confirmations e.g. certified copies of board and/or shareholder resolutions.

b) Castle Trust no longer accepts Applications from investors acting in their capacity as trustees.

16. Power of attorney

If you wish an attorney to deal with matters relating to the Terms and Conditions on your behalf we will need a copy of the relevant Power of Attorney certified by a solicitor as being a true copy of the original.

17. Validity of instructions

a) We may refuse to act on instructions from you which are not given in the correct format or are incomplete. Instructions that are not accepted will be returned to you or your financial adviser, where appropriate.

b) We may delay acting on your instructions if we need to obtain further information from you to comply with any legal or regulatory requirement (including compliance with anti-money laundering legislation or rules) or to investigate any concerns we may have as to the validity of your instructions. Where further enquiries are required, you authorise us to make identity (including searching the electoral roll), fraud and other enquiries that may be necessary for these purposes.

18. Liabilities

a) We will take reasonable care in the provision of our services under the Terms and Conditions. We will not be responsible for any losses or expenses (including loss of Loan Notes) suffered by you unless these are as a direct result of gross negligence, deliberate breach of our obligations or fraud by us.

b) We will not be responsible for any loss of opportunity through which the value of your investment could have been increased, or for any reduction in the value of your Investment unless this is a direct result of either (i) gross negligence, deliberate breach of our obligations or fraud by us or (ii) our failure to complete any repurchase of your Loan Notes under condition 8(b) (*Maturity of the Fortress Bond*) (except where this is a result of circumstances as set out in condition 18(c)).

c) If we cannot provide our service due to circumstances beyond our reasonable control, we will, where possible, take such reasonable steps as we can to bring those circumstances to an end. We shall not be liable for any losses or expenses suffered by you as a result of such circumstances or as a result of a delay or failure in the provision of our services caused by such circumstances.

d) Notwithstanding any other provision of the Terms and Conditions, we shall not be liable for any loss attributable to any failure by you to disclose changes of address, name, bank details, bankruptcy or other personal details. We accept no liability for any financial loss resulting from a delay in taking any action in order that we may obtain further information from you, comply with any legal or regulatory requirement or investigate any concern about the validity or any other matter relating to your instruction.

e) We shall not be liable for acting upon any instructions which are forged or fraudulent and shall be entitled to assume that all signatures are genuine. If in any case we agree to accept instructions by telephone or electronic means, we may assume the identity of the caller or sender is genuine, having taken reasonable steps to identify them, unless it should be obvious that he or she was not a genuine caller or sender.

f) Our liability in respect of any claim you make against us will not exceed the nominal value of your Loan Notes when the claim arises/is discovered.

g) If we do incur financial liability in the performance of any of our duties or in the exercise of any of our rights or powers under the Terms and Conditions, we will be entitled to make such deductions from the Loan Notes or any income or capital arising from them or to sell all or any of the Loan Notes and make such deductions from the proceeds of sale as may be required to reimburse any liability suffered.

h) Nothing in the Terms and Conditions shall exclude any liability which cannot be excluded under the FCA Rules, the Unfair Contract Terms Act 1977 or the general law. For further information about your statutory rights, please contact your local Citizens Advice Bureau.

19. Termination

a) Your Investment may be terminated:

  i) by you by

    a) transferring your Loan Notes in accordance with condition 9 (*Transferring your Investment*); or

    b) encashing your Loan Notes in accordance with condition 10 (*Early encashment*) (if applicable);

  ii) by us giving you notice in writing to take effect not less than 30 days from the date notice is posted to you if we decide that we are no longer able or willing to manage this type of Fortress Bond;

  iii) by us without notice if you are in material breach of the Terms and Conditions; or

  iv) by us without notice if the Nominee is unable to comply with any obligations to which it may be subject in respect of your Investment.

b) If your Investment is terminated:

  i) as a result of conditions 19(a)(i) or (iii), the provisions of the Product Terms and Conditions (other than the Repurchase Facility) shall cease to apply to your Loan Notes, but they shall remain held for your account by the Nominee except to the extent that you request and Castle Trust agrees to early encashment in accordance with these Terms and Conditions (if applicable) or you request that the Loan Notes be transferred to you (in which case we may make a charge to cover any administrative costs we incur in arranging for Castle Trust to transfer and transferring the Loan Notes to you).

ii) as a result of conditions 19(a)(ii), the provisions of the Product Terms and Conditions (other than the Repurchase Facility) shall cease to apply to your Loan Notes upon repayment to you of your original investment and the amount of interest applicable for the full Investment Term.

iii) as a result of condition 19(a)(iv), the Nominee will take such steps as we consider appropriate to transfer your Loan Notes to a nominee, custodian or other person to hold on your behalf.

c) Termination of your Investment (for whatever reason) will not affect:

i) the completion of transactions undertaken in respect of your Investment;

ii) any liabilities or obligations of either you or us to the other incurred before the date of termination;

iii) all sums rightfully due from either you or us to the other becoming payable on the date of termination.

d) **Sale of your Loan Notes prior to the Maturity Date may mean that you get back less than you may receive if you were to hold your Loan Notes until the Maturity Date and you may get back less than you invested if an early encashment charge applies (as described above).**

20. Changing the Terms and Conditions

a) We may change or add to the Terms and Conditions at any time. To avoid unnecessary costs, we may make a change or addition without telling you in advance:

i) if you will benefit from the change or addition;

ii) if a regulator makes us make a change or addition at short notice, when we may not be able to give you advance notice of that change or addition; in which case we will notify you after the change or addition.

For all other changes or additions we will give you at least 30 days' written notice of the change or addition.

b) We may make a change or addition only to:

i) keep to any changes in the law or in codes of practice;

ii) provide for the introduction of new or improved systems, methods of operation, services or facilities;

iii) take account of a ruling or recommendation by a court, ombudsman, regulator or similar organisation;

iv) make them clearer or more favourable to you; or

v) put right any mistake that we might discover in the future.

21. Conflicts of interest

We or our agents may carry out transactions for you whether or not we or they have directly or indirectly a material interest or relationship of any description with another party, which may involve a conflict with our or their duty to you. We will, however, endeavour to ensure that any transaction carried out in such circumstances is made on a normal commercial basis at arm's length. The Castle Trust Group will either avoid any conflicts of interest arising or, where conflicts arise, will ensure fair treatment of all its customers by disclosure, internal rules of confidentiality, declining to act, or otherwise. Full details of the conflicts policy of Castle Trust are available from **https://www.castletrust.co.uk/documents-investments**.

22. Delegation

We and the Nominee may employ agents and delegates on such terms as we think fit to carry out any part of our obligations or discretions in connection with the Fortress Bond and, save as otherwise provided in the Terms and Conditions, we and the Nominee shall be liable for the acts and omissions of such agents and delegates as if they were the acts or omissions of us or the Nominee as appropriate.

23. Complaints

Details of how to make a complaint are set out in our complaints policy which can be found on our website, **https://www.castletrust.co.uk/documents-investments**, or by writing to us at the address in condition 25 (*Notices, communications; change of details*), below.

24. Compensation

Castle Trust is authorised and regulated by the Financial Conduct Authority to carry out regulated activity and is a participant in the Financial Services Compensation Scheme ("**FSCS**") established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to investors if an investment firm (such as Castle Trust) is unable to meet its financial obligations. If you suffered a loss as a result of Castle Trust failing to meet its financial obligations (for example, if it failed to buy back your Loan Notes because it had become insolvent) then you would be able to seek compensation from the FSCS, provided the Investor is an eligible claimant. Most investors, including most individuals and small businesses, would currently be deemed to be eligible claimants by the FSCS. In respect of investments, an eligible investor is entitled to claim up to £85,000 per firm with which he holds investments. In the event that you transfer your Loan Notes in accordance with condition 9 (*Transferring your Investment*), the person acquiring an interest in such Loan Notes will not be covered by the FSCS as these Terms and Conditions will cease to apply. For further information about the FSCS, including the amounts covered and eligibility to claim, please refer to the FSCS website, **www.fscs.org.uk**.

25. Notices, communications; change of details

a) You should send any notices (including cancellation notices) requests for information or instructions for us to:

Address: Castle Trust, PO Box 6965, Basingstoke, RG24 4XE

Tel: (Freephone) 0808 164 5000 (Monday – Friday, 9am – 5pm)

If you have registered with our online portal, you can also contact us via the portal's secure messaging service.

b) For your protection and to help us improve our service we may record and monitor phone calls.

c) You should include your full name and your Client Reference (which can be found on your valuation statement or investment summary) in all correspondence with us.

d) We will send any notices or other correspondence to the address you have given in your Application or to a new permanent residential address provided you have notified us in writing of the change. You should notify us of any change of name or address as soon as possible, providing us with appropriate supporting documentation, e.g. in the case of a change of name, the deed poll or marriage certificate.

e) All communications and payments will be sent by us to the address of the first named holder as stated on the Client Investment Account. It is the responsibility of the first named holder to inform and account to any joint holders.

f) All communications sent to you by us will be treated as received by you two Business Days after posting.

g) Any documents or cheques sent to you by us and any documents or cheques sent by you to us will be sent at your risk and we accept no liability prior to receipt of any document or cheque or after despatch of any document or cheque to you.

h) We will not send you any documents if their distribution may be prohibited by any applicable law.

26. Your electronic information

If you contact us electronically, we may collect your electronic identifier (e.g. Internet Protocol (IP) address or telephone number) supplied by your service provider.

27. How we use your information and with whom we share it

a) Your information comprises all the details we hold about you and your transactions, and includes information obtained from third parties.

b) We may use and share your information with other members of the Castle Trust Group and our agents to help us and them:

– support your Fortress Bond

– assess financial and insurance risks;

– recover debt;

– prevent and detect crime;

– understand our customers' requirements; and

– develop and test products and services.

c) We do not disclose your information to anyone outside the Castle Trust Group except:

– to our auditors and other professional advisers;

– where we have your permission;

– where we are required or permitted to do so by law;

– to credit reference and fraud prevention agencies and other companies that provide a service to us or you; or

– where we may transfer rights and obligations under this agreement.

d) We may transfer your information to other countries on the basis that anyone to whom we pass it provides an adequate level of protection. However, such information may be accessed by law enforcement agencies and other authorities to prevent and detect crime and comply with legal obligations.

e) From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object to the change within 60 days we will deem that you consent to that change.

f) If you would like a copy of the information we hold about you, please write to:

Castle Trust, PO Box 6965, Basingstoke, RG24 4XE

We may charge for the provision of this information.

g) You authorise us to disclose or permit disclosure of any information we may have either about your Investment or any other purposes in connection with the Terms and Conditions to any relevant authority as they may require (whether compelled by law or not) and we shall not be liable for any disclosure made in good faith.

28. Fraud prevention agencies

a) If false or inaccurate information is provided and fraud is identified or suspected, details may be passed to fraud prevention agencies.

Law enforcement agencies may access and use this information.

We and other organisations may also access and use this information to prevent fraud and money laundering, for example when:

– checking Applications for, and managing, credit or other facilities and recovering debt;

– checking insurance proposals and claims; or

– checking details of job applicants and employees.

We, and other organisations that may access and use information recorded by fraud prevention agencies, may do so from other countries.

b) We can provide the names and addresses of the fraud prevention agencies we use if you would like a copy of your information held by them. The agencies may charge you a fee to check your record.

29. Who we are

We are members of the Castle Trust Group. For information about our group of companies please visit **www.castletrust.co.uk** and click on 'About Us'.

30. Client categorisation

We will treat you as a retail client, as defined by the FCA Rules.

31. Waiver

No conduct or delay on our part shall be taken as a waiver or variation of any rights which we have under the Terms and Conditions unless we waive or vary a particular right in writing. No waiver or variation on a particular occasion will operate as a waiver or variation of any rights we may have in respect of any other matter.

32. Severability

If any provision of the Terms and Conditions is prohibited by law or judged by a court to be unlawful, void or unenforceable, the provision shall, to the extent required, be severed from the agreement and rendered ineffective as far as possible without modifying the remaining provisions of the Terms and Conditions.

33. Assignment

We may at any time transfer all or any of our rights and obligations under this agreement to any person (the "**Transferee**") who (in the case of our obligations) in our reasonable opinion is able to perform our obligations under the Terms and Conditions. We will only do this if:

a) the Transferee agrees to exercise the transferred rights and perform the transferred obligations in accordance with a statement of policy which we approve before the transfer; and

b) we reasonably think that the policy described in the statement will ensure that you are no less favourably treated after the transfer than you were beforehand.

34. Third party rights

Save as expressly set out in the Terms and Conditions, nothing in the Terms and Conditions shall confer or is intended to confer on any third party any benefit or the right to enforce any terms contained in the Terms and Conditions for the purposes of the Contracts (Rights of Third Parties) Act 1999.

35. Law and jurisdiction

a) If these terms conflict with the FCA Rules then the FCA Rules will take priority.

b) The Product Terms and Conditions are based on our current understanding of the law of England and Wales, the FCA Rules and HM Revenue & Customs practice, any of which may change in the future.

c) The Terms and Conditions shall be governed by the law of England and Wales. All communications will be in English.

PART XXI

GLOSSARY OF TERMS AND DEFINITIONS

The following terms apply throughout this document unless the context otherwise requires

“2006 Act”	the Companies Act 2006, as amended
“Accrual Period”	the number of days in the relevant period from (and including) the most recent Interest Payment Date or, if non, the Interest Commencement Date) to (but excluding) the relevant payment date
“Administrator”	JTC or such other person or persons as may from time to time be appointed by the Issuer as its administrator or secretary
“Admission”	the admission of the Notes to the relevant official list
“Advance”	each advance made by the Issuer to Castle Trust and/or CTT, as required, under the Borrower Loan Agreement using the proceeds of issuance of each Series of Notes, all as detailed on page 13
“Affiliate”	has the meaning given to the term “affiliated company” or any other equivalent term in the glossary of the FCA’s Handbook
“applicable Final Terms”	in relation to any Series, the Final Terms issued by the Issuer describing the rights attaching to the Notes issued in respect of that Series, including (where applicable) the terms and conditions of the relevant Notes, the basis on which the relevant Notes are offered, risk factors and other information specific to the relevant Notes
“Auditors”	Ernst & Young LLP, or such other person or persons as may from time to time be appointed by the Issuer as its auditors
“Base Prospectus”	this document giving information relating to the Issuer and general information about the offer and issue of Notes issued in respect of each Series as the same is amended and/or supplemented from time to time, which, when taken together with the applicable Final Terms issued by the Issuer constitutes a prospectus for the purposes of the Prospectus Directive
“Beneficial Noteholders”	persons holding beneficial interests in Notes
“Borrowers”	CTF, CTT and CTC, each in its capacity as a borrower under the Borrower Loan Agreement
“Borrower Loan Agreement”	the facility agreement dated 3 July 2014 between the Issuer (as lender) and Castle Trust (as borrower) as amended from time to time, pursuant to which the Issuer makes Advances to Castle Trust using the proceeds of issuance of each Series of Notes (a summary of which can be found in paragraph 5 of Part XIX (*General information*) of this document)

"Brexit"	the UK's decision to leave the European Union as a result of the referendum held on 23 June 2016
"Business Day"	a day (excluding Saturdays, Sundays and public holidays) on which commercial banks in Dublin, Guernsey and London are normally open for business
"Calculation Agent"	CTCM or such other person or persons as may from time to time be appointed by the Issuer as its calculation agent
"Castle Trust" or "CTC"	Castle Trust Capital plc (a company incorporated in England and Wales with registered number 07454474) whose registered office is at 10 Norwich Street, London EC4A 1BD
"Castle Trust Board"	the board of directors of Castle Trust
"Castle Trust Directors"	the directors of Castle Trust whose names are set out in Part IV (*Overview of Castle Trust and its business)* of this document (each a "Castle Trust Director")
"Castle Trust Mortgage" or "Mortgage"	an equity loan, UK residential house price index tracking mortgage or interest bearing mortgage advanced by Castle Trust and secured on UK property
"CTCM"	Castle Trust Capital Management Limited (a company incorporated in England and Wales with registered number 07504954) whose registered office is at 10 Norwich Street, London EC4A 1BD
"CTCN"	Castle Trust Capital Nominees Limited (a company incorporated in England and Wales with registered number 7801931) whose registered office is at 10 Norwich Street, London EC4A 1BD
"CTF"	Castle Trust Finance Limited (a company incorporated in England and Wales with registered number 09596607) and whose registered office is at 10 Norwich Street, London EC4A 1BD
"CTIH"	Castle Trust Income Housa plc, a public company incorporated under the Companies (Jersey) Law 1991, as amended
"CTPOS"	Castle Trust POS Limited (a company incorporated in England and Wales with registered number 10493733) and whose registered office is at 10 Norwich Street, London EC4A 1BD
"CTT"	Castle Trust Treasury Limited (a company incorporated in England and Wales with registered number 10452649) and whose registered office is at 10 Norwich Street, London, EC4A 1BD
"Determination Date"	the date(s) as set out in the applicable Final Terms
"Determination Period"	each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or Final Interest Payment Date is not a period commencing on the

	First Determination Date prior to, and ending on the First Determination Date falling after, such date)
"Directors"	the directors of the Issuer whose names are set out in Part XIII (*Information on the Issuer)* of this document (each a "Director")
"Euronext Dublin"	The Irish Stock Exchange plc, trading as Euronext Dublin
"Executive Committee"	the committee of management of Castle Trust established to assist the Chief Executive Officer in managing the business of Castle Trust
"Extraordinary Resolution"	has the meaning given to such term in the Trust Deed
"Final Terms"	the terms set out in a Final Terms document, substantially in the form set out in this Base Prospectus, which complete the Note Conditions
"FCA"	the Financial Conduct Authority (or any successor thereto)
"Final Payment Date"	has the meaning given to it in Note Condition 7.1 (*At Maturity*) as supplemented by the applicable Final Terms
"Final Redemption Amount"	the amount payable on the relevant Maturity Date in respect of the relevant Notes
"Final Repayment Date"	the final repayment date specified in the applicable Final Terms
"Final Terms"	the final terms document, substantially in the form set out in this Base Prospectus
"Financial Intermediaries"	financial intermediaries which are authorised to offer securities to the public or distribute notes under FSMA in the UK or under the relevant legislation implementing MiFID II in Europe
"Financial Services Law"	the Financial Services (Jersey) Law 1998, as amended
"First Additional Borrower"	CTF, in its capacity as the first additional borrower under the Borrower Loan Agreement having acceded to the Borrower Loan Agreement as a borrower on 29 June 2015 accepting liability for £52 million of loans (notional value) made to Castle Trust pursuant to the Borrower Loan Agreement in consideration for Castle Trust making a payment equal to the fair value of those obligations under the Borrower Loan Agreement, which are to be taken on by CTF
"Fixed Coupon Amount"	as specified in the applicable Final Terms
"Fixed Interest Period"	the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or Maturity Date (if no Interest Payment Dates are specified in the applicable Final Terms)

"Fixed Rate Note"	a Note bearing a fixed rate of interest
"Floating Rate Note"	a Note bearing a floating rate of interest
"Fortress Bond"	a fixed term investment marketed by CTCM that takes the form of a Note issued by the Issuer
"Fortress Bond Terms and Conditions"	the terms and conditions on which Investors purchase their Fortress Bonds from Castle Trust and their investment in Notes as set out in Part XX (*The Castle Trust Direct plc Fortress Bond Terms and Conditions)*
"Foundation Housa"	a Housa that takes the form of a share issued by the PCC and delivers a multiple of any increase of the Index but returns the amount of the original investment if the Index decreases, and was known as the "Protected Housa" prior to 1 August 2014.
"FSCS"	the Financial Services Compensation Scheme as created under FSMA and is the UK's statutory fund of last resort for customers of authorised financial services firms
"FSMA"	the Financial Services and Markets Act 2000, as amended
"Global Certificate"	registered note certificates delivered to and registered in the name of the Nominee as nominee for Investors
"Group"	Castle Trust together with its subsidiaries
"Growth Housa"	a Housa that takes the form of a share issued by the PCC and delivers a multiple of any increase of the Index and a reduced factor of any decrease of the Index
"HMRC"	HM Revenue and Customs
"Housa"	fixed term investment marketed by CTCM offering returns linked to the value of the UK housing market by reference to the performance of the Index
"ICAAP"	internal capital adequacy process
"IFDS"	International Financial Data Services (UK) Limited and International Financial Data Services Limited, third parties contracted to provide investment administration services
"IFPRU"	the FCA prudential standards sourcebook for banks, building societies and investment firms
"Income Housa"	a Housa that takes the form of a Note issued by the Issuer and whose capital returns match the Index and which pays a fixed quarterly coupon
"Index"	one of the Indices as the context may require
"Index Sponsor"	the person(s) or entity/ies which provide(s) the Indices
"Indices"	the Halifax House Price Index of the UK national housing market which includes all houses, all buyers, non-seasonally adjusted, monthly data and the Halifax Greater

	London House Price Index of the Greater London Housing market which involves all houses, all buyers, non-seasonally adjusted, quarterly data
"Institutional HP Risk Transfer"	House price risk transfer to institutional investors, in whatever form
"Interest"	the interest payable in respect of Notes at a rate as set out in the applicable Final Terms (as such rate may be increased by the Issuer (if at all and at its absolute discretion) during the Offer Period and notified to Noteholders prior to the end of such period) on the Issue Price accruing in the manner, and payable at the times, set out in the applicable Final Terms
"Interest Commencement Date"	as specified in the applicable Final Terms
"Interest Determination Date"	as specified in the applicable Final Terms
"Interest Payment Date"	the date on which the Interest is paid to the Investor being the date(s) specified in the applicable Final Terms
"Interest Period"	the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date
"Intra Group Loan Agreement"	the facility agreement dated 29 June 2015 between CTF (as lender) and Castle Trust (as borrower), pursuant to which CTF may make advances to Castle Trust of the cashflows it receives from the assets CTF purchased under the Purchase Agreement
"Investment Amount"	the amount invested by an Investor being the number of Notes purchased multiplied by the Issue Price
"Investment Product"	a financial contract entered into by CTIH or the PCC (as applicable) and Castle Trust which is intended to generate the funds required to generate the relevant investment return payable by CTIH or the PCC
"Investment Term"	in respect of Notes of a Series, the period from (and including) the day after the end of the Offer Period to (but excluding) the Maturity Date for those Notes
"Investors"	the holders of the Notes
"Irish Listing Agent"	Maples and Calder
"ISA Regulations"	the Individual Savings Account Regulations 1998 (SI 1998/1870), as amended from time to time
"Issue Date"	the date of issue of the Notes as set out in the applicable Final Terms
"Issue Price"	in relation to each Series, the issue price per Note being £1.00
"Issuer"	Castle Trust Direct plc, a company incorporated in England and Wales with registered number 9046984 whose registered office is at 10 Norwich Street, London

	EC4A 1BD
"JTC"	JTC (Jersey) Limited whose registered office is at Elizabeth House, 9 Castle Street, St Helier, Jersey JE2 3RT
"Listing Agents"	The Irish Listing Agent and the TISE Listing Agent
"Listing Document"	has the meaning given to such term in the applicable Listing Guidelines
"Listing Guidelines"	(in respect of offers for Notes which are to be admitted to the Official List of Euronext Dublin and to trading on its regulated market) the document entitled "Listing and Admission to Trading – Guidelines for Asset Backed Securities" published by Euronext Dublin, or (in respect of offers for Notes which are to be admitted to listing and trading on the Official List of TISE) the document entitled "Listing Rules" published by TISEA
"Maples and Calder"	Maples and Calder, 75 St. Stephen's Green, Dublin 2 Ireland
"Marketing and Agency Agreement"	the agreement between the Issuer and CTCM relating to certain marketing and calculation agency functions to be provided to the Issuer by CTCM (as the same may be amended and/or supplemented and/or restated from time to time), a summary of which is set out in paragraph 5 of Part XIX (*General information)* of this document
"Marketing Manager"	CTCM, or such other person as may be appointed from time to time by the Issuer with, if required, the approval of the FCA, to act as marketing manager to the Notes issued in respect of a Series, as set out in this document or in the applicable Final Terms
"Master Intragroup Loan Agreement"	the framework agreement dated 28 April 2017 between certain Group companies which was designed to allow certain Group companies to easily document and govern intragroup financing arrangements (separate from those under the Borrower Loan Agreement and the Intra Group Loan Agreement) and, in particular, for use by CTT to provide term funding to certain members of the Group to fund their respective lending activities and/or working capital requirements (pursuant to CTT's Group risk management function)
"Material Contracts"	means the contracts and agreements set out in paragraph 5 of Part XIX (*General information)* of this document
"Maturity Date"	in relation to the Notes issued in respect of a Series, the date on which such Notes will be compulsorily redeemed or repurchased as specified in the applicable Final Terms as, in the case of Notes for which Extension of Maturity Date; Extension Option is specified in the applicable Final Terms, such Maturity Date as may be extended in accordance with Condition 6.4 of the Note Conditions
"Maximum Rate of Interest"	as specified in the applicable Final Terms

"MiFID II"	Directive 2014/65/EU
"Minimum Application Size"	means the minimum value of Notes an investor may purchase
"Nominee"	the nominee, initially being CTCN, who holds Notes on behalf of Investors (unless the Investor requests otherwise)
"Note Conditions"	the terms and conditions of the Notes set out in the Trust Deed, as may from time to time be amended, modified, varied or supplemental in a manner permitted under the Trust Deed
"Noteholder"	means the several persons who are for the time being registered as holders of outstanding Notes save that, in respect of the Notes of any Series, for so long as such Notes or any part thereof are represented by a Global Certificate held by, and registered in the name of, the Nominee, each person (other than the Nominee) who is for the time being shown in the records of the Nominee as the holder of a particular nominal amount of the Notes of such Series (in which regard any certificate or other document issued by the Nominee as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Notes (and the holder of the relevant Global Certificate shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of such Global Certificate in accordance with and subject to its terms and the provisions of the Trust Deed and the Note Conditions and the expressions Noteholder, holder of Notes and related expressions shall be construed accordingly
"Notes"	notes issued by the Issuer under the Programme
"Notice Period"	the period specified in the applicable Final Terms
"OCRF"	Omni Capital Retail Finance Limited (a company incorporated in England and Wales with registered number 07232938) and whose registered office is at 10 Norwich Street, London EC4A 1BD
"Offer"	the offer for the purchase of Notes issued in respect of the relevant Series, on the terms set out in the applicable Final Terms
"Offer Period"	the offer period for the purchase of Notes issued in respect of the relevant Series, as set out in the applicable Final Terms
"Offer Series"	each Series of Notes offered as set out in the applicable Final Terms

"OFT"	the Office of Fair Trading
"Optional Redemption Amount"	as specified in the applicable Final Terms
"Optional Redemption Charge"	as specified in the applicable Final Terms
"Optional Redemption Date"	as specified in the applicable Final Terms
"Ordinary Shares"	ordinary shares of £1.00 in the capital of the Issuer held by Castle Trust, or such other person from time to time
"PCC"	Castle Trust PCC, a closed-ended investment company incorporated as a protected cell company with limited liability in Jersey with registered number 108697
"POS Loans"	point-of-sale finance provided by OCRF to UK consumers in order to fund, in full or in part, the purchase of certain products from certain suppliers who have partnered with OCRF for this purpose
"Principal Borrower"	Castle Trust, in its capacity as the borrower under the Borrower Loan Agreement that receives the benefit of the Advances, who funds the other borrower's (CTF) payment obligations to the Issuer under the Borrower Loan Agreement through its own payment obligations to CTF under the Intra Group Loan Agreement
"Proceeds"	the proceeds of an Offer, being an amount equal to the number of Notes issued pursuant to the Offer multiplied by the Issue Price
"Profit Share"	in respect of a Mortgage, an amount equal to up to 40 per cent. of the increase in the value of the property relating to that Mortgage
"Programme"	the £1,500,000,000 Castle Trust Direct programme for the issuance of Notes, to which this Base Prospectus relates
"Prospectus Directive"	Directive 2003/71/EC as amended by Directive 2010/73/EU
"Purchase Agreement"	a purchase agreement dated 29 June 2015 between Castle Trust and CTF under which Castle Trust agrees to sell and CTF agrees to purchase (at fair value) all non-house price and tariff related cashflows in respect of Castle Trust's portfolio of Mortgages (along with the whole of the customer credit risk subject to Castle Trust taking the first loss on the house price and tariff related cashflows) as at the date of the agreement
"Record Date"	(a) the date by reference to which the recipients of Interest and the Final Redemption Amount as the persons shown on the Register at that date are determined, which, in the case of Interest, shall be the relevant Interest Payment Date and/or the Maturity Date, and, in the case of the Final Redemption Amount, shall be the Maturity Date; and (b) for the purpose of any Notes for which Extension of Maturity Date; Extension Option is specified in the applicable Final Terms and Condition 6.4 (*Extension of*

	Maturity Date; Extension Option)), the first day of the Election Period in respect of such Notes
"Register"	the register of Noteholders
"Registered Notes"	Notes issued in registered form
"Registrar"	JTC or such other person as the Issuer appoints as its registrar to maintain the Register
"Registrar and Administration Agreement"	the agreement between the Registrar and the Issuer (as the same may be amended and/or supplemented and/or restate from time to time), a summary of which can be found in paragraph 5 of Part XIX (*General information)* of this document
"Relevant Banking Day"	a day, other than a Saturday or Sunday on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located
"Relevant Date"	in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Registrar or any Investor which holds Notes represented by an Individual Certificate (as the case may be) on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders
"Reserved Matter"	any proposal to change any date fixed for payment of the Final Redemption Amount or interest in respect of the Notes, to reduce the amount of the Final Redemption Amount or any interest payable on any date in respect of the Notes, to change the investment objective of any particular Series of Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution
"Reset Date"	as specified in the applicable Final Terms
"SDRT"	stamp duty reserve tax
"Second Additional Borrower"	CTT, in its capacity as the second additional borrower under the Borrower Loan Agreement having acceded to the Borrower Loan Agreement as a borrower on 28 April 2017 in order to provide term funding to certain members of the Group so that those Group companies can in turn fund their respective lending activities and/or working capital requirements (thereby centralising interest rate and liquidity risks in CTT, pursuant to the risk management services CTT provides the Group)
"Series"	a series of Notes of a particular term created by the Directors of the Issuer in accordance with the Trust Deed

"SIPP"	a self-invested personal pension plan
"Specified Interest Payment Date"	as specified in the applicable Final Terms
"Specified Period"	as specified in the applicable Final Terms
"Sterling" or "£"	the lawful currency of the United Kingdom
"TISE"	The International Stock Exchange
"TISEA"	The International Stock Exchange Authority Limited
"TISE Listing Agent"	Carey Olsen Corporate Finance Limited
"transfer date"	the Relevant Banking Day following the day on which the relevant Note shall have been surrendered for transfer in accordance with Note Condition 3.1 or, as the case may be, expiry of the 10 Business Days' notice period for exchange referred to in Note Condition 3.2
"Trust Deed"	the trust deed dated 3 July 2014 (as amended or supplemented from time to time including on 24 June 2015 and 13 June 2017) between the Issuer and the Trustee constituting the Notes
"Trustee"	JTC Trustees (UK) Limited (which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed)
"Umbrella Agreement"	the agreement entered into by the Issuer, Castle Trust and CTCM governing the offset of equal payments to be made by the Issuer to Castle Trust and vice versa under the Borrower Loan Agreement and the paying up and redemption of Notes (a summary of which can be found in paragraph 5 of Part XIX (*General information)* of this document)
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"UKLA"	the FCA in its capacity as competent authority under FSMA

PART XXI

DIRECTORY

Registered Office of the Issuer

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English legal advisers to the Issuer

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Irish Listing Agent

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Auditors and Reporting Accountants

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Marketing Manager and Calculation Agent

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Registrar and Administrator

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JE2 3QA

Trustee

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Principal Bankers

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TISE Listing Agent

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Dated: 11 June 2019