

## IMPORTANT NOTICE

### THIS OFFER IS AVAILABLE ONLY TO INVESTORS MEETING THE QUALIFICATIONS DESCRIBED IN THE ATTACHED BASE PROSPECTUS (The "Base Prospectus")

**IMPORTANT: You must read the following before continuing.** The following applies to the Base Prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S., AND THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE U.S. EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE U.S. STATE OR LOCAL SECURITIES LAWS. THE OFFERED NOTES ARE BEING OFFERED IN THE U.S. ONLY TO ACCREDITED INVESTORS (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT) IN ACCORDANCE WITH RULE 506(b) OR RULE 506(c) OF REGULATION D, AS APPLICABLE. PROSPECTIVE PURCHASERS OF THE NOTES ARE HEREBY NOTIFIED THAT THE OFFERED NOTES ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER.

THE OFFERED NOTES HAVE NOT BEEN APPROVED, DISAPPROVED OR RECOMMENDED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") OR ANY OTHER FEDERAL, STATE OR OTHER APPLICABLE SECURITIES COMMISSION LOCATED IN THE U.S., NOR HAVE ANY OF THE FOREGOING PASSED UPON THE ADEQUACY OR ACCURACY OF THIS BASE PROSPECTUS OR OTHER OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE UNDER U.S. LAW.

EXCEPT AS SET FORTH IN THE BASE PROSPECTUS, THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.



IMPORTANT – EEA AND UK RETAIL INVESTORS – Other than as provided in the Final Terms in respect of any Series of Notes, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”) or in the United Kingdom of Great Britain and Northern Ireland (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, save in relation to any jurisdiction(s) or period(s) for which the “Prohibition of Sales to EEA and UK Retail Investors” is specified to be not applicable in any Final Terms, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Solely for the purposes of Prodigy Finance Limited’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Notes are appropriate including investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration Prodigy Finance Limited’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 Prodigy Finance Limited’s target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. For the avoidance of doubt, the Issuer is not a MiFID regulated entity and does not qualify as a distributor or a manufacturer under the MiFID II Product Governance Rules.

This Base Prospectus has been delivered to you on the basis that you are a person into whose possession this Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the Base Prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to



delivery of the Base Prospectus by electronic transmission, (c) if you are a U.S. person (as defined in Regulation S under the Securities Act ("**Regulation S**")), then you are a person who qualifies as an "accredited investor" (within the meaning of Regulation D under the Securities Act) or are acting for the account of or for the benefit of a "U.S. person" (as defined in Regulation S) who qualifies as an "accredited investor", and (d) if you are a person in the United Kingdom, then you are (i) a professional client or (ii) a retail client who is either a certified high net worth investor or a certified sophisticated investor for the purposes of the rules of the UK Financial Conduct Authority relating to the promotion of non-mainstream pooled investments.

This Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer (as defined below), Prodigy Services Limited ("**Prodigy Services**"), Prodigy Finance Limited ("**Prodigy Finance**") nor any person who controls such person nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from Prodigy Finance.



# MBA COMMUNITY LOANS PLC

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(A public limited company with limited liability regulated under the Companies Act 2014 (as amended) of Ireland with number 486917)

## €1,000,000,000 SECURED LIMITED RECOURSE NOTE PROGRAMME

1. Series of student loan-backed notes
  2. Aggregate programme size €1,000,000,000
  3. Notes are backed by a diversified pool of Student Loans disbursed to Borrowers attending selected universities
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Pursuant to this €1,000,000,000 Secured Limited Recourse Note Programme (the “**Programme**”), MBA Community Loans plc (the “**Issuer**”) may periodically issue Notes (the “**Notes**”) in such currencies as may be agreed at the time of issuance. The aggregate notional amount of Notes outstanding under this Programme will not at any time exceed €1,000,000,000 (or the equivalent in other currencies), unless the Programme limit is increased in accordance with the amended and restated placing agency agreement dated 21 August 2020 entered into between the Issuer and Prodigy Services.

This Base Prospectus constitutes a Base Prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MIFID II**”) and/or which are to be offered to the public in any Member State of the European Economic Area (the “**EEA**”). Investors should make their own assessment as to the suitability of investing in the Notes. This Base Prospectus is valid for a period of twelve months from the date hereof. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy when this Base Prospectus is no longer valid.

The Central Bank may, at the request of the Issuer, send to the competent authority of another EEA Member State (i) a copy of this Base Prospectus and (ii) a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

The Base Prospectus has not been approved by the U.S. Securities and Exchange Commission (the “**SEC**”) or any other U.S. State or local securities commission or agency located in the United States. Nor have any of the foregoing passed on the adequacy or accuracy of this Base Prospectus or other offering documents. Any representation to the contrary is a criminal offence in the United States of America (the “**US**”).

Amounts payable under the Notes may be calculated by reference to one or more “benchmarks” for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of June 8, 2016 (the “**Benchmarks Regulation**”). In this case, a statement will be included in the relevant Final Terms (as defined below) as to whether or not the relevant administrator of the “benchmark” is included in ESMA’s register of administrators under Article 36 of the Benchmarks Regulation. Certain “benchmarks” may not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that regulation and transitional provisions in Article 51 of the Benchmarks Regulation may apply to certain other “benchmarks”, such that at the date of the relevant Final Terms the administrator of the “benchmark” is not required to be included in the register of administrators.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the Notes issued under the Programme within twelve months after the date hereof to be admitted to the Official List of Euronext Dublin (the “**Official List**”) and to trading on its regulated market. No assurance can be given that such an application to admit the Notes to the Official List and to trading on its regulated market will be successful. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II.

Payments of principal and interest in respect of the Notes will be made subject to withholding tax (if any) applicable to the Notes, without the Issuer being obliged to pay further amounts as a consequence.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see **Risk Factors**.

The Notes will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity, including Prodigy Finance Limited.

The Notes are subject to certain restrictions on transfer. For a discussion of these restrictions see **Subscription, Sale and Transfer Restrictions**.

The date of this Base Prospectus is 21 August 2020.



Any Notes issued under the Programme on or after the date hereof are issued subject to the provisions set out in this Base Prospectus (except for the issuance of further tranches of existing Series of Notes which may be subject to the terms and conditions of the Notes set out in previously published prospectuses (and which are incorporated by reference herein)).

This Base Prospectus has been prepared for the purpose of providing information with regard to the Issuer and the Notes. The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer 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.

The information provided in the Section "**Legal Structure, Roles and Regulation**" in relation to the Loan Originator, the Loan Servicer, the Back-Up Servicer, the Permanent Placing Agent, the Principal Paying Agent, the Registrar, the Transfer Agent, the Calculation Agent, the Corporate Services Provider and the Trustee (each as described and defined therein and collectively, the "**Service Providers**"), has been provided by those parties respectively and has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from the information published by those parties, no facts have been omitted from the Section "**Legal Structure, Roles and Regulation**" which would render the information therein inaccurate or misleading. Except as provided above, none of the Service Providers has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Service Providers or any of their respective affiliates as to the accuracy or completeness of the financial information contained in this Base Prospectus, any other financial statements or any further information supplied in connection with the Programme, the Notes or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer under the Programme. Each set of Final Terms will contain a statement to this effect by and in relation to the Issuer.

No person has been authorised by the Issuer to give any information or to make any representation other than those contained in this Base Prospectus together with the relevant Final Terms and any supplement to this Base Prospectus (a "**Supplemental Prospectus**") in connection with the issue or sale of the relevant Series of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. Neither the delivery of this Base Prospectus together with each Final Terms and any Supplemental Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus together with the relevant Final Terms and any Supplemental Prospectus has been most recently amended or supplemented by a Supplemental Prospectus or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus together with the relevant Final Terms and any Supplemental Prospectus has most recently been amended or supplemented by a Supplemental Prospectus or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus together with any relevant Final Terms or any Supplemental Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus, any Supplemental Prospectus or any relevant Final Terms comes are required by the Issuer to inform themselves about and to observe any such restriction and shall be deemed to represent to the Issuer that they have complied with such restrictions.

This Base Prospectus together with the relevant Final Terms and any Supplemental Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such a solicitation. The distribution of this Base Prospectus and the offering of Notes in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Base Prospectus comes are required to inform themselves about and to observe such restrictions and shall be deemed to represent to the Issuer that they have complied with such restrictions. Other than as expressly disclosed in this Base Prospectus, no action has been taken which would permit a public offering of the Notes or possession or distribution of this Base Prospectus or any other offering material in any jurisdiction where action for this purpose would be required.



Investors may be professional clients or retail clients for the purpose of the rules of the UK Financial Conduct Authority (the “**FCA Rules**”). Even though the Notes are listed instruments offered under a Prospectus Regulation compliant prospectus, the Notes are considered to fall within the definition of non-mainstream pooled investments (“**NMPI’s**”) for the purposes of the FCA Rules. The investment process for UK retail clients will therefore be that they will be required to self-certify as high net worth individuals or self-certified sophisticated investors as required by the FCA Rules and undergo a preliminary assessment of suitability by Prodigy Services. Per se professional clients and elective professional clients that have qualified to do so will receive access to all promotional material and will have the opportunity to invest in the Notes.

Before Notes are made available to retail investors for the purposes of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the “**PRIIPS Regulation**”), a key information document will be published in accordance with the PRIIPS Regulation. In such cases, the key information document will be available 3 weeks prior to the issue date of the relevant Notes. If you have not received a copy of the key information document you should request this from your stockbroker or other financial intermediary prior to making any investment decision in relation to the relevant Notes

**The Notes have not been, and will not be, registered under the US Securities Act of 1993 (as amended) (the “Securities Act”), and may not be offered or sold within the US or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S) except to “accredited investors” (as defined in Regulation D under the Securities Act (“Regulation D”)) in certain transactions exempt from the registration requirements of the Securities Act. The Issuer has not registered and will not register as an “investment company” under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”), and the purchaser of the Notes will therefore not be entitled to the benefits of the Investment Company Act.**

Notes of each Series will be issued in registered form and will initially be represented by a permanent global registered certificate (each a “**Global Certificate**”) or individual definitive certificates (“**Individual Certificates**”). Each of the Global Certificates will initially be registered in the name of a nominee of, and deposited with a common depository for, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). Beneficial interests in Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. See the Section “**Summary of Provisions relating to the Notes while in Global Form**”.

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, Prodigy Finance and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes, as the Notes described in this Base Prospectus together with the relevant Final Terms and any Supplemental Prospectus may not be suitable for all purchasers of Notes. Purchasers of Notes should have sufficient knowledge and experience in financial, taxation, accounting, capital treatment and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Base Prospectus together with the relevant Final Terms and any Supplemental Prospectus and the merits and risks of investing in the Notes in the context of their financial and regulatory position and circumstances. Investors may be professional clients or retail clients and retail clients will be required to self-certify as high net worth individuals or self-certified sophisticated investors. For “U.S. persons” (as defined in Regulation S) purchasing Notes, the purchaser must be an “accredited investor” (as defined in Regulation D) at the time of the purchase. This Base Prospectus together with the relevant Final Terms and any Supplemental Prospectus does not describe all of the risks and investment considerations applicable to an investment in the Notes. The risks and investment considerations identified in this Base Prospectus together with the relevant Final Terms and any Supplemental Prospectus are provided as general information only and the Issuer disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or as they may from time to time alter.

The Notes may not be a suitable investment for all investors. Each potential investor in any 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 relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to a potential investor's overall portfolio. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Investment by investors in the UK is limited to professional clients or retail clients who are either certified high net worth investors or certified sophisticated investors for the purposes of the rules of the UK Financial Conduct Authority relating to the promotion of non-mainstream pooled investments. For U.S. persons (as defined in Regulation S, only "accredited investors" (as defined in Rule 501 of Regulation D) are permitted to purchase or invest in the Notes. In addition, any investor in the Notes wishing to transfer or sell the Notes to a U.S. person (as defined in Regulation S) may only do so if the purchaser qualifies as an "accredited investor" (as defined in Rule 501 of Regulation D). The transfer of the Notes to a U.S. person (As defined in Regulation S) is also subject to other restrictions and limitations under the Securities Act and SEC regulations.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE SEC OR ANY SECURITIES REGULATORY AUTHORITY OF ANY U.S. STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. EXCEPT AS PROVIDED IN THIS BASE PROSPECTUS AND IN ACCORDANCE WITH RULE 506 (b) OR RULE 506 (c) OF REGULATION D, AS APPLICABLE, THE NOTES 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) OR OTHER INVESTORS IN THE UNITED STATES. THIS BASE PROSPECTUS HAS BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES WITHIN THE UNITED STATES TO U.S. ACCREDITED INVESTORS ONLY PURSUANT TO THE PRIVATE OFFERING EXEMPTION SET FORTH IN RULE 506 (b) OR RULE 506 (c) OF REGULATION D, AS APPLICABLE, AND OUTSIDE THE UNITED STATES TO NON-US PERSONS IN RELIANCE ON REGULATION S AND FOR THE ADMISSION OF THE NOTES ON THE OFFICIAL LIST AND TRADING ON THE REGULATED MARKET OF EURONEXT DUBLIN. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE NOTES AND DISTRIBUTION OF THIS BASE PROSPECTUS, SEE "SUBSCRIPTION, SALE AND TRANSFER RESTRICTIONS".

## PUBLIC OFFERS OF NOTES IN THE EUROPEAN ECONOMIC AREA OR IN THE UNITED KINGDOM





This Base Prospectus has been prepared on a basis that permits offers of Notes that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the Prospectus Regulation (“**Non-exempt Offers**”) in Austria, Belgium, Bulgaria, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Slovenia, Slovak Republic, Spain, Sweden, the Czech Republic, the Netherlands and the United Kingdom (each a “**Non-exempt Offer Jurisdiction**” and together, the “**Non-exempt Offer Jurisdictions**”). Any person making or intending to make a Non-exempt Offer of Notes on the basis of this Base Prospectus must do so only with the Issuer’s consent – see “**Consent given in accordance with Article 5(1) of the Prospectus Regulation**” below.

## **CONSENT GIVEN IN ACCORDANCE WITH ARTICLE 5(1) OF THE PROSPECTUS REGULATION**

In the context of any Non-exempt Offer of Notes, the Issuer may request the Central Bank to provide a certificate of approval in accordance with Article 25 of the Prospectus Regulation in relation to the this Base Prospectus to the competent authorities of of other EEA Member States and/or the UK for the purposes of the Prospectus Regulation.

In the context of any Non-exempt Offer of Notes, the Issuer accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an “**Investor**”) who purchases any Notes in a Non-exempt Offer made by a Placing Agent or an “**Authorised Offeror**” (as defined below), where the offer is made during the Offer Period (as defined in the relevant Final Terms).

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, any Placing Agent accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not the Placing Agent or an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

The Issuer consents to the use of this Base Prospectus (as supplemented at the relevant time, if applicable) in connection with any Non-exempt Offer of Notes in the Non-exempt Offer Jurisdictions specified in the relevant Final Terms during the Offer Period specified in the relevant Final Terms by:

- (a) the Placing Agent specified in the relevant Final Terms;
- (b) any financial intermediaries specified in the relevant Final Terms; and
- (c) any other financial intermediary appointed after the date of the applicable Final Terms who is identified as an Authorised Offeror in respect of the relevant Non-exempt Offer by the publication of their name on the website of Prodigy Finance (<http://s3.prodigyfinance.com/authorised>),

the financial intermediaries referred to in paragraphs (b) and (c) above are together referred to as the “**Authorised Offerors**”.

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

## **ARRANGEMENTS BETWEEN AN INVESTOR AND THE AUTHORISED OFFEROR WHO WILL DISTRIBUTE THE NOTES**

Neither the Issuer nor, for the avoidance of doubt, any Placing Agent has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to such Investor by an Authorised Offeror will be made, in accordance with any terms and other**



arrangements in place between that Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the “Terms and Conditions of the Non-exempt Offer”). The Issuer will not be a party to any such arrangements with such Investor and, accordingly, this Base Prospectus does not, and any Final Terms will not, contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to such Investor by that Authorised Offeror at the time the offer is made. None of the Issuer or, for the avoidance of doubt, any Placing Agent or other Authorised Offerors has any responsibility or liability for such information.



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# 1. GENERAL DESCRIPTION OF THE PROGRAMME

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The following is a general description of the Programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation. The following overview does not purport to be complete and is qualified by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Series (as defined below in "Terms and Conditions") of Notes, the applicable Final Terms.

## Parties

**Issuer:** MBA Community Loans plc, a public limited company incorporated in Ireland and regulated under the Companies Act 2014 (as amended) with registration number 486917. All of the 40,000 issued shares of the Issuer are owned by Apex Trust Nominees No. 1 Limited (the "**Share Trustee**"), which is a company incorporated in England and Wales. Under the terms of a declaration of trust made by the Share Trustee, the Share Trustee holds the benefit of the shares on trust for charity. The Share Trustee has no beneficial interest in the Issuer shares held by it, and derives no benefit other than its fees for acting as Share Trustee.

The principal activity of the Issuer is to issue series ("**Series**") of debt securities ("**Notes**") as part of a €1,000,000,000 note programme for the purposes of acquiring a diversified pool of loans or interests in loans to students ("**Student Loans**") attending courses at leading international universities (including loans to refinance such loans) and entering into related contracts.

**Loan Originator, Loan Servicer, Calculation Agent and Transfer Agent:** Prodigy Finance Limited ("**Prodigy Finance**") of Palladium House, 1-4 Argyll Street, W1F 7LD, London, United Kingdom, has been appointed by the Issuer as "Loan Originator" to originate Student Loans and "Loan Servicer" to service and manage Student Loans. Prodigy Finance has also been appointed as the "Calculation Agent" and "Transfer Agent" for the Notes.

**Principal Paying Agent and Registrar:** Société Générale Luxembourg ("**SGBT**") of 11 avenue emile reuter, L-2420 Luxembourg acts as "Principal Paying Agent" and "Registrar" in respect of Notes accepted to the respective book-entry systems of Euroclear and Clearstream, Luxembourg and represented by Global Certificates.

**Trustee:** Apex Corporate Trustees (UK) Limited (formerly known as Link Corporate Trustees (UK) Limited), acting through its office at 6<sup>th</sup> Floor, 125 Wood Street, London, EC2V 7AN, United Kingdom acts as "Trustee" in respect of the Notes.

**Back-Up Servicer:** Link Financial Outsourcing Limited of Camelford House, 89 Albert Embankment, London SE1 7TP acts as "Back-Up Servicer" in respect of the Student Loans.



**Permanent Placing Agent:** Prodigy Services Limited of Palladium House, 1-4 Argyll Street, W1F 7LD, London, United Kingdom, has been appointed by the Issuer as “Permanent Placing Agent” in respect of Notes issued under the Programme.

Each of the Permanent Placing Agent and Prodigy Finance is a subsidiary of Prodigy Investments Limited, a company incorporated in England (registered number 09309287) with registered office at Palladium House, 1-4 Argyll Street, London W1F, 71D, United Kingdom.

**Corporate Services Provider:** Apex IFS Limited of 2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 2, Ireland is the “Corporate Services Provider” of the Issuer.

**Account Bank:** For each Series, the Issuer will open an account with HSBC UK Bank Plc (City of London Commercial Centre, 28 Borough High Street, London SE1 1YB), or such other bank as may be agreed by the Issuer, Prodigy Finance and the Trustee from time to time, which will act as “Account Bank” for the Issuer.

### Notes are backed by Student Loans

The proceeds of each Series of Notes will be used to acquire Student Loans during a specific period in advance of the first interest payment date of such Series (“**Acquisition Period**”) for such Series of Notes. Each Series will be secured on and serviced by the cashflows generated by the Student Loans so acquired, as the same may be exchanged, as described further below (the Student Loans being held by the Issuer from time to time as security for a Series of Notes being the “**Relevant Student Loans**” with respect to such Series).

The Issuer will acquire Student Loans for a purchase price equal to the outstanding principal amount plus any accrued interest, subject, in the case of any Series to which “Impaired Student Loans” is stated to apply in the applicable Final Terms, to a discount applied by the Loan Originator to any Student Loans that have a delinquency, arrears or default status under the Loan Servicer’s Loan Management Policy (as defined in Section 6 “**Loan Servicing Process**”) (“**Impaired Student Loans**”).

The Loan Originator is appointed to originate Student Loans to borrowers (the “**Borrowers**”) that meet eligibility requirements (the “**Eligibility Criteria**”) as follows:

- Borrower must be accepted into an “Eligible Course” at an “Eligible Institution”.
- Borrower must meet the Loan Originator’s affordability criteria.
- Loan Originator must be satisfied with the results of a credit bureau or background check on each Borrower.
- Borrower must be a resident of an “Eligible Country”, which shall be described in the Loan Originations Credit Policy (as defined in Section 5 “**Loan Origination and Sale Process**”).
- Loan Originator must receive valid proof of identity and residence for each Borrower.
- Student Loan must be denominated in the same currency as the relevant Series of Notes.
- For a Student Loan that refinances an existing third party loan borrowed by the Borrower, the Borrower must use or have used the loan to be refinanced for the purposes of tuition fees and/or living expenses associated with the Borrower’s enrolment as a student in an Eligible Course at an Eligible Institution and the Student Loan must be used to repay the loan borrowed for that purpose.

If “In Specie Subscription” is applicable to the Series, the proceeds of the relevant Series of Notes may be used by the Issuer to acquire Student Loans made to Borrowers who attend (or attended) the Eligible Institution(s)



for that Series notwithstanding that such Student Loans may be Impaired Student Loans and/or may not meet all Eligibility Criteria and/or the criteria specified in the section of the applicable Final Terms entitled “Provisions relating to Student Loans”.

Save as aforesaid, the Relevant Student Loans for a Series of Notes and any Student Loans exchanged therefor (as described below) must comply with the “Provisions relating to Student Loans” that are applicable to the Series, as specified in the applicable Final Terms, including any geographic, institutional, impairment and gender concentration requirements.

The Relevant Student Loans are documented by English law governed loan agreements developed by the Loan Originator with the assistance of a leading global law firm. The Loan Originator enters into a loan agreement as lender with each Borrower (the “**Loan Agreements**”).

### **Collateralisation**

Each Series of Notes will be secured by first ranking security interest over:

- i. the Relevant Student Loans;
- ii. the Series Account established for the Series;
- iii. the Issuer’s rights, title and interest under the transaction documents relating to the Programme to the extent relating to the Series; and
- iv. the Issuer’s rights, title and interest under the Repayment Account Declaration of Trust (as defined below in Section 6 “Loan Servicing Process”) to the extent relating to amounts that represent payments made by Borrowers in respect of the Relevant Student Loans.

If applicable to a Series only, the Issuer’s interest in any Borrower life insurance cover and/or any financial guarantee will also be included in the security for such Series.

The security for each Series will be constituted by the Trust Deed for that Series (which is comprised of the Principal Trust Deed as supplemented by the Supplemental Trust Deed for that Series).

The Loan Originator may recommend to the Issuer that some or all of the Relevant Student Loans securing a Series should be exchanged for other Student Loans that satisfy the Eligibility Criteria (if applicable) and the “Provisions relating to Student Loans” applicable to the Series as specified in the applicable Final Terms. Upon receipt of such a recommendation, the Issuer may direct the Trustee to execute any document required to release the Relevant Student Loan(s) being replaced from the security interests created by the Trust Deed for that Series and take a first ranking security interest over those replacement Student Loan(s) and the Trustee shall be obliged to do so provided the Loan Originator has confirmed to the Issuer in writing (with a copy to the Trustee) that on the exchange date (a) each replacement Student Loan satisfies the relevant requirements applicable to Relevant Student Loans acquired by the Issuer, (b) in relation to the replacement of any Impaired Student Loan(s), the aggregate market value of the replacement Student Loan(s) is no less than the market value of the Impaired Student Loan(s) being replaced; and (c) in relation to the replacement of any Relevant Student Loan(s) that are not Impaired Student Loans, the replacement Student Loan(s) is/are not Impaired Student Loans and the principal amount plus the aggregate accrued and expected interest amount due under the replacement Student Loan(s) is equal to or greater than the aggregate outstanding principal amount plus



the aggregate accrued and expected interest amount due under the Relevant Student Loan(s) that is/are being replaced.

For each Series of Notes, the Loan Originator is entitled to receive an origination fee, and the relevant Placing Agent is entitled to receive a placing agency fee, which may result in the aggregate amount available to the Issuer to purchase Relevant Student Loans from the proceeds of issue of such Series of Notes being less than the aggregate principal amount outstanding of the relevant Series of Notes immediately after the Issue Date. In addition, where a particular Relevant Student Loan is impaired, that position is recognised in the profit and loss account of the Issuer as the difference between the carrying amount of the Relevant Student Loan and expected recoverability with respect to it. Specific provisions are included for Relevant Student Loans more than 180 days in arrears, while a non-specific provision (based on an incurred but not reported model) is made for Relevant Student Loans in arrears for up to 180 days. While this provisioning may result in a loan to value ratio of less than 100% for a Series affected by impaired Relevant Student Loans, the aggregate interest payable to the Issuer on Relevant Student Loans will exceed the aggregate interest payable on Notes of the relevant Series, providing for the possibility that the accumulated interest margin on performing Relevant Student Loans will be sufficient to offset losses on the defaulted Relevant Student Loans.

Borrowers studying on a full time basis are provided with a grace period (the “**Grace Period**”) before Relevant Student Loan repayment obligations commence. The Loan Servicer may consent to the extension of a Grace Period by up to 12 months in the event the relevant Borrower wishes to defer or extend their period of study. Typically Grace Periods end six months after course completion for students studying on a full-time basis (such six month period is afforded to Borrowers in order for them to find employment).

No minimum level of collateralisation is required pursuant to the terms and conditions of the Notes.

In addition to the power of the Loan Originator to recommend exchanges of Relevant Student Loans as described above, the Loan Originator may, at any time prior to the Maturity Date of a Series of Notes, recommend to the Issuer that the Relevant Student Loans should be sold, including if the sale is considered likely to result in payment of a higher redemption amount in respect of Notes of that Series than would result from the Issuer holding the Relevant Student Loans to maturity and enforcing on defaulting Relevant Student Loans.

### **Flow of Funds**

The issue proceeds of each Series of Notes will initially be lodged into a bank account established for that Series with the Account Bank (“**Series Account**”).

During the Acquisition Period for a Series, funds credited to the relevant Series Account will be used by the Issuer to pay Permitted Expenses and acquire Student Loans, which, subject to exchange as described above, shall comprise the Relevant Student Loans for such Series.

The disbursement of Student Loans is carried out by the Loan Originator when the Student Loan is acquired by the Issuer and collection of Student Loan repayments from the Borrowers is managed on behalf of the Issuer by the Loan Servicer.



Borrowers may be directed to make repayments on their Student Loans to a collections account held by Prodigy Repayments Limited, a special purpose entity, with HSBC UK Bank plc (or any replacement collection account bank), which account is the subject of a trust arrangement under which the Issuer has a beneficial interest in funds credited thereto by Borrowers in respect of Relevant Student Loans pending transfer of such funds to the relevant Series Account. Borrowers may also be permitted to make repayments on Relevant Student Loans through a payment service provider, which shall be directed to transfer such repayments to the relevant Series Account or to Prodigy Repayments Limited above pending transfer to the relevant Series Account.

Repayments of principal and payments of interest and any other amounts on Relevant Student Loans will be credited directly or indirectly to the relevant Series Account as described above and will be applied in accordance with the applicable Priorities of Payments (described below).

### **Financial Guarantee**

If so specified in the applicable Final Terms, a Series of Notes may benefit from a financial guarantee in respect of the Borrowers' obligations under Relevant Student Loans given by an Eligible Institution for that Series or a related entity of such an Eligible Institution. Details of any such financial guarantee and of the guarantor will be set out in a supplement to this Base Prospectus.

### **The Notes**

The Notes of each Series will constitute secured obligations of the Issuer ranking *pari passu* and without any preference amongst themselves.

The Notes are issued in Series and each Series may be issued in tranches (each a "**Tranche**") on the same or different Issue Dates.

The specific terms of each Tranche will be identical except for the Issue Date, Issue Price, Acquisition Period, first payment of interest, accrued interest and notional amount of the Tranche.

The Notes will be issued in registered form and will be represented by certificates, one certificate being issued in respect of each Noteholder's entire holding of Notes of one Series. Certificates representing Notes that are registered in the name of a nominee of a depositary for one or more clearing systems are referred to as "*Global Certificates*".

The Notes may be denominated in any currency as specified in the applicable Final Terms.

The offering of the Notes will be subject to offer restrictions in the U.S., the UK and the EEA and to any applicable offer restrictions in any other jurisdiction in which offered.

With respect to the U.S., the Notes will be sold outside the U.S. to non-U.S. persons in reliance on Regulation S. Notes will be sold in the U.S. to U.S. persons (as defined in Regulation S) who qualify as "accredited investors" under Rule 506(b) or Rule 506(c) of Regulation D, as applicable.





Each non-U.S. person purchasing the Notes from the Issuer agrees that if it offers or sells the Notes prior to the expiration of 40 days after the closing date of the offering of the Notes, it will not make such an offer or sale to a U.S. person (as defined in Regulation S) or for the account or benefit of any such U.S. person; and that any subsequent offer or sale to a U.S. person (as defined in Regulation S) may only be made to an “accredited investor” (as defined in Rule 501(a) of Regulation D).

Each U.S. person (as defined in Regulation S) purchasing the Notes from the Issuer agrees that if in future it decides to offer, resell, pledge or otherwise transfer such Notes purchased by it, any offer, resale or transfer will be made in compliance with the Securities Act and any regulation promulgated thereunder by the SEC, the Investment Company Act and any applicable U.S. state securities laws, and with respect to any prospective purchaser who is a U.S. person (as defined in Regulation S), such prospective purchaser shall be an “accredited investor” (as defined in Rule 501(a) of Regulation D).

Interests in Notes traded in Euroclear and Clearstream, Luxembourg and/or any other clearing system will be transferred in accordance with the procedures and regulations of the relevant clearing system.

### **Priorities of Payments**

Prior to the enforcement of the security constituted by the Trust Deed in respect of a Series, payments in respect of that Series shall be made by the Issuer on each Payment Date (or Additional Payment Date (as defined in the Conditions), if applicable) from funds standing to the credit of the relevant Series Account in accordance with the following order of priority (the “**Pre-Enforcement Priorities of Payments**”):

- i. *first*, in payment or satisfaction of that Series’ pro rata portion of all amounts then due and unpaid under Clause 13 of the Principal Trust Deed to the Trustee and/or any permitted appointee of the Trustee;
- ii. *second*, in or towards payment of that Series’ pro rata portion of any amounts owed by the Issuer to the Irish tax authorities and required to be paid by the Issuer;
- iii. *third*, in or towards payment or discharge of that Series’ pro rata portion of all amounts which are due to the Loan Servicer pursuant to the LSA (including amounts due to the Loan Servicer to reimburse it for Permitted Expenses it has paid on behalf of the Issuer and in respect of which it has issued a written request to the Issuer for reimbursement);
- iv. *fourth*, in or towards the payment of that Series’ profit amount of €100 per annum to the Issuer, which shall be retained by the Issuer and shall be available for distribution to its shareholders subject to applicable law;
- v. *fifth*, where the balance then remaining available for distribution is less than the Threshold Amount, in retention of that balance as a payment reserve to be applied in accordance with the applicable Priorities of Payments on the next Payment Date (or Additional Payment Date, if applicable) after that Payment Date (or Additional Payment Date, if applicable);



- vi. *sixth*, pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of interest then due and payable under or in respect of Notes of that Series in an amount up to the Accrued Interest Balance (as defined in the Conditions);
- vii. *seventh*, pro rata and pari passu to the Noteholders in or towards the repayment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes of that Series;
- viii. *eighth*, pro rata and pari passu in or towards (a) reimbursement of the Loan Servicer for that Series' pro rata portion of Permitted Expenses paid by the Loan Servicer on behalf of the Issuer and for which the Loan Servicer has not been reimbursed under paragraph (iii) above and (b) payment or discharge of that Series' pro rata portion of Permitted Expenses incurred by the Issuer and not paid by the Loan Servicer on behalf of the Issuer; and
- ix. *ninth*, following the release of the security over the relevant Series Account, the Issuer shall authorise the Loan Servicer to apply the balance (if any) on the Series Account (a) firstly, in reimbursement of the Loan Servicer for any Permitted Expenses paid by the Loan Servicer on behalf of the Issuer and for which the Loan Servicer has not been reimbursed from funds credited to other Series Accounts applied in accordance with the Priorities of Payments applicable to the disbursement of such funds in accordance with the terms and conditions of such other Series as a consequence of a lack of available funds and (b) secondly, pro rata and pari passu, in or towards payment or discharge of unpaid Permitted Expenses not discharged from funds credited to other Series Accounts applied in accordance with the Priorities of Payments applicable to the disbursement of such funds in accordance with the terms and conditions of such other Series as a consequence of a lack of available funds, and (c) thereafter, any surplus shall be retained by the Issuer,

**PROVIDED THAT** on any date on which a distribution is to be made where the proceeds available for distribution are sufficient to pay in full all amounts then owing under paragraphs (i) to (iv) above and the balance remaining for distribution exceeds the Threshold Amount, the Issuer shall apply such balance in accordance with paragraphs (vi) to (ix) above and shall disregard paragraph (v).

The Issuer may on any date pay to the Loan Servicer from the Series Account any amount due to the Loan Servicer in respect of the Servicing Fee. Similarly, the Issuer may on any date pay to the Trustee from the Series Account any amount due to the Trustee in respect of the relevant Series.

Subject to the provisions of the Trust Deed, the Trustee shall retain all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the security constituted thereby on trust to apply them in the following order of priority (the "**Post-Enforcement Priorities of Payments**" and together with the Pre-Enforcement Priorities of Payments, the "**Priorities of Payments**"):

- i. *first*, in payment or satisfaction of that Series' pro rata portion of the fees, costs, charges, expenses and liabilities incurred by or payable to the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including the costs of realising any Security and the Trustee's or receiver's remuneration);



- ii. *second*, in or towards payment of that Series' pro rata portion of any amounts owed by the Issuer to the Irish tax authorities and required to be paid by the Issuer;
- iii. *third*, in or towards payment or discharge of that Series' pro rata portion of all amounts which are due to the Loan Servicer pursuant to the LSA (including amounts due to the Loan Servicer to reimburse it for Permitted Expenses it has paid on behalf of the Issuer and in respect of which it has issued a written request to the Issuer to be reimbursed);
- iv. *fourth*, pro rata and pari passu in or towards (a) reimbursement of the Loan Servicer for that Series' pro rata portion of Permitted Expenses paid by the Loan Servicer on behalf of the Issuer and for which the Loan Servicer has not been reimbursed under item (iii) above and (b) payment or discharge of that Series' pro rata portion of Permitted Expenses not paid by the Loan Servicer on behalf of the Issuer;
- v. *fifth*, in or towards the payment of that Series' profit fee of €100 per annum to the Issuer, which shall be retained by the Issuer and available for distribution to its shareholders subject to applicable law;
- vi. *sixth*, pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of interest then due and payable under or in respect of the Notes of that Series in an amount up to the Accrued Interest Balance;
- vii. *seventh*, pro rata and pari passu to the Noteholders in or towards the repayment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes of that Series; and
- viii. *eighth*, thereafter, the balance (if any) standing to the credit of the Series Account shall be applied (a) firstly, in reimbursement of the Loan Servicer for any Permitted Expenses paid by the Loan Servicer on behalf of the Issuer and for which the Loan Servicer has not been reimbursed from funds credited to other Series Accounts applied in accordance with the Priorities of Payments applicable to the disbursement of such funds in accordance with the terms and conditions of such other Series as a consequence of a lack of available funds and (b) secondly, pro rata and pari passu, in or towards payment or discharge of unpaid Permitted Expenses not discharged from funds credited to other Series Accounts applied in accordance with the Priorities of Payments applicable to the disbursement of such funds in accordance with the terms and conditions of such other Series as a consequence of a lack of available funds, and (c) thereafter, any surplus shall be retained by the Issuer.

**"Permitted Expenses"** include amounts payable to the service providers appointed by the Issuer (including, but not limited to, the Calculation Agent, the Corporate Services Provider, the Registrar, the Principal Paying Agent, the Transfer Agent, the Placing Agents, the Loan Originator, the Loan Servicer and the Back-Up Servicer), auditors' fees and expenses, legal fees and expenses including fees incurred in pursuing a defaulting borrower and enforcement costs, broker fees incurred in connection with the placement of Notes, directors' fees and expenses, any Irish statutory or regulatory fee, reserve, tax, charge or expense and all costs and expenses associated with the administration, dissolution and/or liquidation of the Issuer.



The Notes of each Series are limited recourse obligations of the Issuer. All payments to be made by the Issuer in respect of the Notes of a particular Series will be made only to the extent of the sums received in respect of the Relevant Student Loans for such Series or otherwise in respect of the assets on which such Series is secured or from the proceeds of realisation or enforcement of the security for the Series, subject in all cases to the applicable Priorities of Payments.

### Interest Payments

Each Series of Notes will seek to provide a return to Noteholders calculated at a fixed margin above a variable Base Rate (the “**Target Interest Rate**”), such Base Rate being whichever of EURIBOR, USD LIBOR, GBP LIBOR, US Prime Lending Rate and Bank of England Base Rate is applicable to the Series, as specified in the applicable Final Terms, provided that if and for so long as the relevant Base Rate is negative, it shall be deemed to be zero for the purposes of determining the interest rate applicable to the Notes.

Interest will begin to accrue from the “Interest Commencement Date”. The calculation dates for interest and the applicable Target Interest Rate or its method of calculation may differ in respect of Notes of different Series.

For each Interest Period (as defined in the Conditions), the “Accrued Interest Balance” will be the “Current Interest Amount” plus any amounts of interest accrued but not yet paid in previous Interest Periods.

The Current Interest Amount is calculated by the Calculation Agent by applying the Target Interest Rate to the Notional Principal Amount for the Interest Period on the Calculation Date. For any Calculation Date, the Notional Amount of a Note shall be the outstanding principal amount of such Note plus any interest amounts not yet paid from previous Interest Periods.

The Interest Periods shall be the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Calculation Date and each successive period beginning on (and including) a Calculation Date and ending on (but excluding) the following Calculation Date.

There is no assurance that on any Payment Date there will be sufficient available funds in the relevant Series Account to pay the Accrued Interest Balance on the Notes and interest shall (in any event) only be paid where funds available to pay interest and principal exceed the Threshold Amount (being €500 for Euro denominated Series, £500 for Sterling denominated Series and US\$500 for US dollar denominated Series). If there are insufficient available funds in the relevant Series Account to pay the Accrued Interest Balance, interest will continue to accrue at the Target Interest Rate and payment will be deferred until the following Payment Date, and that deferral will not constitute an Event of Default.

### Principal Payments

On each Payment Date on which funds available in the relevant Series Account to pay interest and principal exceed the Threshold Amount, once the Accrued Interest Balance has been paid in full, any remaining available funds will be paid out to Noteholders to partially (or fully) redeem the principal balance of the Notes in accordance with the applicable Priorities of Payments.



Failure to pay principal on a Payment Date due to lack of available funds in the Series Account will not constitute an Event of Default but will result in deferral until the next Payment Date.

### Redemption on Maturity

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be redeemed on its Maturity Date. If insufficient funds are available to the Issuer in the relevant Series Account to redeem the Notes in full on the Maturity Date, the Maturity Date will be automatically postponed to the then next falling anniversary of that date and such postponement to the next falling anniversary will be repeated annually unless, in advance of any such anniversary, the Notes have been redeemed in full and cancelled. Interest shall not accrue during the aforementioned period of postponement (the “**Post-Maturity Repayment Period**”).

During the Post-Maturity Repayment Period, if applicable to a Series, the Issuer may request the Loan Servicer, acting in a commercially reasonable manner, to value (or arrange the valuation of) the Relevant Student Loans that remain outstanding (the aggregate amount at which such loans are valued being the “**Post-Maturity Valuation Amount**”). The Issuer may, within 30 calendar days’ of any such valuation and provided it has the requisite available funds to do so, on giving no less than 10 calendar days’ notice to the Noteholders and the Trustee, distribute an amount equal to the Post-Maturity Valuation Amount together with any other funds then standing to the credit of the Series Account in accordance with the applicable Priorities of Payments, which payment shall be in full and final discharge of all amounts of interest and principal then due and payable under or in respect of the Notes of the relevant Series. If such a distribution is made by the Issuer, the rights of the Noteholders to receive any further amounts in respect of the Notes shall be extinguished and the Notes shall thereupon be redeemed in full and cancelled.

In the event the Loan Servicer confirms to the Issuer and the Trustee that there is no realistic prospect of collecting further funds from Borrowers of Relevant Student Loans in accordance with its Loan Management Policy, the Issuer shall so notify the Noteholders in accordance with the Conditions. The Notes shall thereupon be redeemed in full and cancelled and the rights of the Noteholders to receive any further amounts in respect of the Notes shall be extinguished.

Although a Maturity Date is specified for each Series, as principal payments may be made on each Payment Date subject to the disbursement of funds standing to the credit of the relevant Series Account in accordance with the applicable Priorities of Payments, Notes may be fully repaid prior to their stated Maturity Date without notice to investors.



## 2. RISK FACTORS

*In purchasing Notes, investors assume the risk that the Issuer may be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. 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.*

*The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in this Base Prospectus as supplemented from time to time.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.*

*The following is a summary and is not intended to be an exhaustive description of all of the risks and investment considerations relevant to an investment in any Notes. Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. In particular, investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. The following investment considerations, alone or collectively, may reduce the return on the Notes and could result in the loss of all or a portion of a Noteholder's investment in the Notes. Each prospective purchaser of Notes is solely responsible for making its own independent appraisal of all such matters and such other matters as the prospective purchaser deems appropriate, in determining whether to purchase Notes and that an investment in the Notes is suitable for its investment purposes.*

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## RISK FACTORS RELATING TO THE ISSUER

### A. Risks arising from the nature of the Issuer

#### Notes are solely liabilities of the Issuer

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

#### Limited resources of the Issuer

The Issuer's ability to meet its obligations in respect of the Notes of a Series, its operating expenses and its administrative expenses is wholly dependent upon (i) payments of instalments by Borrowers of Relevant Student Loans, (ii) payments under any financial guarantee in respect of the Relevant Student Loans, (iii) any available cash reserves held in the Series Account for that Series, and (iv) the performance by all of the parties to the transaction documents relating to the Programme (other than the Issuer) of their respective obligations under such transaction documents.

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

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

Also, the Loan Servicer has discretion to write off a Student Loan rather than taking proceedings to enforce repayment. In the event the Maturity Date of a Series is postponed in accordance with the Conditions due to lack of available funds to redeem the Notes on the relevant Maturity Date, interest shall not accrue during the period of such postponement.





In respect of each Series of Notes, in the event the Loan Servicer confirms to the Issuer and the Trustee that there is no realistic prospect of collecting further funds from Borrowers of Relevant Student Loans in accordance with its Loan Management Policy, the Issuer shall so notify the Noteholders and the obligations of the Issuer to the Noteholders in respect of that Series of Notes shall be immediately extinguished and the Notes shall be deemed to be redeemed and cancelled. Consequently, the return on the Notes may be significantly diminished.

Except as otherwise disclosed in the Conditions and in the Trust Deed with respect to a Series, the Noteholders have no proprietary or other direct interest in the Issuer's rights under or in respect of any Relevant Student Loans or any related financial guarantee or Borrower life insurance. Subject to the terms of the Trust Deed with respect to a Series, no Noteholder will have any entitlement to enforce any of the provisions of the Relevant Students Loans (or any other Student Loans) or have direct recourse to the corresponding Borrowers (or any other Borrower) except through action by the Trustee under the Trust Deed.

### **No regulation of the Issuer by any regulatory authority**

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

### **Taxation**

The Issuer expects but cannot be certain that instalments it receives from Borrowers will not be reduced by withholding taxes imposed by other countries from which such payments are sourced. Instalments and payments made by the Issuer on the Notes, however, might become subject to withholding taxes due to a change in law or other causes. The imposition of unanticipated withholding taxes could materially impair the Issuer's ability to pay principal of, interest on, and other amounts owing in respect of, the Notes.

### **U.S. federal income taxation of U.S. holders**

There are no statutory provisions, regulations, published rulings, or judicial decisions that directly address the characterization of the Notes or instruments similar to the Notes for U.S. federal income tax purposes, and their characterization for U.S. federal income tax purposes is not clear. U.S. Holders (as defined below) investing in any particular Series of Notes may be treated as holding either a debt instrument, equity in a passive foreign investment company, or possibly some other financial instrument or arrangement. Accordingly, the manner, amount, and timing for which a U.S. Holder will be required to report income and gain the Notes is uncertain. See Section 14 "Material U.S. Federal Income Tax Considerations" for further discussion of the potential U.S. tax characterizations of the Notes.

### **Foreign account tax compliance act ("FATCA")**

FATCA imposes a 30% US withholding tax on certain US source income and certain payments of proceeds from the sale of property that could give rise to US source interest or dividends made by financial institutions unless that financial institution has entered into an agreement with the US Internal Revenue Service to directly report certain information on Account Holders who are US persons, or is otherwise outside the scope of FATCA.

The Issuer has taken advice on the extent of the obligations that have resulted for it in relation to the implementation of FATCA in Ireland (by the Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013, and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended)), having regard to guidance notes issued by the Irish Revenue Commissioners. On the basis that the Issuer is an Investment Entity (as



defined in the Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013 of Ireland), debt interests resulting from the Notes are not subject to FATCA due diligence procedures because all Notes are listed on Euronext Dublin, which is an "established securities market". None of the Issuer, the Loan Originator, the Loan Servicer or the Permanent Placing Agent is aware of circumstances that would require the Issuer to be categorised as a Financial Institution for reasons other than that it is an Investment Entity (as defined in the Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013 of Ireland). This position on the extent of the FATCA obligations in Ireland of the Issuer results from current guidance notes issued by the Irish Revenue Commissioners and it remains possible that this position could be disputed, or the relevant guidance notes could be amended.

### **Security granted by the Issuer could be declared invalid**

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

### **Recharacterisation of security interests granted by the Issuer**

Under Irish law, for a charge to be characterised as a fixed charge, it must be expressed to be such and the charge holder must be entitled to and must in practice exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. A security interest expressed to be of a fixed nature may be recharacterised as floating by an Irish court if the court determines that all of the above features are not present throughout the life of the arrangements.

In the case of any security granted by the Issuer to secure its obligations under a Series of Notes which is expressed to be of a fixed nature, there can be no assurance that a court would not nevertheless recharacterise such security as floating. The priority of the holder of floating security is more vulnerable than that of the holder of fixed security in certain circumstances. See further "Claims of preferred creditors of the Issuer may rank ahead of Noteholders' claims under Irish law" below.

### **Claims of preferred creditors of the Issuer may rank ahead of Noteholders' claims under Irish law**

Under Irish law, upon an insolvency or examinership of an Irish company such as the Issuer when applying the proceeds of assets subject to fixed security which have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which includes any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts.

The interest of secured creditors in property and assets of an Irish company over which there is a floating charge only will rank behind the claims of certain preferential creditors on enforcement of such security. Preferential creditors include the Irish Revenue Commissioners, statutory redundancy payments due to employees (including where those employees have been made redundant as a result of the liquidation of the borrower) and money due to be paid by the Irish company in respect of employers contributions under any pension scheme.

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due



to it by the company. Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of an Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

### **An examiner could be appointed to the Issuer**

Examinership is a court moratorium/protection procedure available under Irish company law. An examiner may be appointed to a company which is likely to be insolvent if the court is satisfied that there is a reasonable prospect of the survival of the company and all or part of its undertaking as a going concern. During the examinership period (70 days, or longer in certain circumstances) the company is protected from most forms of enforcement procedure and the rights of its secured creditors are largely suspended. Accordingly, if an examiner is appointed to the Issuer, the Trustee would be precluded from enforcing any security granted to it by the Issuer during the period of the examinership. An examiner has various powers during the examinership period, including power to deal with charged property of the company, repudiate certain contracts, and incur borrowing costs and other expenses some of which will take priority over rights of secured creditors. If the examiner concludes that it would facilitate the survival of the company as a going concern, he must formulate proposals for a compromise or scheme of arrangement in relation to the company. The members and creditors of the company will have an opportunity to consider any such proposals, and the proposals require court approval. A compromise or scheme of arrangement, if confirmed by the court, is binding on creditors (including secured creditors) and may result in amounts payable to creditors (including secured creditors) being reduced.

The primary risks to the Noteholders if an examiner were to be appointed to the Issuer are as follows:

- the potential for a scheme of arrangement being approved involving the writing down of the debt due by the Issuer to the Noteholders;
- the potential for the examiner to seek to set aside any negative pledge in the terms and conditions of the Notes prohibiting the creation of security or the incurrence of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- in the event that a scheme of arrangement is not approved, and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over any amounts owed to the Noteholders under the Notes.

## **B. Risks arising from the Issuer's reliance on third parties**

### **Insolvency risk**

For Series of Notes which are supported by a partial financial guarantee in respect of the Relevant Student Loans backing that Series, in the event of the insolvency of the entity providing the guarantee, the Issuer would be an unsecured creditor and would rank on a pari passu basis with other unsecured creditors (if any) of the guarantor. In such a scenario it is possible that the Issuer would not receive any payment under the financial guarantee.



Insolvency of the Account Bank could adversely affect the funds held on account for the Issuer in Series Accounts and, as a consequence, the return on the Notes. Insolvency of HSBC UK Bank PLC could affect the funds held on account for Prodigy Repayments Limited, a special purpose entity established to hold collections accounts into which borrowers of student loans originated by the Loan Originator (including, but not limited to, those sold to the Issuer), may be directed to make payments on their student loans in advance of such payments being transferred (in the case of loans sold to the Issuer) to the relevant Series Account of the Issuer and, accordingly, could affect funds in which the Issuer has an interest and, as a consequence, the return on the Notes. Insolvency of any bank holding funds on account for any other special purpose entity (Prodigy Repayments Limited and each such entity being a “**Repayments SPV**”) established to hold collections accounts into which Borrowers may be directed to make payments on their Student Loans and/or any payment service provider contracted by the Loan Servicer, could also affect such funds in which the Issuer has an interest and, as a consequence, the return on the Notes.

It should be noted that upon the issuance of each Series of Notes, the proceeds thereof initially remain in the relevant Series Account pending transfer to (i) the Eligible Institution(s), Borrower(s) or third party lender(s), as applicable, in settlement of the purchase price for each Student Loan, (ii) the relevant party as a payment of Permitted Expenses or (iii) Noteholders towards redemption of the Notes (to the extent they are not applied for the foregoing purposes) on the first Payment Date applicable to the relevant Series. Insolvency of the Account Bank, HSBC UK Bank PLC, or any other bank with whom a Repayments SPV or payment service provider holds funds on account for the benefit of the Issuer would only be expected to affect the balance of Student Loan payments received in the relevant account during the then current Interest Period. Pursuant to the terms of the Servicing Agreement, the Loan Servicer is obliged to transfer (or to procure the transfer of) amounts representing payments by Borrowers received by it or received by Prodigy Repayments Limited (or any other Repayments SPV) or a payment service provider on its behalf, to the relevant Series Account on a monthly basis and accordingly insolvency of the relevant bank would only be expected to affect the balance of Student Loan payments received in the relevant account(s) following the most recent transfer to the Series Account).

#### **Risk of insufficient Student Loan origination**

The Issuer depends on the Loan Originator to originate sufficient Student Loans for acquisition by the Issuer as Relevant Student Loans for a Series of Notes. For each Series, the Loan Originator forecasts the amount of Relevant Student Loans it anticipates will be disbursed based on its interactions with potential borrowers prior to the Issue Date of the relevant Series. However, the Loan Originator is not required to have in place any legally binding agreements with Borrowers in respect of any Student Loans when the Issue Date of the relevant Series occurs. Accordingly it may disburse fewer Student Loans than anticipated. Conversely, for a number of existing Series, actual demand for Student Loans eligible as Relevant Student Loans for such Series has exceeded that anticipated by the Loan Originator. With a view to servicing excess demand without the cost of issuing an additional Tranche for the relevant Series, the Issuer may elect to issue a Tranche of the Series in an aggregate nominal amount greater than the anticipated aggregate principal amount of Relevant Student Loans for such Series.

In such cases, the Issuer may specify an applicable "Overcapitalisation Level" in the Final Terms for a Series to indicate that it has identified a particular level of demand from potential borrowers for Relevant Student Loans at the Issue Date but has issued a Tranche of the relevant Series of Notes in an aggregate nominal amount that is greater than the aggregate principal amount of such Relevant Student Loans (such excess amount as a percentage of the aggregate nominal amount of the Tranche being the specified Overcapitalisation Level), in anticipation of there being further demand for Relevant Student Loans from Borrowers during the Acquisition Period. Any amounts which represent the proceeds of a Tranche issuance which the Issuer has not utilised during the Acquisition Period to pay Permitted Expenses and/or purchase Relevant Student Loans will be repaid to Noteholders on a pro rata basis towards redemption of the Notes in accordance with the Priorities of Payments on the Payment Date that follows the Acquisition Period. This might reduce the overall return on the Notes of such Series.



## **Reliance on Loan Servicer**

Following the origination of Student Loans by the Loan Originator and their acquisition by the Issuer, the Issuer will rely on the Loan Servicer (currently Prodigy Finance) to service and manage such Student Loans on its behalf. The Loan Servicer will service and manage Student Loans on behalf of the Issuer in accordance with its Loan Management Policy (as defined in Section 6 “**Loan Servicing Process**”).

The performance of any investment in any Notes will be dependent on, *inter alia*, the ability of the Loan Servicer to service and manage the Relevant Student Loans and the performance by the Loan Servicer of its obligations under the Loan Servicing Agreement (as defined in Section 6 “**Loan Servicing Process**”). The Loan Servicer is not required to devote all of its time and resources to servicing and managing Student Loans on behalf of the Issuer. The Loan Servicer services Student Loans held on its own account and provides loan servicing and management to other entities in addition to the Issuer. The return on the Notes could be adversely affected by the actions of the Loan Servicer and/or its ability to perform its obligations under the Loan Servicing Agreement.

## **Certain conflicts of interest**

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

The Loan Originator (currently Prodigy Finance) has rights to recommend sale, re-financing or other dealings with the Student Loans. If any Series of Notes is redeemed in full and there are still excess funds available in the relevant Series Account following payment of all amounts due in respect of such Series, the Priorities of Payments stipulates that the Issuer shall use such surplus to, amongst other things, discharge fees and expenses relating to any other Series to the extent there are insufficient funds in the relevant Series Account to discharge same. As a result, Prodigy Finance may benefit from early redemption of a Series.

## **Regulation of Prodigy Finance**

Prodigy Finance is licensed for its credit activities by the Financial Conduct Authority of the United Kingdom under firm reference number 709641 but is not licensed or authorised under any other securities, commodities, insurance or banking laws of any jurisdiction outside of the United Kingdom, subject to the licences mentioned below. In the U.S., Prodigy Finance holds consumer lending licenses in 8 states, servicing licenses in 16 states, is registered as a consumer credit provider in 4 more states and has applications pending in 7 further states (2 credit and 5 servicing licenses). Further applications for lending and/or servicing licenses may follow in due course. Regulatory authorities in one or more jurisdictions could take a contrary view to that taken by Prodigy Finance regarding the applicability of any such laws to it, which could have an adverse impact on its ability to originate and/or service Student Loans, which in turn could adversely affect the holders of Notes.

## **Risks relating to the Trustee’s costs, fees and expenses**

Investors should be aware that the Trustee may incur costs, fees, and expenses and be entitled to certain indemnity payments in connection with the issuance of Series of Notes, and such amounts are not capped and may be substantial. To the extent that such costs, fees, expenses and indemnity payments are not satisfied by a third party, the Trustee is entitled to be paid in respect thereof in accordance with the Priorities of Payments (and accordingly, would be paid in advance of principal and interest payments in respect of the Notes).



## RISK FACTORS RELATING TO THE NOTES

### A. Risks arising from the terms and conditions of the Notes

#### Limited recourse nature of the Notes

In accordance with the provisions of the Trust Deeds, the Notes of each Series will be direct limited recourse obligations solely of the Issuer, and the Noteholders will therefore have a claim under the Notes of a Series only to the extent of the Mortgaged Property associated with that Series (the proceeds of which may only be applied in accordance with the applicable Priorities of Payments). The Notes constitute secured obligations of the Issuer. If there are insufficient funds available to the Issuer to pay in full all principal, interest and other amounts due in respect of the Notes (in accordance with the applicable Priorities of Payments) following confirmation by the Loan Servicer (in accordance with Condition 7) that there is no realistic prospect of collecting further funds from Borrowers of the outstanding Relevant Student Loans in accordance with its Loan Management Policy, or upon acceleration or upon mandatory early redemption in part or in whole as permitted under the Notes, then the Noteholders will have no further claim against the Issuer in respect of any such unpaid amounts. No recourse may be had for any amount due in respect of any Notes or any other obligations of the Issuer against any officer, member, director, employee, shareholder or incorporator of the Issuer or their respective successors or assigns. Each of the parties to the transaction documents relating to the Programme (other than the Issuer) covenants and agrees that it shall not be entitled to petition or take any step for the winding-up of the Issuer or the appointment of an examiner, liquidator, insolvency officer or other similar officer in respect of the Issuer for so long as any Notes or other obligations of the Issuer are outstanding and in any event for two years and one day after the latest date on which any Note or other obligation of any Series is due to mature.

#### Possible early redemption

Although a Maturity Date is specified for each Series, Notes may be redeemed earlier in a variety of circumstances. Specifically:

- The amount of the principal payments made on each Payment Date will depend on the performance of the Relevant Student Loans and accordingly, may be sufficient to redeem the Notes in full prior to the scheduled Maturity Date. If, on any Payment Date, the amount available to the Issuer arising from payments in respect of the Relevant Student Loans is equal to or greater than the amount required to redeem the Notes in full in accordance with the Pre-Enforcement Priorities of Payments, the Notes will be redeemed and cancelled on that Payment Date without any prior notice to the Noteholders.
- The Issuer may, on giving not less than 20 Business Days' notice in writing of redemption to the Noteholders and the Trustee, redeem the Notes of a Series in whole at the Redemption Amount or in part on the date specified in the redemption notice where the Issuer then has funds available for the notified redemption where such funds arise from the proceeds of the sale of some or all of the Relevant Student Loans or the refinancing thereof. The Issuer may direct the Trustee to release the security on the date of such redemption over all Relevant Student Loans if the Notes of such Series are to be redeemed in full or over a proportion thereof equal to the proportion borne by the principal amount of the Notes of such Series to be redeemed to the aggregate principal amount outstanding of the Notes of such Series, which the Trustee shall be obliged to do provided an amount is available in the relevant Series Account that is sufficient to repay the relevant principal proposed to be redeemed together with accrued interest thereon and other amounts owing in respect of that Series in accordance with the Pre-Enforcement Priorities of Payments. The Issuer may redeem Notes of a Series, in whole or in part, in this way at any time after the Issue Date of those Notes without obtaining any consent or approval from the Noteholders of such Series.
- The Issuer may convene a meeting of holders of Notes in a Series at any time after the relevant Issue Date to consider a proposal by the Issuer to sell all or some of the Relevant Student Loans (the



“Proposed Sale Loans”) for a price (a “Proposed Price”) which, upon consummation of such sale and application of the amount received by the Issuer representing the Proposed Price in accordance with the Pre-Enforcement Priorities of Payments:

- where the Proposed Sale Loans are all of the Relevant Student Loans, would be less than the amount required to redeem the Notes of such Series in full; or
- where the Proposed Sale Loans are only some of the Relevant Student Loans would be less than the amount required to effect a partial redemption of the Notes of such Series having an aggregate principal amount which bears the same proportion to the aggregate principal amount outstanding of the Notes of such Series as the aggregate outstanding principal amount of the Proposed Sale Loans bears to the aggregate principal amount outstanding of all the Relevant Student Loans,

PROVIDED THAT, in either case, the Proposed Price is equal to or greater than the aggregate amount which, in the opinion of the Loan Servicer, the Issuer would receive if:

- it were to hold the Proposed Sale Loans until their maturity; and/or
- the Loan Servicer were to take enforcement action in respect of the Proposed Sale Loans which are in default or in respect of which a default may occur in accordance with its Loan Management Policy.

If a sale of all the Relevant Student Loans at the Proposed Price is approved by Extraordinary Resolution the Notes of the relevant Series shall be redeemed and cancelled without any further payment by the Issuer to the Noteholders upon the application of the sale proceeds by the Issuer in accordance with the Pre-Enforcement Priorities of Payments. Should the meeting pass an Extraordinary Resolution (approved by holders of 75% in value of votes cast) approving the sale, any dissenting holders of Notes will incur losses on their Notes on the same basis as holders of Notes who vote for that Extraordinary Resolution and any claim of the Noteholders in respect of the shortfall between the Proposed Price and the amount that would have been payable to the Noteholders but for the passing of the Extraordinary Resolution, shall be extinguished.

Should the Issuer redeem the Notes of a Series early by selling or refinancing Relevant Student Loans or should the Notes of a Series be redeemed in full in advance of the scheduled Maturity Date as a result of the performance of the underlying Relevant Student Loans, the investment return in respect of those Notes may be diminished and/or adversely affected than the return anticipated by the investor when acquiring the Notes.

Investors in Notes bear the risk that, if and when they receive a principal payment in respect of the Notes, they will not be able to reinvest the amount of the principal payment in alternative investments that bear a yield or return equal to or greater than the interest rate on the Notes.

### **The regulation and reform of benchmarks, including LIBOR and EURIBOR and other interest rate benchmarks**

Interest rates and indices which are deemed to be "benchmarks" 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 an 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 has applied 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. Among other things, (i) it requires 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) it prevents 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" (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 an 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".

Financial regulators in a number of key jurisdictions are strongly encouraging the transition away from Interbank Offered Rates (IBORs), such as LIBOR and EURIBOR, and have identified "risk free rates" to eventually take the place of such IBORs as primary benchmarks. This includes (i) for sterling LIBOR, a reformed Sterling Overnight Index Average (SONIA), so that SONIA may be established as the primary sterling interest rate benchmark by the end of 2021 and (ii) for EONIA and EURIBOR, a new Euro Short-Term Rate (€STR) as the new euro risk free rate. The risk free rates have a different methodology and other important differences from the IBORs they will eventually replace and have little historical track record. It is considered unlikely that certain IBORs will continue long-term in their current form.

The United Kingdom Financial Conduct Authority has announced that it will no longer continue to persuade, or use its powers to compel, LIBOR panel banks to submit rates for the calculation of LIBOR after 2021. Accordingly, LIBOR is expected to cease after the end of 2021. This could adversely affect the value of, and amounts payable under, any Notes in respect of which interest is calculated by reference to LIBOR. Furthermore, the relatively short timeline involved, the differences between LIBOR and SONIA, the complexity of transitioning and the variety of products impacted, may lead to adverse market conditions, which may have an adverse effect on the amounts available to the Issuer to pay to Noteholders.

Investors should be aware that, if LIBOR or EURIBOR were discontinued or otherwise unavailable, the rate of interest on Notes which reference LIBOR or EURIBOR as a Base Rate will be determined for the relevant period by the fallback provisions applicable to such Notes. Condition 5.3 confers on the Calculation Agent a wide discretion to require that the Conditions of any relevant Series of Notes be adjusted or amended to account for any such event or circumstance. Such adjustments or amendments may include, without limitation, the selection of a successor benchmark for the purposes of calculating interest on relevant Series of Notes or the early redemption of relevant Series of Notes. Any of the foregoing could have a material adverse effect on the ability of the Issuer to meet its obligations under the floating rate Notes and the value or liquidity of, and return on, any floating rate Notes which reference LIBOR or EURIBOR as a Base Rate.

### **Subscription, sale and transfer restrictions**

Subscription, sale and transfer restrictions may impair an investor's ability to subscribe for, sell, or transfer the Notes to certain third parties including those in the U.S.. See Section "**Subscription, Sale and Transfer Restrictions**".





## B. Risks relating to the assets backing the Notes

### Credit risk on Borrowers of Relevant Student Loans

The ability of the Issuer to meet its payment obligations under the Notes of a Series will be adversely affected by defaults in the underlying Relevant Student Loans. The Student Loan platform has been designed and developed to minimise the risk of arrears and default rates for Student Loans. Prodigy Finance has developed comprehensive risk and background vetting procedures that are used to screen every applicant for a Student Loan as well as a proprietary scorecard which assesses each applicant's expected ability (post-graduation) to repay the Student Loan. If "Impaired Student Loans" is specified to be applicable to a Series in the relevant Final Terms, the Issuer will be permitted to acquire Student Loans that have a delinquency, arrears or default status under the Loan Servicer's Loan Management Policy ("**Impaired Student Loans**").

Importantly, the community nature of the platform and the sources of funding provide an incentive for Borrowers to meet all their Student Loan repayments. Borrowers studying on a full time basis are provided with a grace period (the "**Grace Period**") before Student Loan repayment obligations commence. The Loan Servicer may consent to the extension of a Grace Period by up to 12 months in the event the relevant Borrower wishes to defer or extend their period of study. Typically Grace Periods end six months after course completion for students studying on a full-time basis (such six month period is afforded to Borrowers in order for them to find employment). Borrowers studying on a part-time basis or receiving a refinancing loan do not require the benefit of this opportunity and typically these Borrowers do not receive a Grace Period. These factors are expected to further reduce Student Loan default and arrears levels in populations which historically exhibit a low level of delinquency.

In its role as Loan Servicer, Prodigy Finance ensures compliance with regulations and codes of conduct relevant to collection and enforcement entitlements. As a result, Borrowers will be extended appropriate forbearance should they encounter financial difficulties. The principles applied by Prodigy Finance when carrying out Loan Servicer responsibilities to manage and collect Student Loans acquired by the Issuer include those set out in Prodigy Finance's Loan Management Policy, the Financial Conduct Authority (FCA) rules, including the FCA Consumer Credit sourcebook (CONC) – with specific reference to affordability and vulnerability, and The Lending Code - Lending Standards Board (LSB) best practice.

### Student Loan default effect on Noteholder return

Since the Notes of each Series are backed by a pool of Student Loans, each percentage of default has an incremental effect on the return to Noteholders. As the pool of Relevant Student Loans that secure a Series of Notes becomes smaller, the impact of an individual Borrower default becomes greater. Please refer to the graph on page 41 of this Base Prospectus for an example of the effect of default on the return and the table on pages 41 and 42 which shows the annualised internal rate of return as well as the total amount repaid to Noteholders over the term of a Series of Notes based on an investment of 100 and default levels from 0% to 30%.

Some Series might benefit from a financial guarantee in respect of the Relevant Student Loans backing that Series, which would improve the return profile shown in the table referred to above. If applicable, this will be specified in the Final Terms for the Series.

Other factors that could impact on the ability of a Borrower to repay include fluctuations in the exchange rate between the currency of the Student Loan and the currency of the jurisdiction where a Borrower is resident resulting in the Borrower's repayment amount increasing, foreign exchange control or notification requirements in the jurisdiction where a Borrower is resident and other operational restrictions which Prodigy Finance monitors on an ongoing basis.

The Issuer may apply the proceeds of the issuance of a Series of Notes towards the acquisition of Impaired Student Loans if "Impaired Student Loans" is stated to be applicable to the Series in the applicable Final Terms, subject to the concentration limits set out in such Final Terms. The purchase price for any such Impaired



Student Loan(s) will be discounted to reflect the market value of the relevant Impaired Student Loan(s) on the relevant sale date, as determined by the Loan Originator and confirmed in the relevant notice to the Issuer, proposing the sale of the relevant Impaired Student Loan(s). Investors should be aware that the Issuer may not be able to recover all or any amounts due from Borrowers of Impaired Student Loans which may diminish or have an adverse effect on the return on the Notes.

### **Early repayment risk**

The nature of the pool of Borrowers means that early repayments of principal are likely and expected and the Issuer does not charge any penalty to the Borrower for early repayments or even early settlement. Early repayments may be invested into Relevant Student Loans with similar interest rates during the Acquisition Period but not otherwise. Should it not be possible to reinvest in Student Loans, the funds will be retained in the relevant Series Account until the next Payment Date occurs. Given that the Relevant Student Loans feature a range of interest rate margins, early repayment of specific loans might affect the weighted average margin available to pay Noteholders of a relevant Series.

### **Death of Borrower**

A Series will only benefit from life insurance cover on Borrowers with Student Loans securing that Series if so stated in the Final Terms for that Series. Where life cover benefits a Series, the required life insurances will be put in place by the Loan Originator by way of a group life cover policy. The Loan Originator will rely upon a group life cover policy underwritten by Sagicor Life, a Lloyds syndicate, when the Series Final Terms specify that life cover applies to a Series. Even where the Series Final Terms stipulate Borrower life cover is applicable, the Loan Originator may be given discretion by those Final Terms to include loans to a Borrower or Borrowers without life cover in the Series security if "In Specie Subscription" is applicable to the Series (see Section 5 "Loan Origination Process").

If a Borrower dies and that Borrower's life is not insured (either because life insurance cover is not a Series requirement or the Loan Originator has exercised a permission to exclude that Borrower from life cover) or if cover proceeds are insufficient to repay the deceased Borrower's Student Loan in full or if the insurer establishes a cause of death excluded from cover, the Issuer will rank as a creditor of the estate of the deceased Borrower for the unpaid balance of the Student Loan. The Issuer may have difficulty in establishing its claim as a creditor of the Borrower's estate and the value of that estate may be insufficient to pay the Issuer's claim and all other claims owing by the deceased Borrower in full.

### **Legal enforcement and collections**

The form of Student Loan has been designed with a view to ensuring maximum enforceability of Student Loans to international Borrowers by cost efficient means. Currently, the platform is able to lend to Borrowers resident in around 150 countries. The Loan Servicer has taken legal advice from the London office of a leading global law firm as to the enforceability of the form of the Student Loan.

Pursuant to each Loan Agreement, the Borrower is responsible for any reasonable costs, charges and expenses that may be incurred by the Loan Servicer on behalf of the Issuer in connection with the Loan Agreement with the Borrower, including legal fees that arise out of the Borrower's breach of the Loan Agreement or its enforcement to recover the amount owing by the Borrower. The costs, charges and expenses referred to above may be paid by (i) the Issuer (at the request of the Loan Servicer) in advance of payments of interest and principal being made on the Notes in accordance with the applicable Priorities of Payments or (ii) the Loan Servicer (in which case the Loan Servicer may request the Issuer to reimburse it for the relevant amount and such payment(s) may be made by the Issuer in advance of making payments of interest and principal on the Notes in accordance with the applicable Priorities of Payments). In the event the Issuer has paid such costs, charges and expenses or reimbursed the Loan Servicer for doing so, the Loan Servicer shall, upon recovering from the relevant Borrower any amount(s) representing such costs, charges and expenses,



transfer same to the relevant Series Account for application in accordance with the applicable Priorities of Payments.

### **Borrower rights against Loan Originator**

The Loan Originator may enter into a Loan Agreement with a Borrower that provides for the loan to be made available to the Borrower by a number of distinct disbursements with reference to the due dates of the obligations (tuition, living expenses or loan refinancing) that will be financed by the loan amount. In those circumstances, the Issuer's acquisition of the loan disbursement will be by equitable assignment only and the Borrower's rights as against the Loan Originator may not be displaced by it. Therefore, until the Student Loan in its entirety has been acquired by the Issuer and the Borrower has been given notice in writing of that fact, the Issuer must join the Loan Originator to any legal proceedings to enforce repayment by the Borrower of the acquired disbursements and the Borrower may be entitled to rely upon defences and rights of set off available against the Loan Originator when the Issuer seeks loan repayment from the Borrower. These defences and rights of set off may reduce the amount that the Borrower is required to pay by way of discharge of the loan disbursement and adversely affect the return on the relevant Series of Notes.

### **Employment/job market**

Employment risks may vary according to the type of course that the Borrower has undertaken. The employment of graduates also exhibits cyclical characteristics with regional economies. This programme is focused on the world's leading universities and degrees that feature high levels of post-graduation employment, even in difficult economic cycles. Additionally, the Loan Originator's affordability model is calibrated, where possible, by university and degree to ensure that Student Loan amounts are appropriate for a particular student. Where calibration by Eligible Course or Eligible Institution is not possible, this will reduce the model's usefulness in assessing a Borrower's post-graduation affordability. The Grace Period allows for the majority of Borrowers to find employment. However, it is possible in severe cases for the Loan Servicer to offer Borrowers an appropriate arrangement where it is believed that market conditions impact in the short term for the Borrower but do not change the fundamental characteristics of their medium to long term employability.

### **Other factors potentially impacting ability of a Borrower to repay**

Other factors that could impact on the ability of a Borrower to repay include fluctuations in the exchange rate between the currency of the Student Loan and the currency of the jurisdiction where a Borrower is resident resulting in the Borrower's repayment amount increasing, foreign exchange control or notification requirements in the jurisdiction where the Borrower is resident and other operational restrictions which Prodigy Finance monitors on an ongoing basis.

### **The performance of Relevant Student Loans is subject to risks arising from macro-economic conditions in the UK or globally**

The performance of the Relevant Student Loans held by the Issuer is influenced by global and macro-economic conditions. Any lack of or reduced economic growth, higher unemployment or changes in Borrowers' income in the countries where they live during repayment may reduce Borrowers' ability to make repayments. Trends are influenced by global political events, such as terrorist acts, war and other hostilities, as well as by market-specific events, such as shifts in consumer confidence and consumer spending, the rate of unemployment, industrial output, labour or social unrest and political uncertainty.

In December 2019, a novel strain of coronavirus, known as Covid-19, was reported in China. Since then, Covid-19 has spread globally resulting in the World Health Organization declaring the outbreak a "pandemic," or a worldwide spread of a new disease, on 11 March 2020. Many countries around the world, including the UK and Ireland, imposed quarantines and restrictions on travel and large gatherings to slow the spread of the virus and closed all non-essential businesses.



The emergence of Covid-19 is having far-reaching ramifications on businesses, including in the finance sector. The Covid-19 pandemic has dampened economic activity and eroded financial conditions worldwide, and there is significant and growing uncertainty about the economic impact on many countries, including the UK and Ireland, and on the global economy. In the April 2020 World Economic Outlook ("April WEO"), the IMF projected the global economy to contract sharply by -3 percent. in 2020, much worse than during the 2008-09 financial crisis.<sup>1</sup>

The impact of the Covid-19 pandemic on the Relevant Student Loans held by the Issuer is uncertain as the extent of the risk posed by Covid-19 is unclear and outside of the Issuer's control. If the impact of the virus is severe or prolonged, this may result in greater volatility, reduced liquidity, a widening of credit spreads and higher levels of non-performing student loans. The aforementioned may affect Borrowers' ability to service their contractual obligations to the Issuer. In addition, Borrowers in repayment may be negatively affected by the economic downturn in their countries of employment and business, as they may be retrenched, furloughed, or their businesses may be impacted by reduced or no trade. For Borrowers experiencing financial difficulties, Prodigy will apply its forbearance policies and offer temporary relief in the form of grace period extensions (for Borrowers nearing the end of their grace periods and being unable to commence repayment) or zero or minimum payment arrangements (for Borrowers in repayment), and may not charge or waive the collection of some interest, if and as required by the UK Financial Conduct Authority. Prodigy may also offer permanent relief for eligible Borrowers who are able and willing to pay but cannot afford their contracted instalments and are unlikely to do so for the remainder of their loans. For these Borrowers, Prodigy may modify their loans by increasing the term of the loan and thereby reducing the monthly contractual instalment, or by agreeing to alternative repayment schedules based on expected future income increases, in order for the Borrowers to afford their loans. Borrowers who are unable to travel to campus, secure a visa, obtain certain verification documents, who are required to start their courses online, or who are reconsidering the timing of their post-graduate studies, might defer or postpone their studies. For Borrowers who choose to defer their studies, Prodigy has implemented strategies to keep track of these Borrowers and assist them to re-submit or complete their applications, when they are ready to commit to their studies and require financing. For those Borrowers who wish to proceed with their studies and their student loan, Prodigy as loan originator, has put in place certain adjustments to its business model to accommodate Borrowers who are not able to travel to the campus to commence their studies, allowing these Borrowers to sign their loan agreements and commence their studies online in their country of residence. This may have a materially adverse impact on the Issuer's financial performance and position in future. While the impact of Covid-19 on the Issuer to date has been limited by the proactive response of the Issuer, Loan Originator and the Servicer, the long-term impact of Covid-19 is uncertain and cannot be predicted with confidence.

The withdrawal of the United Kingdom from the European Union could adversely affect the economic conditions in the UK, Europe and globally and in particular, may result in a decrease in the employment of graduates globally and, thus, may have a negative impact on the Issuer's ability to make payments under the Notes.

In addition, there can be no assurance that the terms of the UK's exit from the European Union will include arrangements for the continuation of the existing passporting regime or mutual access rights to market infrastructure and mutual recognition of insolvency, bank recovery and resolution regimes. Such uncertainty could adversely affect the Issuer and impact the ability of third parties to provide services to the Issuer (including under the transaction documents relating to the Programme) and could have an adverse affect on the value of and return on the Notes.

### **Concentration risk**

The Issuer and Prodigy Finance retain discretion to focus marketing initiatives exclusively on students located in a particular geographical region. It is possible that the concentration factors resulting from this approach to marketing could increase default risk, for example, where natural disasters, adverse economic, health or other

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<sup>1</sup> Source: International Monetary Fund, <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>



circumstances affect the relevant area. Neither the Issuer nor Prodigy Finance has significant statistical or other data on the impact of concentrations of this kind.

### **Illiquidity of Student Loans**

The Relevant Student Loans held by the Issuer are illiquid and the Issuer might find it difficult or impossible to find a purchaser for these assets. In particular, the Borrower of a Student Loan is not required to pay interest or principal during its Grace Period. Therefore, investors should expect that the Student Loans will have to be held by the Issuer until maturity.

The Loan Originator may recommend to the Issuer that some or all of the Relevant Student Loans should be exchanged for other Student Loans that satisfy the Eligibility Criteria (if applicable) and the section of the applicable Final Terms entitled "Provisions relating to Student Loans". The Issuer may direct the Trustee to execute any document required to release the Relevant Student Loan(s) being replaced from the security created by the Trust Deed for the relevant Series and take a first charge over those replacement Student Loan(s) and the Trustee shall be obliged to do so provided the Loan Originator has confirmed to the Issuer in writing (with a copy to the Trustee) that the replacement Student Loan(s) is/are not in default and that the aggregate principal amount plus the accrued and expected interest amount due under the replacement Student Loan(s) is equal to or greater than the principal amount plus the accrued and expected interest amount due under the Relevant Student Loan(s) that is/are being replaced. The Student Loan(s) that become Relevant Student Loan(s) as a result of the exchange will be illiquid.

### **C. Other risks relating to the Notes**

#### **Limited liquidity**

The Notes are tradable and may be listed on Euronext Dublin, but no established secondary market exists for the Notes. Therefore, there is a risk that secondary market liquidity for the Notes will be limited and that investors will have to hold the Notes until maturity and may not be able to trade out of their positions. The amortizing nature of the Notes and the fact that many Borrowers repay early, means that the majority of principal may be repaid long before final maturity. This may reduce the return to Noteholders and may mean that the creation of a secondary market for the Notes is less likely.

#### **Exchange rate risk**

Investors whose assets are not denominated in the currency of the Notes which they acquire will be exposed to changes in the exchange rate between their local currency and the currency in which the Notes are denominated which might affect the returns available to them positively or negatively.

#### **Notes not bank deposits**

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The Issuer is not regulated by the Central Bank of Ireland by virtue of the issue of the Notes.



## 3. INVESTOR RETURN

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### GENERAL

Each Series of Notes aims to provide a fixed margin above a variable base rate return (the "**Target Interest Rate**") generated by a diversified pool of Relevant Student Loans to students attending courses at the educational institutions specified as "Eligible Institutions" in the Final Terms for that Series. The Relevant Student Loans that secure each Series are expected to result in aggregate interest payments to the Issuer sufficient to enable the Issuer to fund the payment of all fees, costs and expenses of the Series and interest payments on the Notes calculated at the Target Interest Rate. The Target Interest Rate will not fall below the fixed margin specified in the Series Final Terms should the variable Base Rate selected for the Series become negative.

### INTEREST

On each Payment Date (details of which are set out in the Final Terms for each Series), interest will be payable on the Notes in an amount up to the "Accrued Interest Balance", but only to the extent that the aggregate amount of the Relevant Student Loan payments that have then been received and that remain available to pay interest after payment of certain fees and expenses in accordance with the Priorities of Payments is equal to or in excess of €500 for Euro denominated Series, £500 for Sterling denominated Series and \$500 for US dollar denominated Series (each a "**Threshold Amount**").

Each Series of Notes will seek to provide investors with a return at the "Target Interest Rate". A Target Interest Rate and Base Rate will be specified in the Final Terms for each Series.

The Base Rate used to calculate the Target Interest Rate (which Base Rate will be deemed to be zero if it is negative) will be one of:

#### **EURIBOR**

*EURIBOR (or euro interbank offered rate) is the rate at which a prime bank in the Euro interbank market is willing to lend funds in euro to another prime bank for a specified maturity. EURIBOR is computed for interbank deposits with maturities ranging from one week to 12 months.*

#### **USD LIBOR**

*USD LIBOR (or dollar interbank offered rate) is the rate at which a prime bank in the London interbank market is willing to lend funds in US Dollars to another prime bank for a specified maturity. USD LIBOR is computed for interbank deposits with maturities ranging from overnight to 12 months.*

#### **GBP LIBOR**

*GBP LIBOR (or London interbank offered rate) is the rate at which a prime bank in the London interbank market is willing to lend funds in Sterling to another prime bank for a specified maturity. GBP LIBOR is computed for interbank deposits with maturities ranging from overnight to 12 months.*

#### **US PRIME LENDING RATE**

*The US Prime Lending Rate is the rate at which a prime bank in the U.S. is willing to lend funds in US Dollars to its prime clients.*



*The Conditions of the Notes contain provisions for the replacement of a Base Rate in the event that it is no longer produced or the manner in which it is determined changes materially – see Condition 5.3 (Base Rate Replacement).*

### **BANK OF ENGLAND BASE RATE**

*The Bank of England Base Rate is the interest rate that the Bank of England charges banks for secured overnight lending.*

Interest will begin to accrue from the “Interest Commencement Date” which shall be the Issue Date of the Notes or as specified in the applicable Final Terms. The calculation dates for interest and the applicable Target Interest Rate or its method of calculation may differ in respect of Notes of different Series. All such information will be set out in the relevant Final Terms.

The Final Terms of each Series will specify “Payment Dates” on which an amount of interest will be payable in respect of the Notes on an available funds basis from funds received by the Issuer from the Relevant Student Loans. Interest will be payable following the payment of certain fees and expenses in accordance with the applicable Priorities of Payments (as described below) in an amount up to the Accrued Interest Balance, but only when the amount available on the Payment Date to pay interest exceeds the Threshold Amount for the Series.

The Calculation Agent on behalf of the Issuer shall determine the Accrued Interest Balance on the Calculation Date, which is the 8th of each calendar month in which there is a Payment Date unless otherwise specified in the relevant Final Terms.

For each Interest Period, the Accrued Interest Balance will be the “Current Interest” amount plus any amounts of interest accrued but not yet paid in prior Interest Periods.

Current Interest is calculated by applying the Target Interest Rate to the Notional Principal Amount for the Interest Period immediately preceding the Calculation Date. For any Calculation Date, the Notional Principal Amount of a Note is the outstanding principal amount of such Note plus any interest amounts not yet paid from prior Interest Periods excluding the immediately preceding Interest Period.

The Interest Periods shall be the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Calculation Date and each successive period beginning on (and including) a Calculation Date and ending on (but excluding) the following Calculation Date, provided that the final Interest Period shall end on the Maturity Date (but subject to Condition 7.3, if applicable) or such earlier date on which the Notes are redeemed in full..

**Current Interest** = *Notional Principal Amount x Target Interest Rate x Target Day Count Fraction (as defined in Section 8 “Terms and Conditions of the Notes”) for the Interest Period immediately preceding the Calculation Date.*

**Accrued Interest Balance** = *Interest amounts not yet paid from prior Interest Periods + Current Interest.*

There is no assurance that on any Payment Date there will be sufficient available funds to pay the Accrued Interest Balance on the Notes and interest shall (in any event) only be paid where funds available to pay interest exceed the Threshold Amount for the Series. If the Issuer does not have sufficient funds to pay an amount equal to the Accrued Interest Balance for an Interest Period, interest will continue to accrue at the Target Interest Rate and payment will be deferred until the following Payment Date. Such an event will not constitute an Event of Default.

Unless otherwise stated in the relevant Final Terms, payments of the Accrued Interest Balance and principal for each Series will be denominated in the currency in which the Series is denominated.



## PRINCIPAL

On each Payment Date on which a Threshold Amount or more remains after payment of certain fees and expenses in accordance with the applicable Priorities of Payments, once the Accrued Interest Balance has been paid in full, any remaining available funds shall be paid out to Noteholders to partially (or fully) redeem the principal balance of the Notes.

To the extent that the Issuer does not have sufficient funds to make a payment of principal on a given Payment Date, that payment will be deferred until the following Payment Date. Such deferral will not constitute an Event of Default.

## PAYMENTS

While a Grace Period applies to a Borrower, that Borrower will not be required to make any payments. The purpose of this Grace Period is to allow the Borrower to complete the course of study and resume employment prior to having to make payments on the Student Loan. Typically, a Grace Period is provided to Borrowers studying full-time and is not provided to Borrowers studying part-time or who wish to refinance an existing student loan.

Following the Borrower's Grace Period, the Borrower enters into a repayment period where the Borrower will begin to pay interest and repay principal outstanding on the Student Loan (the "**Repayment Period**"). The Repayment Period is typically a period of seven to twenty years which commences after the Grace Period. The term of the loan therefore typically equals the Grace Period plus the Repayment Period, subject to early repayment and arrangements deferring payment obligations and/or restructuring the loan term. The Issuer will utilise these receipts from the Relevant Student Loans to make payments in accordance with the applicable Priorities of Payments on each Payment Date. These payments will include payments of unpaid interest and principal on the Notes of the relevant Series to the extent and in the circumstances specified under "Interest" and "Principal" in this Section 3 "**Investor Return**".

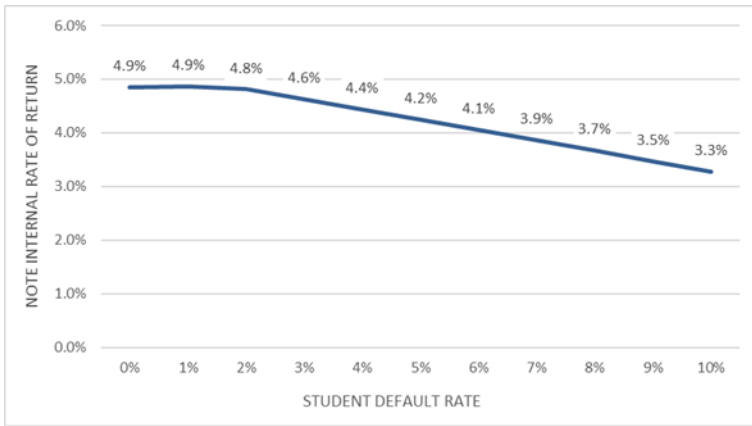
## STUDENT LOAN DEFAULT EFFECT ON NOTEHOLDER RETURN

Since the return on the Notes is generated by a pool of Student Loans, each percentage of default has an incremental effect on the return to Noteholders. The graph and table below show an example of the effect of default on the return based on the assumptions stated below. For this graph, the default rate is the end state cumulative default. The cumulative default rate is quoted as a percentage of the principal amount outstanding of the underlying Relevant Student Loan security. As the pool of Relevant Student Loans that secure a Series of Notes becomes smaller, the impact of an individual Borrower default becomes greater.

The graph below uses an example where interest paid on the Notes is calculated by taking an average Borrower margin above the 3 Month USD Libor forward rate curve (0.27% on 7 July 2020) of 7.0%, deducting Student Loan servicing fees and the initial Note issue fees, which provides for a Note internal rate of return (which is an annual effective interest rate taking into account the effect of compounding and timing of payments on the Target Interest Rate) of 4.9% (gross) or 4.63% above 3 Month USD LIBOR over the life of the Note, assuming 0% default, delinquencies and with early repayments based on a curve approximating the experience of past loan pools. For illustration – based on the above example, at 3% default, the Notes provide a return to Noteholders of 4.6% or 4.33% above 3-month USD LIBOR over the life of the Note.







The table below shows the annualised internal rate of return as well as the total amount repaid to Noteholders over the term of the Note based on an investment of 100 and default levels from 0%-30%. From this table, it can be seen that the investor receives back 100 for an investment of 100 up to a cumulative Relevant Student Loan default level of around 25%. This table illustrates how default rates impact on the 4.9% Note internal rate of return used in the preceding graph.

BASED ON INVESTMENT OF 100		
Cumulative End State Default	Internal Rate of Return	Total Cash Payments Received
0%	4.9%	127
1%	4.9%	127
2%	4.8%	127
3%	4.6%	126
4%	4.4%	125
5%	4.2%	124
6%	4.1%	123
7%	3.9%	121
8%	3.7%	120
9%	3.5%	119
10%	3.3%	118
11%	3.1%	117
12%	2.9%	115
13%	2.7%	114
14%	2.4%	113
15%	2.2%	112
16%	2.0%	111
17%	1.8%	109
18%	1.6%	108
19%	1.3%	107
20%	1.1%	106
21%	0.9%	104
22%	0.7%	103
23%	0.4%	102
24%	0.2%	101
25%	-0.1%	100
26%	-0.3%	98
27%	-0.6%	97



28%	-0.8%	96
29%	-1.1%	95
30%	-1.4%	94

In the table above, cumulative end state default means the nominal value of default that occurs over the life of the Student Loans divided by the Adjusted Distributed Balance (i.e. the balance at the end of the Grace Period including interest accrued during the Grace Period). The Internal rate of return is calculated on an XIRR function based on the cash flows throughout the life of the Note. An expected early repayment curve is also applied to the Student Loan repayments.

Some Series may benefit from a financial guarantee in respect of certain Relevant Student Loans, which would improve the return profile shown in the table above. This will be specified in the Final Terms for the Series and additional information regarding any such guarantee and the guarantor will be contained in a supplement to this Base Prospectus.

Where a particular Student Loan is impaired, that position is recognised in the profit and loss account of the Issuer as the difference between the carrying amount of the Student Loan and expected recoverability with respect to it. Specific provisions are included for Student Loans more than 180 days in arrears, while a non-specific provision (based on an incurred but not reported model) is made for Student Loans in arrears for up to 180 days. While this provisioning may result in a loan to value ratio of less than 100% for a Series affected by impaired Relevant Student Loans, the aggregate interest payable to the Issuer on Relevant Student Loans will exceed the aggregate interest payable on Notes of the relevant Series, providing for the possibility that the accumulated interest margin on performing Relevant Student Loans will be sufficient to offset losses on the defaulted Relevant Student Loans.

## REDEMPTION

### *REDEMPTION AT MATURITY*

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be redeemed at the Redemption Amount on the Maturity Date specified in the applicable Final Terms or such earlier Payment Date on which the amount available for repayment of principal on the Notes in accordance with the applicable Priorities of Payments, when aggregated with all previous redemption amounts paid on the Notes, is sufficient to redeem the Notes in full.

### *INSUFFICIENT FUNDS ON MATURITY DATE*

If on the Maturity Date the Issuer does not have sufficient available funds to redeem the Notes at the Redemption Amount after discharging any liabilities ranking in priority to the repayment of outstanding principal on the Notes in accordance with the applicable Priorities of Payments, the Issuer shall apply any funds available to be so applied in accordance with the applicable Priorities of Payments in a partial redemption of the Notes on a pro rata basis and the Maturity Date will be automatically postponed to the then next following anniversary of that date. Such postponement will be repeated annually unless, in each case, the Notes have been redeemed in full and cancelled.

Interest shall not accrue on the Notes during the Post-Maturity Repayment Period and the Issuer shall apply funds (if any) received by it in respect of the Relevant Student Loans during that period towards redemption of the Notes (up to the Redemption Amount as of the initial scheduled Maturity Date) in accordance with the Priorities of Payments on payment dates notified by the Issuer to the Noteholders in accordance with the Conditions.



#### *POST-MATURITY PERIOD TERMINATION*

During the Post-Maturity Repayment Period, if applicable, the Issuer may request the Loan Servicer, acting in a commercially reasonable manner, to value (or arrange the valuation of) the portfolio of Relevant Student Loans that remain outstanding in respect of the relevant Series (the aggregate amount at which such Student Loans are valued being the “**Post-Maturity Valuation Amount**”).

The Issuer may, within 30 calendar days’ of any such valuation and provided it has the requisite available funds to do so, on giving no less than 10 calendar days’ notice to the Noteholders and the Trustee, distribute an amount equal to the Post-Maturity Valuation Amount together with any other funds then standing to the credit of the Series Account in accordance with the applicable Priorities of Payments, which payment shall be in full and final discharge of all amounts of interest and principal then due and payable under or in respect of the Notes of the relevant Series. If such a distribution is made by the Issuer, the rights of the Noteholders to receive any further amounts in respect of the Notes shall be extinguished and the Notes shall thereupon be redeemed in full and cancelled.

#### *NON-PERFORMING PORTFOLIO REDEMPTION*

In respect of each Series of Notes, in the event the Loan Servicer confirms to the Issuer and the Trustee that there is no realistic prospect of collecting further funds from Borrowers of the outstanding Relevant Student Loans in accordance with its Loan Management Policy, the Issuer shall so notify the Noteholders in accordance with Condition 16. The Notes of such Series shall thereupon be redeemed in full and cancelled and the rights of the Noteholders to receive any further amounts in respect of the Notes shall be extinguished.

#### *EARLY REDEMPTION FOLLOWING A LOAN SALE OR REFINANCING*

The Issuer may, on giving not less than 20 Business Days’ notice in writing of redemption to the relevant Noteholders and the Trustee, redeem the Notes of a Series in whole or in part at the Redemption Amount on the date specified in the redemption notice provided the Issuer has the requisite funds available to it to redeem the Notes from the proceeds of a sale or refinancing of the Relevant Student Loans. No such notice is required to be given where the Notes are redeemed on a Payment Date or Additional Payment Date (as defined in Condition 7.3) otherwise than as a result of a sale or refinancing of all or certain Student Loans. The Issuer may redeem Notes of a Series, in whole or in part, in this way at any time after the Issue Date of those Notes.

In respect of any Series, the Issuer may effect a sale of all or part of the Relevant Student Loans at any time and for the purposes of completing such a sale or refinancing direct the Trustee to release the security over all or a proportion of the Relevant Student Loans provided that the proceeds of such sale or refinancing when applied by the Issuer in accordance with the Pre-Enforcement Priorities of Payments, are sufficient to redeem the Notes of such Series in full (in the case of a sale or refinancing of all the Relevant Student Loans) or in part (in the case of a sale or refinancing of a proportion of the Relevant Student Loans), but if in part the aggregate principal amount of the Notes to be redeemed shall not be of a lesser proportion to the aggregate principal amount of the Notes of the relevant Series then outstanding than the aggregate amount of the Relevant Student Loans to be sold or refinancing bears to the aggregate principal amount of all Relevant Student Loans outstanding and then comprised in the Mortgaged Property. No consent or approval of the Noteholders will be required for a sale of Relevant Student Loans in such circumstances, nor for the full or, as the case may be, partial redemption of the Notes of the relevant Series in such circumstances.

The Issuer may convene a meeting of holders of Notes in a Series at any time after the Issue Date to consider a proposal by the Issuer to sell all or some of the Relevant Student Loans (the “**Proposed Sale Loans**”) for a



price (a “**Proposed Price**”) which, upon consummation of such sale and application of the amount received by the Issuer representing the Proposed Price in accordance with the Pre-Enforcement Priorities of Payments:

- where the Proposed Sale Loans are all of the Relevant Student Loans, would be less than the amount required to redeem the Notes of such Series in full; or
- where the Proposed Sale Loans are only some of the Relevant Student Loans would be less than the amount required to effect a partial redemption of the Notes of such Series having an aggregate principal amount which bears the same proportion to the aggregate principal amount outstanding of the Notes of such Series as the aggregate outstanding principal amount of the Proposed Sale Loans bears to the aggregate principal amount outstanding of all the Relevant Student Loans,

PROVIDED THAT, in either case, the Proposed Price is equal to or greater than the aggregate amount which, in the opinion of the Loan Servicer, the Issuer would receive if:

- it were to hold the Proposed Sale Loans until their maturity; and/or
- the Loan Servicer were to take enforcement action in respect of the Proposed Sale Loans which are in default or in respect of which a default may occur in accordance with its Loan Management Policy.

If a sale of all the Relevant Student Loans at the Proposed Price is approved by Extraordinary Resolution the Notes of the relevant Series shall be redeemed and cancelled without any further payment by the Issuer to the Noteholders upon the application of the sale proceeds by the Issuer in accordance with the Pre-Enforcement Priorities of Payments.

## **BORROWER LIFE INSURANCE COVER**

A Series of Notes will not benefit from group life insurance cover unless specified in the Final Terms for the Series. When the Series Final Terms specify that life cover applies to the Series, the required life insurances will be put in place by the Loan Originator by way of a group life cover policy. The Loan Originator has available to it a group life cover policy underwritten by Sagicor Life, a Lloyds syndicate, which the Loan Originator relies upon for a Series only when Borrower life cover requirements is specified as applicable in the Final Terms for that Series.

## **FINANCIAL GUARANTEE**

The Final Terms for a Series will specify whether that Series benefits from a financial guarantee in respect of the Borrowers’ obligations under Relevant Student Loans given by an Eligible Institution for that Series or a related entity of such an Eligible Institution. If a Series benefits from such a financial guarantee, details of the guarantee (including as to the amount of any cap on the guaranteed liabilities and any demand restrictions) and the guarantor will be set out in a supplement to this Base Prospectus.

## **SECURITY**

Each Series of Notes will be secured by first ranking fixed security over the “Mortgaged Property” for that Series being comprised of the following:

- i. the Relevant Student Loans backing the Series;
- ii. the Series Account established in respect of that Series;



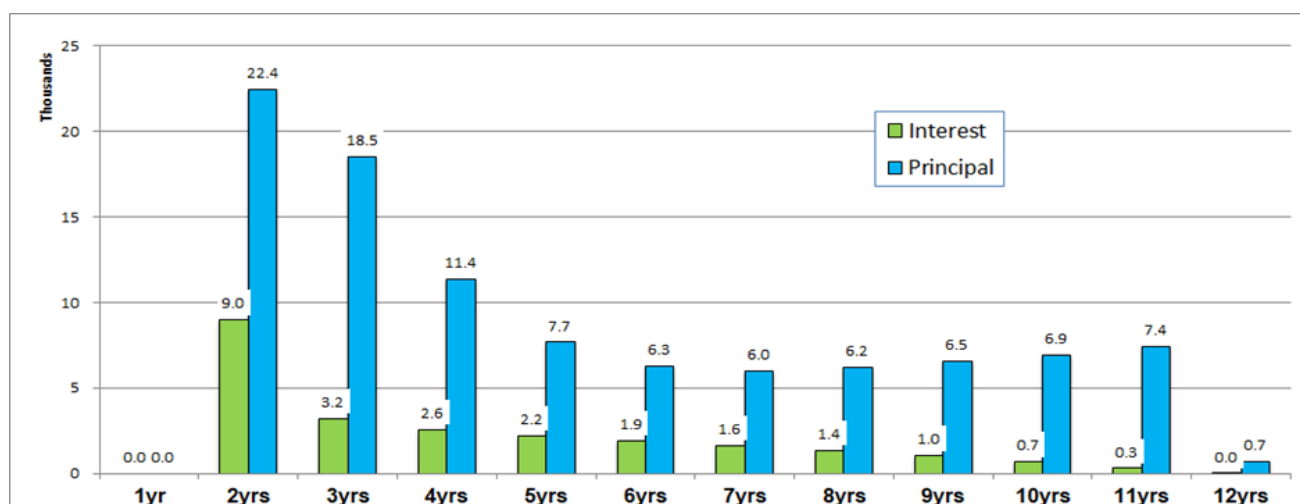
- iii. the Issuer’s rights, interest and benefit under the transaction documents relating to the Programme to the extent that they relate to the particular Series;
- iv. the Issuer’s rights, title and interest under the Repayment Account Declaration of Trust (as defined below in Section 6 “**Loan Servicing Process**”) to the extent relating to amounts that represent payments made by Borrowers in respect of the Relevant Student Loans.

If applicable to a Series only, the Issuer’s interest in any Borrower life insurance cover and/or any financial guarantee will also be included in the security for such Series.

Due to the payment of the Origination Fee and the Placing Agency Fee (further details of which are contained in Section 12 “**Fees and Expenses**”) to the Loan Originator and the relevant Placing Agent, the loan to value ratio for each Series immediately following the Issue Date may be less than 100%. There is no minimum level of collateralisation required under the terms and conditions of the Notes.

### **GUIDELINE NOTE REPAYMENT SCHEDULE (FOR A 1-YEAR PROGRAMME)**

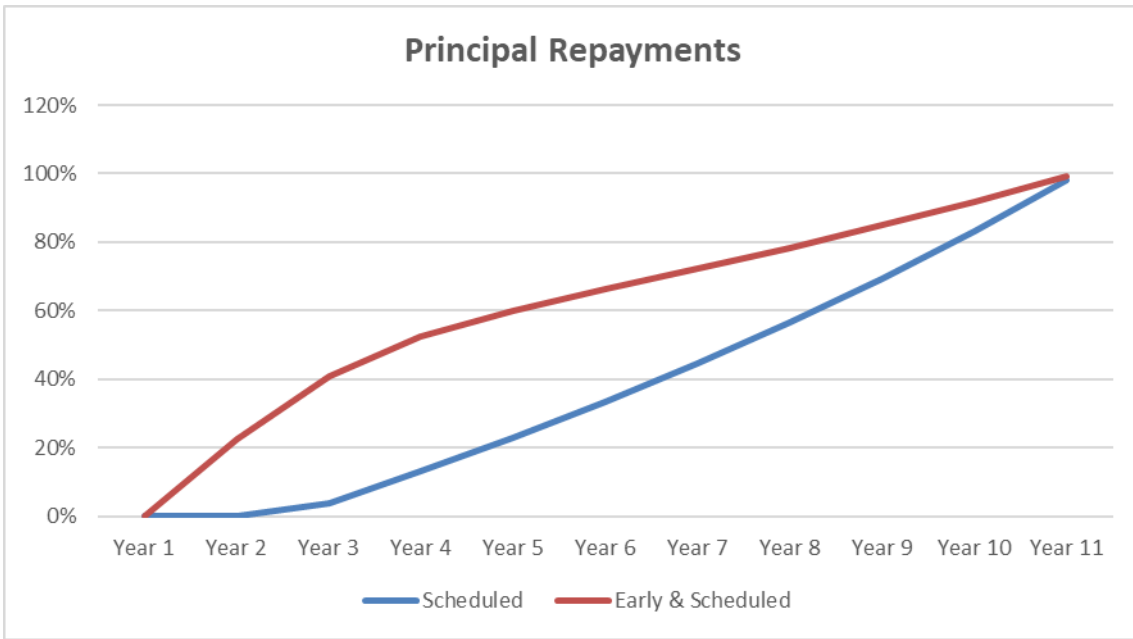
The guideline schedule for an investment of 100 is shown below based on a Target Interest Rate of 4.6% above a Base Rate forward rate curve. In this example, the Grace Period is 12 months (study period) plus 6 months (after graduation) and the Repayment Period is 10 years. An early repayment curve based on historic series was applied to the Student Loan repayments. There are no repayments for the first 18 months, then payments of amortizing principal and interest over the remaining life. Approximately 50% of principal is returned by year 4.



### **AVERAGE MATURITY**

The nature of the Borrower population means that many Borrowers repay early. Below are principal repayment curves based on Prodigy Finance’s historic 1-year study period loans, which start from the Issue Date of the Note, rather than when repayments are scheduled to commence. The curves set out the cumulative principal repayments with one reflecting scheduled principal repayments only while the other shows the combined position for early and scheduled principal repayment.





	Scheduled	Early & Scheduled
Year 1	0%	0%
Year 2	0%	22%
Year 3	4%	41%
Year 4	13%	52%
Year 5	23%	60%
Year 6	33%	66%
Year 7	45%	72%
Year 8	57%	78%
Year 9	69%	85%
Year 10	83%	92%
Year 11	98%	99%
Year 12	100%	100%
<b>Weighted Average Life</b>	<b>7.10</b>	<b>4.94</b>



## 4. STUDENT LOAN PROGRAMME FOR INTERNATIONAL STUDENTS

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### **An innovative solution to address the problems faced by international students.**

The Student Loans are primarily targeted towards students attending post-graduate courses (including PhD and master's degree courses) at leading universities and business schools. Prodigy Finance is also considering originating Student Loans which are targeted towards students attending undergraduate courses at leading universities and business schools, which courses may in the future constitute Eligible Courses for a particular Series. While the Programme has historically been focused on students taking MBA degrees, it also includes students attending other courses such as masters' degrees in science, technology, engineering and mathematics (STEM), health care, law and public policy. The programme is generally targeted towards international students at these universities. The Final Terms will indicate the Eligible Courses and Eligible Institutions for the relevant Series. With respect to each Series, Prodigy Finance (in its capacity as Loan Servicer) may publish information in relation to the performance and/or features of Relevant Student Loans from time to time. For more information on where to access any such information, please contact [investor@prodigyfinance.com](mailto:investor@prodigyfinance.com).

Traditional banks struggle to provide a solution in this sector for a few structural reasons:

- **Geographic Integration Problems:** International students don't fit neatly into a bank's existing operations. Banks are often structured along national (or even branch) lines rather than regionally or globally which makes client integration difficult given the internationally mobile nature of the graduates. Bank's legal models are also based along national lines.
- **Standardised lending procedures:** Group-wide procedures are used for lending products. It is difficult and bureaucratic to assess specific populations of students using standard loan products due to diversity of background and citizenship.
- **Historic metrics:** Loan scorecards are built on primarily historic metrics i.e. using entry instead of exit salary can overestimate affordability risk for student loans. It is difficult to include and assess future potential accurately with current lending products.
- **Market size (by university/tier):** Too small for a large bank to justify development of a new, segmented product

There are limited national loan programmes which can be accessed by citizens of a few select countries.

While scholarships are a vital tool for participants, the economic reality is that only a fraction of a class will be able to obtain full scholarships. And even for those participants who have scholarships there is often a significant funding gap between, for example, the tuition amount and the total budget which includes living and related expenses. Often the only feasible, sustainable source of funding that can fill this gap is a loan.

### **HOW PRODIGY FINANCE DEVELOPED ITS STUDENT LOAN PROGRAMME**

In 2007, Prodigy Finance launched a platform to solve the challenges inherent in this sector, addressing certain key problems for banks in this sector as follows:



- **Legal Issues:** working with the London office of a leading global law firm, Prodigy Finance designed a legal framework that allows for international enforcement of awards globally.
- **Risk vetting:** Prodigy Finance screens every applicant for risk and credit indicators in their home country. Banks generally only have the capability to assess credit risk in their home market.
- **Affordability:** it is critical to be able to assess the ability of a prospective Borrower to repay their Student Loan post-graduation, as most experience a significant salary boost post-graduation. Using metrics purely based on an applicant's historic salary will overestimate affordability problems, especially severely for Borrowers coming from developing countries where salaries can be low in comparison to salaries in developed countries. Prodigy Finance has designed a scorecard using thousands of data points allowing correlation of entry and exit profiles to make a better assessment of future potential.
- **Process:** Prodigy Finance's online application process is customised by school and is specifically designed to allow applications to be efficiently processed online, with provisional approval given in most cases within 48 hours of initial application (instead of months as was the case with many banks).
- **Community Funding:** The community nature of the platform, which sources funding from alumni, schools and others who are part of the school community network, motivates Borrowers to repay and perhaps later to contribute toward Student Loans for future Borrowers.
- **Expansion beyond MBAs:** While Prodigy Finance originally launched its programme for MBAs at leading business schools, Prodigy Finance is expanding the model to other courses at leading universities. The focus remains on degrees from top universities that feature high employability, but where students experience difficulty in securing loan finance





## 5. LOAN ORIGINATION AND SALE PROCESS

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### ASSESSMENT OF LOAN APPLICATIONS BY THE LOAN ORIGINATOR

The following is a description of the processes and techniques utilised by the Loan Originator to originate the Student Loans.

#### *SCORECARD FOR AFFORDABILITY*

The Loan Originator has developed a proprietary scorecard for assessing Student Loan affordability. Simply put the scorecard uses years of data on entry and exit profiles of Borrowers to find correlations between the profile of a Borrower at entry to the course and his predicted salary band at graduation. There are a number of factors that impact post-graduation salary and it is important to be able to assess these statistically in order to make a more informed Student Loan decision. The Loan Originator's model also takes into account traditional banking factors such as salary and debt burden, but using these in isolation is ineffective for many students as they are backward-looking indicators used in a decision with imminent future change.

#### *BACKGROUND AND RISK VETTING*

The Loan Originator conducts credit assessment, KYC, AML, sanctions screening, credit bureau and background checks on every Student Loan applicant using both experienced credit assessors and secure third-party technology services, which draw on global data sources to vet the application. The quality of data varies considerably from country to country from comprehensive financial information to more manual checks on background, residence, education and employment history. It must be noted that these measures are in addition to the application and selection processes which are conducted by the Eligible Institutions which generally include standardised testing, interviews and employment references.

#### *LOAN PRICING*

The Loan Originator operates a tiered pricing system based on the results from the scorecard, application details and intended course of study. This allows the Loan Originator to price Student Loans competitively for the portion of the population who do have access to other sources. As a result, the security pool for a Series consists of a mix of risks that can be priced appropriately. The Student Loans are all variable and in respect of each Series are pegged to the relevant Base Rate as described in the Final Terms. The Loan Originator will ensure that there is a minimum average margin on each pool to ensure that the perfect paydown of Borrowers' Student Loans would be able to meet the Target Interest Rate stated in the Final Terms.

#### *ONLINE APPLICATION AND FINALISATION*

Prodigy Finance's online application process is customised by school and specifically designed to allow applications to be efficiently processed and finalised online. Students sign the loan agreements online with geolocation.

#### *COMPLIANCE WITH APPLICABLE LAWS*

The Loan Originator, as a firm authorised by the U.K. Financial Conduct Authority ("FCA") to carry on regulated credit activities, takes steps to ensure that it complies with laws and codes of conduct applicable to it as a result of its authorisation, including:

- the U.K. Consumer Credit Act 1974, as amended, and regulations made under it;



- the U.K. Consumer Credit (EU Directive) Regulations 2010;
- the FCA Handbook;
- the U.K. Equality Act 2010;
- the U.K. Consumer Protection from Unfair Trading Regulations;
- Regulation (EU) 2016/679 (the General Data Protection Regulation);
- U.K. anti-money laundering legislation; and
- the British Banking Association (BBA) Lending Code

## OVERVIEW OF ORIGINATION AND SALE PROCESS

For each Series, the Loan Servicer will open an account (the **"Series Account"**) with HSBC UK Bank Plc (City of London Commercial Centre, 28 Borough High Street, London SE1 1YB), or such other bank as may be agreed by the Issuer, the Loan Servicer and the Trustee from time to time (the **"Account Bank"**). The proceeds of each Series of Notes will initially be lodged into the Series Account.

During the Acquisition Period of each Series (as specified in the applicable Final Terms), the proceeds lodged to the Series Account will be used by the Issuer to pay Permitted Expenses and acquire Student Loans, where a "Student Loan" may be a disbursement of part of a loan made to a Borrower when further loan disbursements remain to be made to that Borrower. The Loan Originator disburses the proceeds from the Series Account directly to a general designated UK client account and is pre-authorized by the Borrower of the Student Loan to transfer the proceeds from the general designated UK client account to the relevant university to the extent payable for tuition fees and/or living expenses mandated to be paid directly to the university or third-party lender (in the case of a refinancing).

The Issuer may also acquire Student Loans that have already been disbursed by the Loan Originator during the Acquisition Period in which case the purchase price (comprising the aggregate outstanding principal and accrued and unpaid interest on the relevant Student Loans) would be disbursed from the Series Account and transferred to an account designated by the Loan Originator.

During the Acquisition Period, repayments received by the Issuer in respect of Relevant Student Loans may be reinvested and used to acquire further Relevant Student Loans which meet the Eligibility Criteria (if applicable).

The Relevant Student Loans will be originated by the Loan Originator pursuant to the terms of a Loan Origination Agreement and in accordance with the procedures set out below and the Loan Originator may originate Student Loans by lending to the Borrower to finance tuition fees and/or living expenses or repayment by the Borrower of a loan borrowed for these purposes (as specified in the Final Terms for the relevant Series).

For each Series, the Loan Originator will originate Student Loans which meet the Eligibility Criteria (as described below). The Loan Originator is mandated by the Issuer to originate aggregate Student Loans for each Series in an amount approximately equal to the proceeds of the issue of the Notes of that Series, but the Loan Originator is not obliged to fulfil this mandate. If the Loan Originator and the Borrower have agreed that a Relevant Student Loan will be disbursed in a number of distinct tranches over time, the Issuer may treat the disbursed part of the total loan to be made to the Borrower as a "Student Loan" and acquire that disbursed part. The Issuer may also purchase subsequent disbursements of the loan to that Borrower if the Issuer has



Note proceeds with which to make the purchase and that purchase is made during the Acquisition Period. Note proceeds in excess of originated Relevant Student Loans are distributed in accordance with the applicable Priorities of Payments on the Payment Date that follows the Acquisition Period.

The Loan Originator will finalise the terms of the Relevant Student Loans following which the Issuer shall acquire the Relevant Student Loans. Generally, there will be a significant degree of consistency between loan agreements agreed by the Loan Originator for Student Loans, though the Loan Originator may vary terms provided that the resulting Relevant Student Loan is consistent with the Eligibility Criteria for the relevant Series (if applicable). In particular, the loan agreement for a Student Loan to refinance an existing loan made by third party that satisfies the Eligibility Criteria will differ from a loan agreement for a new Student Loan satisfying the Eligibility Criteria. Also, a loan agreement for lending into the U.S. will usually include provisions on disclosure required for compliance with applicable disclosure rules and conventions there.

The Loan Originator will prepare an eligible student loan notice to the Issuer that sets out details of the Student Loans proposed for purchase by the Issuer with the proceeds of issuance of a Series of Notes and/or the proceeds of repayment of Relevant Student Loans previously acquired with the proceeds of issuance of such Series of Notes, and the purchase price for those Student Loans. On payment of the purchase price by the Issuer, the Loan Originator assigns its right, title and interest in the Student Loans and related rights (such as the guarantee and life policy rights if specified as applicable to the Series in its Final Terms) to the Issuer in accordance with the terms of the Loan Origination Agreement (described in Section 7). Relevant Student Loans may only be purchased by the Issuer during the relevant Acquisition Period.

In respect of any Series of Notes for which "In Specie Subscription" is stated to apply in the relevant Final Terms, the proceeds of the relevant Series of Notes may be used by the Issuer to acquire Student Loans made to Borrowers who attend the Eligible Institution(s) for that Series notwithstanding that such Student Loans may be Impaired Student Loans and/or may not meet all other Eligibility Criteria or comply fully with the Series Final Terms ("**In Specie Student Loan**"). Where such Final Terms also specify an "In Specie Subscription Level", only In Specie Student Loans up to the amount specified as the In Specie Subscription Level may be included in the portfolio of Relevant Student Loans related to the relevant Series.

## ELIGIBLE INSTITUTIONS AND ELIGIBLE COURSES

With the proceeds of each Series of Notes, the Issuer will acquire Student Loans granted to Borrowers who have attended, are attending, or will attend, as students at one or more Eligible Institutions (as specified in the Series Final Terms) in order to participate in an educational course specified as an "Eligible Course" in the Series Final Terms.

An "Eligible Institution" means with respect to a Student Loan:

- (a) with respect to a Business Course: an educational institution that is ranked in the top 100 list as published by the U.S. News & World Report (or its successor) (the "*US News List*"), which includes the Best Grad Schools Ranking and Best Global Universities Ranking and the Financial Times (or its successor) (the "*FT List*"), which includes the Global MBA Ranking and European Business School Ranking, in any of three years prior to the credit approval date for the Student Loan; and
- (b) with respect to a Non-Business Course:



- i. in the case of an educational institution in the U.S., (A) in the case of a STEM (science, technology, engineering, and math) course (including any subclassifications provided subject is within Prodigy's approved fields of study as per the Loan Origination Policy) an educational institution that is in the top 200, and (B) in the case of a law, public policy or public affairs, medicine, dentistry, nursing and other health sciences Master's degree course an educational institution that is in the top 100, in each case, as published under the US News List in any of the three years prior to the credit approval date for the Student Loan (including any subclassifications for medicine, nursing and health provided subject is within Prodigy's approved fields of study as per the Loan Origination Policy); and
- ii. in the case of an educational institution that is not in the U.S., (A) in the case of a STEM (science, technology, engineering, and math) course (including any subclassifications provided subject is within Prodigy's approved fields of study as per the Loan Origination Policy), and (B) in the case of a law, public policy or public affairs, medicine, dentistry, nursing, and other health sciences Master's degree course in the top 100 degree courses as published under the FT List or the US News List, in any of the three years prior to the credit approval date for the Student Loan.

For the avoidance of doubt, reference to an "Eligible Institution" includes that Eligible Institution and each school, college and other educational establishment comprised in that Eligible Institution.

It is anticipated that some Series will focus on Eligible Course(s) at a particular Eligible Institution while other Series will permit the Loan Originator to originate Student Loans with reference to Eligible Courses at one, some or all Eligible Institutions.

## LOAN ELIGIBILITY CRITERIA

Relevant Student Loans will need to meet the Eligibility Criteria (unless "In Specie Subscription" is stated to apply to the relevant Series in the applicable Final Terms). Specifically, for each Series, all Relevant Student Loans must be made within the loan originations credit policy adopted by the Loan Originator in accordance with the terms of the Loan Origination Agreement ("LOA") (the "**Loan Originations Credit Policy**").

Under the terms of the LOA, the Loan Originator has discretion with respect to the terms of the Loan Originations Credit Policy it adopts subject to the requirement that all Student Loans which it originates must comply with the following criteria (the "**Eligibility Criteria**"):

- Each Borrower must be accepted into an "Eligible Course" at an "Eligible Institution".
- Each Borrower must meet the Loan Originator's affordability criteria.
- The Loan Originator must be satisfied with the results of a credit bureau or background check on each Borrower.
- Each Borrower must be a resident of an "Eligible Country", which shall be described in the Loan Originations Credit Policy.
- The Loan Originator must receive valid proof of identity and residence for each Borrower.
- The loan must be denominated in the same currency as the relevant Series of Notes.
- For a Student Loan that refinances an existing third party loan borrowed by the Borrower, the Borrower must use or have used the loan to be refinanced for the purposes of tuition fees and/or living expenses associated with the Borrower's enrolment as a student in an Eligible Course at an Eligible Institution and the Student Loan must be used to repay the loan borrowed for that purpose.

The Loan Originator has discretion on how it will regulate other criteria in the Loan Originations Credit Policy that it adopts. For example, in deciding on whether Borrower residence or citizenship is relevant for a Series, the Loan Originator will have regard to whether the Borrower is a resident or citizen of a country that permits



the Loan Originator to conduct its business there or allows for the recognition and enforcement of foreign awards; but the Loan Originator may permit residents or citizens from other countries to borrow Student Loans.

It is anticipated that some Series may focus on Borrowers coming from countries from a particular geographical region, while other Series may include Borrowers from a wide range of countries and regions. The Final Terms for a Series will specify any such applicable geographical concentration requirements.

The Loan Originator charges each Borrower an administration fee to cover costs associated with verifying eligibility and that fee is added to the Borrower's Student Loan balance.

## OVERCAPITALISATION

For each Series, the Loan Originator forecasts the amount of Relevant Student Loans it anticipates will be disbursed based on its interactions with potential borrowers prior to the Series Issue Date. However, the Loan Originator is not required to have in place any legally binding agreements with Borrowers in respect of any Student Loans when the Series Issue Date occurs. Accordingly it may disburse less Student Loans than anticipated. Conversely, for a number of existing Series, actual demand for Student Loans eligible as Relevant Student Loans for that Series has exceeded that anticipated by the Loan Originator. With a view to servicing excess demand without the cost of issuing an additional Tranche of the relevant Series, the Issuer may elect to issue an initial Tranche with an aggregate nominal amount in excess of the anticipated aggregate principal amount of Relevant Student Loans.

In such cases the Issuer will specify an applicable "Overcapitalisation Level" in the Final Terms for a Series to indicate that it has identified a particular level of demand from potential Borrowers for Relevant Student Loans at the Issue Date but has issued the relevant Tranche of such Series of Notes in an aggregate nominal amount that is greater than the aggregate principal amount of such Relevant Student Loans (such excess amount as a percentage of the aggregate nominal amount of the relevant Tranche being the specified Overcapitalisation Level), in anticipation of there being further demand for Relevant Student Loans meeting the specified Eligibility Criteria from Borrowers during the Acquisition Period. Any amounts which represent the proceeds of a issue of the relevant Tranche which the Issuer has not utilised during the Acquisition Period to pay Permitted Expenses and/or purchase Relevant Student Loans will be repaid to Noteholders on a pro rata basis towards redemption of the Notes in accordance with the Priorities of Payments on the Payment Date that follows the Acquisition Period.

## STUDENT LOAN EXCHANGES

The Loan Originator may recommend that the Issuer exchanges Relevant Student Loan(s) included in the Mortgaged Property for a Series for other Student Loan(s) that satisfy the applicable Eligibility Criteria (if applicable) and the section of the Final Terms entitled "Provisions relating to Student Loans". The Issuer may then direct the Trustee to execute any document required to release the Relevant Student Loan(s) being replaced from the security created by the Trust Deed for such Series and take a first charge over those replacement Student Loan(s) which the Trustee is obliged to do provided the Loan Originator has confirmed to the Issuer in writing (with a copy to the Trustee) that the replacement Student Loans meet the conditions specified in Condition 9.13 (*Exchange*).



## 6. LOAN SERVICING PROCESS

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### COLLECTION OF PAYMENTS

Under the terms of the Loan Servicing Agreement (“**LSA**”), the Loan Servicer has agreed to service and manage the Relevant Student Loans for each Series of Notes in accordance with its loan management policy (the “**Loan Management Policy**”). The Loan Management Policy is included in the LSA and any material amendments, alterations or modifications to the Loan Management Policy must be agreed between the Loan Servicer and the Issuer, provided that the Loan Servicer shall be entitled in its own absolute discretion to make changes to the content of the Loan Management Policy to the extent required by applicable law or in order to give effect to practices being adopted generally by lenders in the business of making loans to consumers.

The Loan Management Policy affords the Loan Servicer discretion with respect to many aspects of the servicing and management of the Relevant Student Loans. The Loan Servicer is permitted to make amendments to the terms of the Relevant Student Loans in accordance with the Loan Management Policy. If required, the Loan Servicer may arrange for legal (but not beneficial) title to a Relevant Student Loan to be transferred to the Loan Originator for the purpose of agreeing an amendment to the terms of such Relevant Student Loan with the relevant Borrower thereof. In such cases, the Loan Servicer will procure the re-transfer to the Issuer of such legal title upon conclusion of any such amendment.

Collection of repayments from Borrowers will be managed by the Loan Servicer. The LSA provides that the Loan Servicer and/or the Issuer can appoint payment service providers, subsidiary loan servicers or special purpose entities established to hold repayment amounts prior to same being transferred to the relevant Series Account and/or establish local accounts and Borrowers may be directed to make repayments to an account maintained by such a payment service provider, subsidiary loan servicer or special purpose entity or to a local account prior to such amount being transferred to the relevant Series Account.

The Loan Servicer has appointed Prodigy Repayments Limited as “Repayment Account Holder” pursuant to a repayment servicing agreement dated 9 October 2018 between the Loan Servicer and Prodigy Repayments Limited. Prodigy Repayments Limited is a special purpose entity established to hold repayment amounts from borrowers before such amounts are transferred to the relevant loan owners. In the case of payments relating to Relevant Student Loans purchased by the Issuer, such amounts are transferred to the relevant Series Account. Pursuant to the terms of the Repayments Servicing Agreement, Prodigy Repayments Limited is required to transfer all sums received from Borrowers to the relevant Series Account(s) within the timeframes required pursuant to the LSA. Pursuant to a Repayment Account Declaration of Trust dated 9 October 2018 between, amongst others, Prodigy Repayments Limited as “Repayment Account Holder” and “Trustee” and the Issuer as “Funding Beneficiary” (the “**Repayment Account Declaration of Trust**”), Prodigy Repayments Limited has declared a trust in favour of the Issuer over amounts held by it from time to time that represent payments received from Borrowers in respect of the Student Loans. Such amounts are held by Prodigy Repayments Limited in collection accounts held by it along with other amounts in respect of which other entities (as funding beneficiaries) have a beneficial interest pursuant to the terms of the Repayment Account Declaration of Trust, before being transferred to the relevant Series Accounts.

The Loan Servicer is required to ensure that all Relevant Student Loan repayments by the Borrowers are aggregated into the relevant Series Accounts held at the Account Bank.

On each Payment Date, the Principal Paying Agent, following instruction by the Calculation Agent, will wire amounts of payable interest and principal to Noteholders either directly or through the Clearing System depending on the form of the Note.



## **PAYMENT ALLOCATION**

All payments that the Loan Servicer receives on Student Loans are applied by the Loan Servicer in discharge of obligations then owing by the student Borrower in respect of the Student Loan in the order described in the Loan Management Policy scheduled to the LSA.

Pursuant to the terms of the Loan Agreements, Borrowers agree to discharge legal expenses reasonably incurred by the Loan Servicer in relation to their Student Loan, and the Loan Servicer manages recovery of those costs from the student Borrowers in accordance with the Loan Management Policy and subject to any recovery restrictions under applicable laws and regulations.

## **AGEING OF LOANS**

The Loan Servicer ages loans through delinquency and default stages using industry standard methodology, which involves calculating the Days Past Due that a loan is delinquent, reporting on delinquency and implementing collections and enforcement policies for delinquent loans that are specified in the Loan Management Policy.

## **DEFAULT MANAGEMENT AND ENFORCEMENT**

In order to reduce the risk of default by Borrowers, the Loan Servicer will apply risk management techniques during the collections process, which may include a renegotiation of the terms of Relevant Student Loans.

The LSA stipulates that where default occurs on a Relevant Student Loan, the Loan Servicer will have discretion whether to enforce payment of that Relevant Student Loan or write it off, and that that discretion will be exercised by the Loan Servicer after having regard to the Loan Management Policy agreed with the Issuer and scheduled to the LSA. Where the Loan Servicer decides to enforce payment of a defaulted Relevant Student Loan, the Loan Servicer or its appointed representative will be responsible for issuing default notices against the Borrower in default and is permitted to take such action on behalf of the Issuer as it considers necessary to recover outstanding amounts.

The Loan Servicer is also responsible for monitoring the overall level of repayments for Relevant Student Loans and enforcing the terms of any associated financial guarantees in respect of the Relevant Student Loans, if applicable. As an aspect of its repayment management role, the Loan Servicer is responsible for ensuring that all payments received on Relevant Student Loans (including any written off Student Loans) are ultimately paid or transferred to the relevant Series Account for that Series for application in accordance with the relevant Priorities of Payments.

The Loan Servicer is authorised by the Issuer to establish a temporary payment arrangement in order to help a Borrower unable to pay Relevant Student Loan obligations. The circumstances in which the Loan Servicer will consider agreeing a temporary arrangement with a student Borrower include financial and technical challenges affecting the Borrower's ability to make repayment. The Loan Servicer is responsible for monitoring entry into a temporary payment arrangement and exit from it and the number of Relevant Student Loans that are subject to temporary payment arrangements, which monitoring is carried out in accordance with the Loan Management Policy.

In the event the Loan Servicer confirms to the Issuer and the Trustee that there is no realistic prospect of collecting further funds from Borrowers of the outstanding Relevant Student Loans in accordance with its Loan Management Policy, the Issuer shall so notify the Noteholders of the relevant Series in accordance with Condition 16. The Notes shall thereupon be redeemed in full and cancelled and the rights of the Noteholders to receive any further amounts in respect of the Notes of the relevant Series shall be extinguished.



## STUDY EXTENSIONS

The Loan Servicer has discretion to amend the terms of a Relevant Student Loan where the student Borrower proposes to defer study or undertake an additional period of study. Where the student Borrower proposes to defer study for more than 12 months, the student Borrower is considered to have terminated studies. Where a student Borrower opts to defer for up to 12 months or to extend studies (for example, by taking an additional year to complete a master of advanced management), the Loan Servicer is authorised to agree an additional Grace Period for the student Borrower of up to 12 additional months. Typically Grace Periods end six months after course completion.

## COMPLIANCE WITH LAWS

As a firm authorised by the U.K. FCA to carry on regulated credit activities, the Loan Servicer complies with principles set out in the FCA Rules including the FCA Consumer Credit Source Book (CONC) and the Lending Code – Lending Standards Board (LSB) best practice with due care for its obligations to carry on Responsible Lending; treating customers fairly, affordability and vulnerability.

## SURPLUS FUNDS

If any Series of Notes is redeemed in full and there are still excess funds available in the relevant Series Account following payment of all amounts due in respect of such Series, the Priorities of Payments stipulates that the Issuer shall use such surplus to, amongst other things, discharge fees and expenses relating to any other Series to the extent there are insufficient funds in the relevant Series Account to discharge same. As a result, Prodigy Finance may benefit from early redemption of a Series.





## 7. LEGAL STRUCTURE, ROLES AND REGULATION

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### THE LOAN ORIGINATOR

Prodigy Finance has been appointed by the Issuer to act as the “Loan Originator”. Prodigy Finance is incorporated in the United Kingdom (Company Number 5912562), holds a permission from the Financial Conduct Authority to carry on regulated credit activities (under firm reference number 709641), and is an ICO registered data controller (Reg. No. Z9851854) with a registered office at Palladium House, 1-4 Argyll Street, London, W1F 7LD, United Kingdom. Prodigy Finance has not been appointed to provide, and does not provide, services regarding or relating to the offering or placing of Notes of any Series to be issued under this Base Prospectus.

The Issuer may elect to appoint other loan originators to replace Prodigy Finance or in addition to Prodigy Finance, for example, where regulatory, commercial or other concerns in the place where loans will be originated make it necessary or desirable for those loans to be originated other than by Prodigy Finance. Should any such appointment be made, the Issuer will assign by way of security to the Trustee its rights under the agreement by which the appointment is made with respect to any Series to which the appointment relates.

#### The Loan Origination Agreement ("LOA")

The Issuer has appointed Prodigy Finance under the LOA to originate Student Loans in accordance with the Eligibility Criteria.

The principal responsibilities of Prodigy Finance under the LOA are as follows:

1. The origination of Student Loans which meet the Eligibility Criteria outlined in the Loan Originations Credit Policy scheduled to the LOA;
2. The management of loan disbursements to Borrowers on acquired Student Loans; and
3. Identifying opportunities to sell Student Loans or borrow on the security of them with a view to redeeming Notes secured by them at any time after the Issue Date of the Notes.

The Loan Originations Credit Policy outlines the rules and guidelines for approval of all loans originated by Prodigy Finance. It covers the credit risk guidelines for the origination and credit approval process. It summarises the framework for evaluating circumstances of each student borrower to arrive at a loan expected to be appropriate and within risk appetite for that student borrower. Before lending any money, Prodigy Finance will assess whether a student borrower will be able to repay the loan proposed in a sustainable manner, including considering the potential for the borrowing to adversely impact the financial situation of the student borrower, information from Credit Reference Agencies (CRAs), and existing financial commitments of the student borrower, where provided.

Prodigy Finance may from time to time engage third parties to assist it in the performance of its functions under the LOA, but Prodigy Finance remains responsible for the performance of its obligations under the LOA so that Prodigy Finance's liability to the Issuer will be unchanged by delegation.



### **Term and termination**

The LOA continues until terminated by either party. Either party may terminate the LOA following a material breach by the other party of its obligations which it fails to remedy within a period of 30 days. In certain circumstances, such as the insolvency of either party or either party ceasing to carry on business, the LOA will terminate without notice. The Issuer will then promptly appoint a replacement loan originator. Prodigy Finance may not resign its duties as Loan Originator where duties remain to be performed by Prodigy Finance in respect of any Series unless a replacement acceptable to the Issuer has been appointed to carry out those duties and has been enabled to do so.

### **Fees and expenses**

Prodigy Finance is entitled to recover fees, costs and expenses from the Issuer as set out in the LOA.

### **Limitation of liability**

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

### **Indemnities**

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

### **Governing law and jurisdiction**

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

## **THE LOAN SERVICER**

The Issuer has also appointed Prodigy Finance to act as the "Loan Servicer" and Prodigy Finance is authorised to carry out these activities by its Financial Conduct Authority permission to carry on regulated credit activities (under firm reference number 709641).

Again, the Issuer may elect to appoint professional and reputable loan servicers and managers to carry out loan servicing and management on the portfolio in addition to or in replacement of Prodigy Finance. Should the Issuer do so, the Issuer will assign its rights under the agreement by which the appointment is made to the Trustee by way of security in respect of any Series to which the appointment relates.

### **The Loan Servicing Agreement ("LSA")**

The Issuer has appointed Prodigy Finance under the LSA to service, on behalf of the Issuer, the Relevant Student Loans acquired by the Issuer and to manage and enforce repayment of those Relevant Student Loans. The principal responsibilities of Prodigy Finance under the LSA are as follows:

1. Monthly management of payments by Borrowers under the Relevant Student Loans;
2. Liaising with Borrowers with respect to their Relevant Student Loans generally and negotiating and agreeing amended Relevant Student Loan terms to the extent that amendments agreed are consistent



with the requirements for a Relevant Student Loan for the relevant Series as set out in the Final Terms of that Series;

3. Applying risk management techniques to reduce the probability of default;
4. Managing defaults, deciding whether to enforce or write off a defaulted Relevant Student Loan and pursuing enforcement procedures in respect of a Relevant Student Loan where appropriate; and
5. Enforcing the rights of the Issuer under the terms of any financial guarantee in relation to the Relevant Student Loans, if applicable.

Prodigy Finance carries out these responsibilities having regard to a Loan Management Policy agreed with the Issuer, which is scheduled to the LSA. The Loan Management Policy sets out permitted policy positions on loan repayment, loan status classification, arrears management, forbearance, enforcement, bankruptcy, IVAs (Insolvency Voluntary Arrangements), debt relief orders, deceased estates, disputed debt, responsible lending and vulnerable Borrowers as well as communication standards.

Prodigy Finance may from time to time engage third parties to assist it in the performance of its functions under the LSA and the Issuer may elect to appoint additional or replacement loan servicer(s) and manager(s). Notwithstanding any such arrangements, Prodigy Finance remains responsible for the performance of its obligations under the LSA and its obligations and liabilities to the Issuer will be unchanged by delegation. Prodigy Finance is assisted by its wholly owned subsidiary Prodigy Finance Pty Ltd (South Africa) which provides back office and administration support to Prodigy Finance.

With respect to each Series, Prodigy Finance may publish information in relation to the performance and/or features of Relevant Student Loans from time to time. For more information on where to access any such information, please contact [investor@prodigyfinance.com](mailto:investor@prodigyfinance.com).

### **Term and Termination**

The LSA continues until terminated by either party. Either party may terminate the LSA following a material breach by the other party of its obligations which it fails to remedy within a period of 30 days. In certain circumstances such as the insolvency of either party, either party ceasing to carry on business or the Loan Servicer ceasing to be authorised to provide services under the LSA, the LSA will terminate without notice. The Issuer will then promptly appoint a replacement loan servicer and manager, and the LSA contemplates that the Issuer and Prodigy Finance may enter into an agreement with a reputable loan servicer and manager to replace Prodigy Finance on its insolvency prior to a termination circumstance arising if Prodigy Finance discharges expenses resulting from that agreement from its existing fee entitlements. Prodigy Finance may not resign from its duties as Loan Servicer without a replacement having been duly appointed.

### **Fees and Expenses**

Prodigy Finance is entitled to recover fees, costs and expenses from the Issuer as set out in the LSA (which may be paid by the Issuer in accordance with the relevant Priorities of Payments in priority to payments to Noteholders). Prodigy Finance has the additional right to recover reasonable costs, charges and expenses, including legal fees, from the Borrower on the Issuer's behalf for any and all work made necessary by the acts and omissions of any Borrower, and arising from the administration and enforcement of any Eligible Loan.

Prodigy Finance may, at its discretion, pay fees and expenses relating to the administration and enforcement of Relevant Student Loans and subsequently seek to recover same from the Issuer or request payment of such fees and expenses directly by the Issuer, in each case as a "Permitted Expense" (which may be paid by the



Issuer in accordance with the relevant Priorities of Payments in priority to payments to Noteholders of the relevant Series). Should Prodigy Finance subsequently recover amounts representing such fees and expenses from a Borrower, it is obliged to reimburse the Issuer by transferring the relevant amount to the relevant Series Account(s).

The Issuer may transfer to the Loan Servicer any amount representing the Servicing Fee due to the Loan Servicer from the Series Account on any date.

#### **Limitation of Liability**

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

#### **Indemnities**

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

#### **Governing Law and Jurisdiction**

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

### **THE BACK-UP SERVICER**

The Issuer has appointed Link Financial Outsourcing Limited (the "**Back-Up Servicer**") to act as back-up servicer with respect to the Relevant Student Loans pursuant to a back-up servicing agreement dated 18 July 2019 between the Issuer, the Back-Up Servicer and the Loan Servicer (the "**Back-Up Servicing Agreement**"). In the event the appointment of the Loan Servicer is terminated, the Back-Up Servicer is required to provide loan management and administration services with respect to the Relevant Student Loans securing each Series issued prior to its appointment in accordance with the terms of a replacement servicing agreement, the form of which is scheduled to the Back-Up Servicing Agreement.

Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer is permitted to delegate performance of any of its functions provided, amongst other things, the Issuer is party to any agreement pursuant to which the Back-Up Servicer does so.

### **THE PERMANENT PLACING AGENCY AGREEMENT AND THE PERMANENT PLACING AGENT**

Prodigy Services Limited ("**Prodigy Services**") has been appointed as permanent placing agent under a placing agency agreement between Prodigy Services and the Issuer (the "**Permanent Placing Agency Agreement**"). Prodigy Services is incorporated in the United Kingdom (Company No. 10201413) with a registered office at Palladium House, 1-4 Argyll Street, London W1F 7LD, United Kingdom. In acting as Permanent Placing Agent, Prodigy Services is acting as an authorised representative of an entity that is authorised and regulated by the Financial Conduct Authority. Prodigy Services is not a U.S. registered broker-dealer.

Under the Permanent Placing Agency Agreement, the Issuer appoints Prodigy Services as "Placing Agent" to carry out placing and promotional activities with a view to finding investors in Notes of Series to be issued under this updated Base Prospectus, including by providing non-binding information on potential future Series to possible investors in advance of the Issuer deciding to proceed with any such Series.



The Permanent Placing Agent will not underwrite in any respect any Series of Notes. Therefore, the proceeds that can be raised by issuing Series of Notes under this Base Prospectus will be limited to the amounts that investors agree to subscribe for those Notes.

The Permanent Placing Agency Agreement continues until terminated by either party, which either party may do by giving 60 days' notice in writing to the other party. In certain circumstances such as the insolvency of either party or either party ceasing to carry on business, the Permanent Placing Agency Agreement will terminate without notice. The Issuer will then promptly appoint a replacement permanent placing agent, and the Permanent Placing Agency Agreement contemplates that the Issuer and the Permanent Placing Agent may enter into an agreement with a reputable placing agent to replace the Permanent Placing Agent on its insolvency prior to a termination circumstance arising if the Permanent Placing Agent discharges expenses resulting from that agreement from its existing fee entitlements. The Permanent Placing Agent may not resign from its duties as Permanent Placing Agent without a replacement having been appointed. The Permanent Placing Agent is entitled to recover fees, costs and expenses from the Issuer as set out in the Permanent Placing Agency Agreement and the applicable Final Terms.

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

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

**Under the Placing Agency Agreement, Prodigy Services is acting as placing agent solely with respect to offers and sales of Notes outside of the U.S. and is not a U.S. registered broker-dealer. The Issuer may engage a U.S. registered broker-dealer for offers and sales of the Notes to potential investors in the U.S. Additional information with respect to the Issuer's engagement of a U.S. registered broker-dealer and procedures for investment in the Notes by potential investors in the U.S. may be provided to such investors at a later date.**

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

## **APPOINTMENT OF ADDITIONAL PLACING AGENTS**

The Issuer may from time to time appoint one or more other financial institutions as placing agents with respect to specific Series of Notes. Any such financial institution so appointed with respect to a Series of Notes (each an **"Additional Placing Agent"** and each Additional Placing Agent together with the Permanent Placing Agent, the **"Placing Agents"**) will be identified as such in the applicable Final Terms. The Issuer will enter into a placing agency agreement with each Additional Placing Agent (each an **"Additional Placing Agency Agreement"** and each Additional Placing Agency Agreement together with the Permanent Placing Agency Agreement, the **"Placing Agency Agreements"**) in such form and having such terms and conditions as it may agree with the relevant Additional Placing Agent.



## THE AGENCY AGREEMENT AND AGENTS

### The Principal Paying Agent and Registrar

Société Générale Luxembourg (“SGBT”) acts as principal paying agent and registrar on behalf of the Issuer pursuant to agency agreement (the “Agency Agreement”) in respect of Notes which have been accepted to the respective book-entry systems of Euroclear and Clearstream, Luxembourg and which are represented by Global Certificates.

In relation to any Notes which are admitted to an alternative clearing system or which are issued outside of a clearing system, an additional paying agent and registrar will be appointed and notified to investors.

SGBT is a corporation registered in the Luxembourg Registry of Trade and Companies under number B 6061, whose registered office is at 11 avenue emile reuter, L-2420 Luxembourg and is licensed and supervised by the Luxembourg Authority CSSF 110, route d'Arlon, L-2991 Luxembourg.

### The Transfer Agent and Calculation Agent

Prodigy Finance acts as Transfer Agent and Calculation Agent on behalf of the Issuer pursuant to the Agency Agreement. As Calculation Agent, Prodigy Finance determines interest rates and amounts payable under the Notes and notifies Noteholders of such rates and amounts.

### Removal and resignation of an Agent

The Issuer may, with the prior written approval of the Trustee, remove any of the Principal Paying Agent, Registrar, Transfer Agent or Calculation Agent (together, the “Agents”) at any time by giving at least 60 days’ prior written notice to the relevant Agent, which notice shall expire at least 30 days before or after the due date for payment of any Notes.

Each Agent may, with the prior consent of the Trustee, resign its appointment at any time by giving the Issuer at least 60 days’ prior notice to that effect, which notice shall expire at least 30 days before or 30 days after any due date for payment of any Notes.

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

### Indemnification

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



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

### **Governing Law and Jurisdiction**

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

## **THE CORPORATE SERVICES PROVIDER**

Apex IFS Limited of 2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Dublin 1, Ireland acts as Corporate Services Provider of the Issuer pursuant to a corporate services agreement (the "**Corporate Services Agreement**"). Its duties include the provision of certain management, administrative, accounting and related services.

Either party may terminate the Corporate Services Agreement upon not less than 90 days' written notice to the other party. Either party may terminate the Corporate Services Agreement by notice to the other party in certain circumstances such as following a material breach by the other party of its obligations which it fails to remedy within a period of 30 days, the insolvency of the other party or the other party ceasing to carry on business.

## **THE TRUSTEE**

Apex Corporate Trustees (UK) Limited (formerly known as Link Corporate Trustees (UK) Limited), acting through its office at 6<sup>th</sup> Floor, 125 Wood Street, London, EC2V 7AN, United Kingdom acts as trustee in respect of each Series of Notes under the terms of the Supplemental Trust Deed for each Series entered into between the Issuer and the Trustee, and incorporating in each case the terms of the Principal Trust Deed (the "**Trustee**"). The Trustee will hold the benefit of the security granted by the Issuer over the Mortgaged Property on trust for the secured parties and will hold the Issuer's payment and other covenants and obligations in respect of the Notes on trust for the Noteholders.

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

## **THE ISSUER**

### **General**

The Issuer, MBA Community Loans Plc, was incorporated on 22 July 2010 as a public limited liability company under the Irish Companies Act 1963 (as amended) with registered number 486917 and is now subject to the



requirements of the Irish Companies Act 2014 (as amended). The registered office of the Issuer is 2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Dublin 1, Ireland, and its telephone number is +353 (0)1 224 0418.

The Directors of the Issuer are Lisa Hand and Ciaran Connolly. Lisa Hand and Ciaran Connolly are of Apex IFS Limited, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland. The Directors of the Issuer have no activities outside the Issuer which are significant with respect to the Issuer. The Issuer was incorporated with authorised share capital of €40,000 divided into 40,000 ordinary shares with par value of €1 each. The issued share capital of the Issuer is €40,000, €40,000 of which has been paid up.

### **Details of Shareholdings**

All of the 40,000 issued shares of the Issuer are held by Apex Trust Nominees No. 1 Limited (the “**Share Trustee**”), which is a company incorporated in England and Wales. Under the terms of a declaration of trust made by the Share Trustee (the “**Declaration of Trust**”), the Share Trustee holds the benefit of the shares on trust for charity. Under the terms of the Declaration of Trust, the Share Trustee has, inter alia, covenanted not, without the approval of the Trustee and Noteholders to dispose of or otherwise deal with the shares whilst any of the Notes remain outstanding. The Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as Share Trustee, from its holding of the shares.

### **Corporate Objectives**

The corporate objectives of the Issuer are set out in Clause 3 of its Memorandum of Association (as amended from time to time) and include, inter alia, carrying on the business of financing and re-financing, the purchasing, acquiring, dealing, engaging or otherwise trading in any financial asset including, without limitation, student loans.

### **Business**

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

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

### **Financial Statements**

The Issuer commenced operations on 22 July 2010. The financial year of the Issuer begins on 8 July of each year and ends on 7 July of the following year. Audited financial statements for the years ended 7 July 2018 and 7 July 2019 and unaudited financial statements for the six-month period ended 7 January 2020 have been approved by the Board of Directors and are incorporated herein. The audited financial statements of the Issuer are prepared in accordance with international financial reporting standards within the meaning of, and as adopted in accordance with, Regulation (EU) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (“**IFRS**”).

The Issuer publishes annual financial statements and interim financial statements. The Issuer does not have any subsidiaries and will not produce consolidated accounts. Completed financial statements will be available from the registered office of the Issuer.



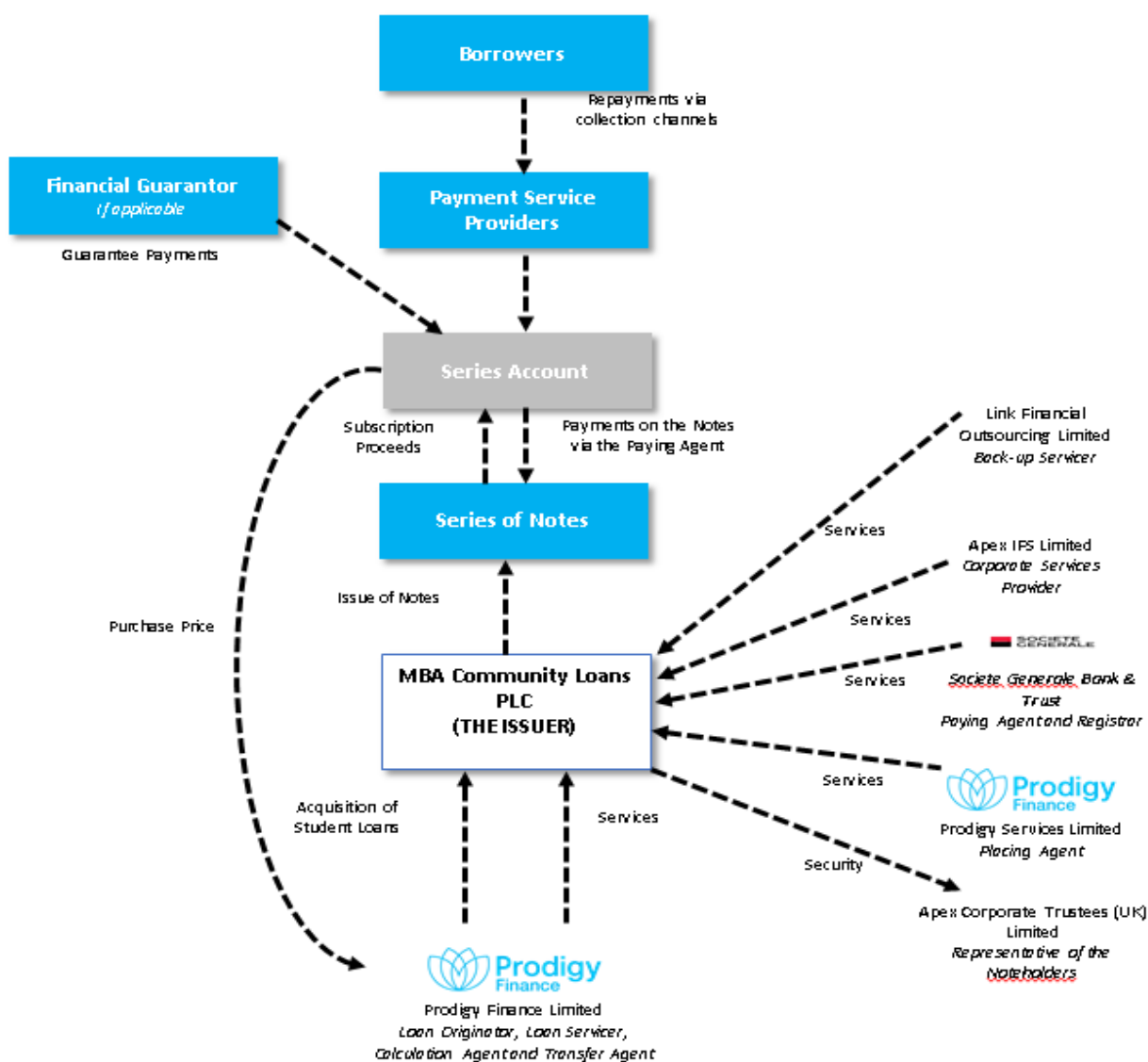


## Auditors

The auditors of the Issuer are KPMG at 1-2 Harbourmaster Place, International Financial Services Centre, Dublin 1, chartered accountants and registered auditors, who are qualified and registered to practise in Ireland. KPMG is regulated by and is a member of the Institute of Chartered Accountants in Ireland. KPMG were the auditors of the Issuer for the financial year ended 7 July 2019 (and previous financial years).

## STRUCTURE CHART

Below is a structure chart which illustrates the structure of and parties to the Programme.



## 8. TERMS AND CONDITIONS OF THE NOTES

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*The following is the text of the terms and conditions (the **Conditions**) that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes of each Series. These Conditions will only apply to Notes issued on or after the date of this Base Prospectus. Either (a) the full text of these Conditions together with the relevant provisions of the Final Terms or (b) these Conditions as so completed (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on, or attached to, the Global Certificate representing a Series or if applicable, on the Individual Certificates representing a Series of Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms and the Trust Deed. Save where the context requires otherwise, references in the Conditions to Notes are to the Notes of one Series only, not to all Notes that may be issued under the Programme. Statements included in italics do not form part of the Conditions.*

Each Note is one of a Series (as defined below) of Notes constituted by an Amended and Restated Principal Trust Deed dated 21 August 2020 (as further amended, restated and/or supplemented from time to time as at the date of issue of the Notes (the **Issue Date**)), the **Principal Trust Deed** between the Issuer and Apex Corporate Trustees (UK) Limited (formerly named Link Corporate Trustees (UK) Limited) (the **Trustee** which expression shall include all persons for the time being the trustee or trustees under the Principal Trust Deed) as trustee for the Noteholders (as defined below), and as further supplemented by a supplemental trust deed in respect of the relevant Series (the Supplemental Trust Deed). The Principal Trust Deed as supplemented by the **Supplemental Trust Deed** is hereinafter referred to as the **Trust Deed**.

An Amended and Restated Agency Agreement dated 21 August 2018 (as amended, restated and/or supplemented as at the Issue Date, the **Agency Agreement**) has been entered into in relation to the Notes between the Issuer, the Trustee and Prodigy Finance Limited ("**Prodigy Finance**") as transfer agent (in such capacity the Transfer Agent, which expression shall include any additional or successor transfer agents) and as calculation agent (in such capacity, the **Calculation Agent**, which expression shall include any successor calculation agent) and Société Générale Luxembourg as principal paying agent (in such capacity the **Principal Paying Agent**, which expression shall include any additional or successor paying agents) and as registrar (in such capacity the **Registrar**, which expression shall include any additional or successor registrars).

The statements in these terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed and the other Transaction Documents (as defined herein).

Copies of the Trust Deed and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of Prodigy Finance. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all provisions of the Transaction Documents applicable to them.

The Final Terms for the Notes (or the relevant provisions thereof) is attached to, or endorsed on, the Certificate(s) representing the Notes. References in these Conditions to the applicable Final Terms or the relevant Final Terms are to the Final Terms (or the relevant provisions thereof) attached to, or endorsed on, the Certificate(s) representing the Notes.

Any reference herein to "**Notes**", "**Notes of this Series**" or "**this Series of Notes**" shall be to the Series of Notes represented by the Certificate(s) on which these Conditions are endorsed or to which these Conditions are attached, as completed in each case by the applicable Final Terms, and any reference herein to "**all Series of Notes**" or "**Notes of all Series**" shall be to all Notes of all Series that remain outstanding (as defined in the Trust Deed).



## 1. DEFINITIONS

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

<b>Accrued Interest Balance</b>	means, with respect to a Calculation Date, any interest accrued in prior Interest Periods but not yet paid to Noteholders plus the then Current Interest Amount.
<b>Acquisition Period</b>	means, with respect to the Notes, the period specified as such in the applicable Final Terms.
<b>Additional Payment Dates</b>	has the meaning given to it in Condition 7.3.
<b>Agency Agreement</b>	means the amended and restated agency agreement entered into on 21 August 2018 pursuant to which the Issuer has appointed the Principal Paying Agent, Calculation Agent, the Transfer Agent and the Registrar to undertake certain functions in relation to the Notes, as modified and/or supplemented from time to time, or any other similar agreement entered into by the Issuer and the Principal Paying Agent, Calculation Agent, the Transfer Agent and the Registrar from time to time with the prior written approval of the Trustee.
<b>Agents</b>	means the Principal Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent.
<b>Appointee</b>	means any attorney, manager, agent, delegate, nominee, custodian or other person appointed by the Trustee under the Trust Deed.
<b>Auditors</b>	means the auditors for the time being of the Issuer or such firm of accountants as may be nominated by the Issuer and approved in writing by the Trustee or, in the event of failure by the Issuer to nominate such firm within a reasonable period of time, as may be nominated by the Trustee.
<b>Back-Up Servicer</b>	Link Financial Outsourcing Limited and/or such other person as is appointed as a replacement or additional back-up servicer by the Issuer from time to time and notified to the Trustee.



<b>Back-Up Servicing Agreement</b>	means:
	<ul style="list-style-type: none"> <li>(a) the Back-Up Servicing Agreement entered into between the Issuer, the Loan Servicer and Link Financial Outsourcing Limited on 18 July 2019 (as amended and/or restated from time to time) to the extent applicable to the provision of back-up services by the Back-Up Servicer with respect to the Student Loans; and</li> <li>(b) any other agreement by which a person is appointed as back-up servicer of the Student Loans.</li> </ul>
<b>Bank of England Base Rate</b>	means the interest rate that the Bank of England charges banks for secured overnight lending.
<b>Base Rate</b>	means the applicable variable base rate as specified in the applicable Final Terms which shall be one of EURIBOR, GBP LIBOR, USD LIBOR, the US Prime Lending Rate or the Bank of England Base Rate or any replacement therefor, determined in accordance with Condition 5.3.
<b>Borrower</b>	means each borrower under a Student Loan.
<b>Business Day</b>	means a day: (a) other than a Saturday or Sunday on which Euroclear and Clearstream, Luxembourg are operating; and (b) on which banks and foreign exchange markets are open for general business in the city of the Principal Paying Agent's specified office; and (c) (if a payment is to be made on that day) on which banks and foreign exchange markets are open for general business in the principal financial centre for the currency of the payment or, in the case of euro, a day on which the TARGET2 System is operating.
<b>Calculation Agent</b>	means Prodigy Finance or such other person as is appointed as a replacement or additional calculation agent by the Issuer from time to time and approved by the Trustee.
<b>Calculation Date</b>	means, unless otherwise specified in the applicable Final Terms, the 8th day of each calendar month.
<b>Certificates</b>	has the meaning given to it in Condition 2.3.



<b>Corporate Services Agreement</b>	means the amended and restated corporate services agreement dated 29 March 2011 as novated pursuant to a novation agreement dated 2 March 2012 (and as further amended and/or restated from time to time) pursuant to which the Issuer has appointed the Corporate Services Provider to undertake certain administrative functions in relation to the Issuer and any other similar agreement entered into by the Issuer and Corporate Services Provider from time to time with the prior written approval of the Trustee.
<b>Corporate Services Provider</b>	means Apex IFS Limited (formerly named Link IFS Limited) or such other person as is appointed as a replacement or additional corporate services provider by the Issuer from time to time and notified to the Trustee.
<b>Current Interest Amount</b>	means, with respect to a Calculation Date, an amount of interest due for the immediately preceding Interest Period, calculated as follows:  <i>Target Interest Rate X Notional Principal Amount X Target Day Count Fraction.</i>  provided that the Target Day Count Fraction shall be calculated in respect of the number of days in the immediately preceding Interest Period.
<b>Directors</b>	means the directors for the time being of the Issuer.
<b>Early Repayment Amounts</b>	means any amounts received by the Issuer from the Borrower(s) as payment(s) of principal and/or interest on Student Loans that are credited to the Series Account during the Acquisition Period.
<b>Eligible Course</b>	means each course offered at an Eligible Institution that is specified as such in the applicable Final Terms.



**Eligible Institution**

means with respect to a Student Loan:

(a) with respect to a Business Course: an educational institution that is ranked in the top 100 list as published by the U.S. News & World Report (or its successor) (the "**US News List**"), which includes the Best Grad Schools Ranking and Best Global Universities Ranking and the Financial Times (or its successor) (the "**FT List**"), which includes the Global MBA Ranking and European Business School Ranking, in any of three years prior to the credit approval date for the Student Loan; and

(b) with respect to a Non-Business Course:

i. in the case of an educational institution in the U.S., (A) in the case of a STEM (science, technology, engineering, and math) course (including any subclassifications provided subject is within Prodigy's approved fields of study as per the Loan Origination Policy) an educational institution that is in the top 200, and (B) in the case of a law, public policy or public affairs, medicine, dentistry, nursing and other health sciences Master's degree course an educational institution that is in the top 100, in each case, as published under the US News List in any of the three years prior to the credit approval date for the Student Loan (including any subclassifications for medicine, nursing and health provided subject is within Prodigy's approved fields of study as per the Loan Origination Policy); and

ii. in the case of an educational institution that is not in the U.S., (A) in the case of a STEM (science, technology, engineering, and math) course (including any subclassifications provided subject is within Prodigy's approved fields of study as per the Loan Origination Policy), and (B) in the case of a law, public policy or public affairs, medicine, dentistry, nursing, and other health sciences Master's degree course in the top 100 degree courses as published under the FT List or the US News List, in any of the three years prior to the credit approval date for the Student Loan.

**Eligibility Criteria**

the eligibility criteria applicable to the origination of Student Loans as set out in the Loan Originations Credit Policy.

**EURIBOR**

means the European Inter Bank Offered Rate.

**Events of Default**

has the meaning given to it in Condition 11 (*Events of Default*).



<b>Extraordinary Resolution</b>	has the meaning given to it in paragraph 1 of the third schedule to the Principal Trust Deed.
<b>Financial Guarantee</b>	means, if “Financial Guarantee” is stated as being applicable in the relevant Final Terms, the financial guarantee provided by the Financial Guarantor in respect of the obligations of the Borrowers under all or some only of the Student Loans.
<b>Financial Guarantor</b>	means, if “Financial Guarantee” is stated as being applicable in the relevant Final Terms, the Eligible Institution, that is specified as such in the applicable Final Terms, or a related entity of such an Eligible Institution (or Eligible Institutions that are specified as such in the applicable Final Terms or related entities of such Eligible Institutions) specified as such in the applicable Final Terms.
<b>Holder</b>	has the meaning given to it in Condition 2.5.
<b>Impaired Student Loans</b>	means Student Loans that have delinquency, arrears or default status on the date such Student Loans are acquired by the Issuer pursuant to the terms of the then current Loan Management Policy of the Loan Servicer.
<b>Interest Period</b>	means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Calculation Date and each successive period beginning on (and including) a Calculation Date and ending on (but excluding) the following Calculation Date, provided that the final Interest Period shall end on the Maturity Date (but subject to Condition 7.3, if applicable) or such earlier date on which the Notes are redeemed in full.
<b>Interest Commencement Date</b>	means the Issue Date or such other date as may be specified in the applicable Final Terms.
<b>Issue Date</b>	means the date specified as such in the applicable Final Terms.
<b>Issue Price</b>	means 100 per cent of the principal amount or such other price as may be specified in the applicable Final Terms.
<b>LIBOR</b>	means the London Inter Bank Offered Rate.



<b>LOA</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) the amended and restated Loan Origination Agreement entered into between the Issuer and the Loan Originator on 21 August 2020 (as further amended and/or restated from time to time) to the extent loans are acquired under it with the proceeds of the Notes; and</li> <li>(b) any other agreement by which the Issuer appoints any person as originator of loans to be acquired with the proceeds of the Notes.</li> </ul>
<b>Loan Originations Credit Policy</b>	<p>means the credit approval criteria as adopted from time to time by the Loan Originator and applicable to the origination of the Student Loans, the form of which is scheduled to the LOA (as same may be amended in accordance with the LOA).</p>
<b>Loan Originator</b>	<p>Prodigy Finance or such other person as is appointed as a replacement or additional loan originator by the Issuer from time to time and notified to the Trustee.</p>
<b>Loan Servicer</b>	<p>Prodigy Finance or such other person as is appointed as a replacement or additional loan servicer and manager by the Issuer from time to time and notified to the Trustee.</p>
<b>LSA</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) the amended and restated Loan Servicing Agreement entered into between the Issuer and the Loan Servicer on 21 August 2020 (as further amended and/or restated from time to time) to the extent applicable to the servicing by the Loan Servicer of the Student Loans; and</li> <li>(b) any other agreement by which the Issuer appoints a person as servicer of the Student Loans and including, for the avoidance of doubt, an agreement appointing a person as replacement loan servicer for a current Loan Servicer should a termination circumstance occur with respect to the current Loan Servicer.</li> </ul>
<b>Maturity Date</b>	<p>means the date specified as such in the applicable Final Terms, subject to Condition 7.2.</p>
<b>Minimum Denomination</b>	<p>means the amount specified as such in the applicable Final Terms.</p>
<b>Minimum Trading Amount</b>	<p>means the amount specified as such in the applicable Final Terms.</p>





<b>Mortgaged Property</b>	has the meaning given to it in Condition 4.1.
<b>Notes</b>	means all the Notes of a particular Series.
<b>Noteholder (and Holder)</b>	has the meaning given to it in Condition 2.5.
<b>Notional Principal Amount</b>	means for each Calculation Date, the outstanding principal amount of the Notes together with any unpaid interest amounts in respect of any prior Interest Periods excluding the immediately preceding Interest Period.
<b>Overcapitalisation Level</b>	means the percentage rate (if any) specified as such in the applicable Final Terms.
<b>Paying Agents</b>	means the Principal Paying Agent and such further or other paying agents as may be appointed by the Issuer from time to time.
<b>Payment Date</b>	means each Payment Date specified in the applicable Final Terms.
<b>Permitted Borrower Countries</b>	means the countries specified as such in the applicable Final Terms.
<b>Permitted Expenses</b>	means all expenses incurred by the Issuer or for which provision is made by the Issuer in its discretion in connection with the issue of all its Notes of all Series, including those fees, expenses and other amounts payable by the Issuer to the Principal Paying Agent, any other Paying Agent, the Registrar, the Transfer Agent, the Calculation Agent, the Corporate Services Provider, the Trustee, the Placing Agents, the Back-Up Servicer, the Loan Originator and the Loan Servicer under the agreements appointing them (as such agreements may be amended from time to time in accordance with their terms), amounts required to be paid by the Issuer to indemnify the Placing Agents pursuant to the Placing Agency Agreements, the Loan Originator pursuant to the LOA, the Loan Servicer pursuant to the LSA, the Back-Up Servicer pursuant to the Back-Up Servicing Agreement, the Trustee pursuant to the Trust Deed, the Principal Paying Agent, the Registrar, the Calculation Agent and the Transfer Agent pursuant to the Agency Agreement, and the Corporate Services Provider pursuant to the Corporate Services Agreement, brokers' fees and expenses incurred in connection with the placement of Notes, auditors' fees and expenses, legal fees and expenses, including those incurred in respect of a defaulting borrower and any enforcement costs, Directors' fees and expenses, any Irish statutory or regulatory fee, reserve, tax, charge or expense and all costs and expenses associated with the administration, dissolution and liquidation of the



	Issuer.
<b>Placing Agency Agreement</b>	<p>means:</p> <p>(a) the amended and restated placing agency agreement entered into between the Permanent Placing Agent and the Issuer on 21 August 2020 to the extent that the Permanent Placing Agent provides placing services for the Notes under it; and</p> <p>(b) any other agreement by which the Issuer appoints a person to provide placing services for Notes.</p>
<b>Placing Agent</b>	means Prodigy Services Limited (“ <b>Prodigy Services</b> ”) in its capacity as “ <b>Permanent Placing Agent</b> ” and/or such other person as is appointed as a replacement or additional placing agent by the Issuer from time to time and notified to the Trustee.
<b>Post-Maturity Repayment Period</b>	means, where the Maturity Date is postponed in accordance with Condition 7.2, the period commencing on the date specified in the Final Terms as the scheduled Maturity Date and ending on the date on which the Notes are redeemed in full.
<b>Principal Paying Agent</b>	means Société Générale Luxembourg, acting as principal paying agent with respect to the Notes pursuant to the Agency Agreement.
<b>Priorities of Payments</b>	means the Pre-Enforcement Priorities of Payments and the Post-Enforcement Priorities of Payments, as set out in Conditions 4.3 and 4.4 respectively, and Priorities of Payments means either of them, as the context requires.
<b>Ranked Eligible Institutions</b>	means if “Eligible Institutions Concentration Ranking” is stated to apply in the applicable Final Terms, the Eligible Institutions that meet the Ranking Criteria specified in the applicable Final Terms.
<b>Ranked Percentage</b>	means if “Eligible Institutions Concentration Ranking” is stated to apply in the applicable Final Terms, the percentage specified as such in the applicable Final Terms.
<b>Ranking Criteria</b>	means if “Eligible Institutions Concentration Ranking” is stated to apply in the applicable Final Terms, the criteria specified as such in the applicable Final Terms.
<b>Record Date</b>	means the Business Day immediately before the due date for payment by the Issuer in respect of the Notes.



<b>Redemption Amount</b>	means in respect of the Notes at any time, the aggregate principal amount outstanding of the Notes together with any Accrued Interest Balance thereon calculated as at the immediately preceding Calculation Date.
<b>Register</b>	has the meaning given to it in Condition 2.4.
<b>Registrar</b>	means Société Générale Luxembourg or such other person as may be appointed as a replacement or additional registrar in respect of the Notes by the Issuer and approved by the Trustee from time to time and notice of whose appointment has been given to the Noteholders.
<b>Repayment Account Declaration of Trust</b>	means the repayment account declaration of trust dated 9 October 2018 between, amongst others, the funding beneficiaries named therein, including the Issuer, Prodigy Repayments Limited as repayment account holder and trustee and Prodigy Finance Limited as repayment servicer (as amended and/or restated from time to time).
<b>Requisite Gender Percentage</b>	means, if “Gender Concentration” is stated to apply in the applicable Final Terms, the percentage specified as such in the applicable Final Terms.
<b>Requisite Impaired Loan Percentage</b>	means, if “Impaired Student Loans” is stated to apply in the applicable Final Terms, the percentage specified as such in the applicable Final Terms.
<b>Relevant Date</b>	has the meaning given to it in Condition 10 ( <i>Prescription</i> ).
<b>Relevant Sums</b>	has the meaning given to it in Condition 18.5 ( <i>Limited Recourse and Non-petition</i> ).
<b>Relevant Time</b>	means 4.00pm London time.
<b>Restricted Borrower Countries</b>	means the countries specified as such in the applicable Final Terms.
<b>Secured Parties</b>	means, with respect to the Series, the Holders, the Trustee, the Principal Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar, the Placing Agent(s), the Loan Originator, the Loan Servicer, the Corporate Services Provider and each other party from time to time to the Transaction Documents (other than the Issuer, the Back-Up Servicer, the Financial Guarantor and the parties to the Repayment Account Declaration of Trust in their capacities as such).
<b>Security</b>	means, with respect to the Notes, the security constituted by the Trust Deed.
<b>Series</b>	means the original issue of Notes by the Issuer together with any further



issues expressed to form a single issue with the original issue (each a **Tranche**) and the terms of which are (save for the first payment of interest, Issue Date, Acquisition Period, Interest Commencement Date and/or the Issue Price) otherwise identical and which are consolidated and form a single series and shall be deemed to include the Global Certificates and any Individual Certificates and the expressions "Notes of the relevant Series" and "holders of Notes of the relevant Series" and related expressions shall be construed accordingly.

**Series Account** means the account opened by the Loan Servicer on behalf of the Issuer as the series account for the Notes with HSBC UK Bank Plc or such other bank as may be agreed by the Issuer, the Loan Servicer and the Trustee from time to time (being the "**Account Bank**").

**Specified Currency** Means the currency specified as such in the applicable Final Terms.

**Student Loans** means the loans to Borrowers originated by the Loan Originator and acquired by the Issuer and which are comprised in the Mortgaged Property for the Notes.

**Target Day Count Fraction** means in respect of the calculation of any interest on the Notes for any Interest Period, unless otherwise specified in the applicable Final Terms, the actual number of days in the 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:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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



"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

**Target Interest Rate**

means the target interest rate as specified in the Final Terms as determined by the Calculation Agent at or about the Relevant Time on the Target Interest Rate Determination Date for the Interest Period. For the purposes of making this determination, the Base Rate shall be (subject to Condition 5.3):

- i. as appearing on the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters; or
- ii. if the service specified in (i) is not available, the arithmetic mean of the rates quoted by major banks selected by the Calculation Agent, as at the Relevant Time on the Target Interest Rate Determination Date; or
- iii. if the rate resulting from paragraph (i) or (ii) of this definition is negative, the Base Rate shall be deemed to be zero.

**Target Interest Rate  
Determination Date**

means with respect to any Interest Period, the date(s) specified as such in the applicable Final Terms or, if none is so specified, whichever of the following dates immediately precedes the beginning of that Interest Period: the 8th day of January; the 8th day of April; the 8th day of July; or the 8th October provided that if any such day is not a Business Day, the preceding Business Day shall be designated as the Target Interest Rate Determination Date.

**Threshold Amount**

means:

- (a) if the Specified Currency of the Notes is Euro, €500;
- (b) if the Specified Currency of the Notes is Sterling, £500; or
- (c) if the Specified Currency of the Notes is US dollars, \$500.

**Transaction Documents**

means the Agency Agreement, the LOA, the LSA, the Back-Up Servicing Agreement, the Placing Agency Agreement, the Trust Deed, the Corporate Services Agreement, the Financial Guarantee (if applicable) and the Repayment Account Declaration of Trust.



<b>Transfer Agent</b>	means Prodigy Finance or such other person as may be appointed as a replacement or additional Transfer Agent by the Issuer from time to time and notice of whose appointment has been given to the relevant Noteholders and the Trustee.
<b>US Prime Lending Rate</b>	means the rate at which a prime bank in the United States is willing to lend funds in US Dollars to its prime clients.

## 2. FORM, DENOMINATION AND TITLE

- 2.1** Notes will be sold outside the United States to non-U.S. persons in reliance on Regulation S. Notes will be sold in the U.S. to U.S. persons (as defined in regulation S) who qualify as “accredited investors” under Rule 506(b) or Rule 506(c) of Regulation D, as applicable. The Notes will be issued in registered form in the Specified Currency and in integral multiples of the Minimum Denomination specified in the relevant Final Terms, subject to a minimum holding requirement for each Noteholder of the Minimum Trading Amount. The Notes shall be subject to the section of the Base Prospectus of the Issuer dated 21 August 2020 (the **Base Prospectus**) entitled “Summary of Provisions relating to the Notes while in Global Form”.
- 2.2** The Notes are floating rate Notes.
- 2.3** Subject to the section of the Base Prospectus entitled “Summary of Provisions relating to the Notes while in Global Form”, Notes of the same Series will be represented by registered certificates (“**Certificates**”) and, save as provided in the Conditions, each Certificate shall represent the entire holding of Registered Notes of a Series by the same Holder.
- 2.4** Title to the Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the Holder.
- 2.5** Subject to Condition 2.6, in these Conditions, “**Noteholder**” and “**Holder**” mean the person in whose name a Note is registered and capitalised terms have the meanings given to them in the applicable Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.
- 2.6** For so long as any of the Notes is represented by a Global Certificate held on behalf of Euroclear or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg (other than Clearstream, Luxembourg, if Clearstream, Luxembourg shall be an accountholder of Euroclear and Euroclear, if Euroclear shall be an accountholder of Clearstream, Luxembourg) as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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 for all purposes other than with respect to the payment of principal or interest on such nominal amounts of such Notes, the rights to which shall be vested, as against the Issuer and the Trustee, solely in such common depositary and for which purpose such common depositary shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to its terms and the provisions of the relevant Global Certificate and the expressions “**holder**” and “**holder of Notes**” and related expressions shall be construed accordingly. In determining whether a particular person is



entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

- 2.7 Notes which are represented by a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any relevant additional or alternative clearing system.

### **3. TRANSFERS OF NOTES**

#### **3.1 Transfer of Notes**

The Notes shall be tradable only in principal amounts of at least the Minimum Trading Amount (provided that following any transfer, the Notes retained by the transferor must be equal to at least the Minimum Trading Amount) and in integral multiples of the Minimum Denomination thereafter, subject to the transfer restrictions applicable to such Notes as set forth in such Notes, upon the surrender (at the specified office of the Registrar or Transfer Agent) of the Certificate representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence or documentation that the Issuer, Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

The transfer restrictions applicable to Notes are described in the section of the Base Prospectus entitled "Subscription, Sale and Transfer Restrictions" and as set forth in such Notes.

#### **3.2 Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 3.1 shall be available for delivery within three business days of receipt of the form of transfer plus any other evidence or documentation that the Issuer, Registrar or Transfer Agent may reasonably require. Delivery of the new Certificate(s) shall be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3.2, business day means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

#### **3.3 Exchange Free of Charge**

Transfers of Notes and Certificates on registration or transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) of any tax or other governmental charges that may be imposed in relation to it.



### 3.4 Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on either (a) a Payment Date; or (b) the due date for redemption of that Note, (ii) after any such Note has been called for redemption.

## 4. SECURITY, PRIORITIES OF PAYMENTS AND STATUS

### 4.1 Security

The obligations of the Issuer under the Trust Deed and the Notes are secured by first ranking security interests over certain assets owned by the Issuer and as specified in the Supplemental Trust Deed (the “**Mortgaged Property**”).

### 4.2 Payments during the Acquisition Period

Subject to the Notes being redeemed early in accordance with these Conditions, during the Acquisition Period the Issuer shall procure that the proceeds of the issuance of the Notes, the proceeds of sale or refinancing of Student Loans (if applicable) and any Early Repayment Amounts are applied only as contemplated by Condition 9 (*Student Loans*) and to pay Permitted Expenses which are due during that period and not for any other purpose.

### 4.3 Priorities of Payments prior to the enforcement of the Security.

Following the Acquisition Period and prior to the enforcement of the security constituted by the Trust Deed, payments shall be made by the Issuer on each Payment Date (and any Additional Payment Date) from funds standing to the credit of the relevant Series Account in accordance with the following order of priority (the “**Pre-Enforcement Priorities of Payments**”) as follows:

- i. first, in payment or satisfaction of the Notes’ pro rata portion of all amounts then due and unpaid under Clause 13 of the Principal Trust Deed to the Trustee and/or any permitted appointee of the Trustee;
- ii. second, in or towards payment of the Notes’ pro rata portion of any amounts owed by the Issuer to the Irish tax authorities and required to be paid by the Issuer;
- iii. third, in or towards payment or discharge of the Notes’ pro rata portion of all amounts which are due to the Loan Servicer pursuant to the LSA (including amounts due to the Loan Servicer to reimburse it for Permitted Expenses it has paid on behalf of the Issuer and in respect of which it has issued a written request to the Issuer for reimbursement);
- iv. fourth, in or towards the payment of the Notes’ pro rata portion of a profit amount of €100 per annum to the Issuer, which shall be retained by the Issuer and shall be available for distribution to its shareholders subject to applicable law;
- v. fifth, where the balance then remaining available for distribution is less than the Threshold Amount, in retention of that balance as a payment reserve to be applied in accordance with the applicable Priorities of Payments on the next Payment Date (or Additional Payment Date) after that Payment Date (or Additional Payment Date);
- vi. sixth, pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of interest then due and payable under or in respect of Notes in an amount up to the Accrued Interest Balance;





- vii. seventh, pro rata and pari passu to the Noteholders in or towards the repayment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes;
- viii. eighth, pro rata and pari passu in or towards (a) reimbursement of the Loan Servicer for the Notes' pro rata portion of Permitted Expenses paid by the Loan Servicer on behalf of the Issuer and for which the Loan Servicer has not been reimbursed under paragraph (iii) above and (b) payment or discharge of the Notes' pro rata portion of Permitted Expenses incurred by the Issuer and not paid by the Loan Servicer on behalf of the Issuer; and
- ix. ninth, following the release of the security over the relevant Series Account, the Issuer shall authorise the Loan Servicer to apply the balance (if any) on the Series Account (a) firstly, in reimbursement of the Loan Servicer for any Permitted Expenses paid by the Loan Servicer on behalf of the Issuer and for which the Loan Servicer has not been reimbursed from funds credited to other Series Accounts applied in accordance with the Priorities of Payments applicable to the disbursement of such funds in accordance with the terms and conditions of such other Series as a consequence of a lack of available funds and (b) secondly, pro rata and pari passu, in or towards payment or discharge of unpaid Permitted Expenses not discharged from funds credited to other Series Accounts applied in accordance with the Priorities of Payments applicable to the disbursement of such funds in accordance with the terms and conditions of such other Series as a consequence of a lack of available funds, and (c) thereafter, any surplus shall be retained by the Issuer.

**PROVIDED THAT** on any date on which a distribution is to be made where the proceeds available for distribution are sufficient to pay in full all amounts then owing under paragraphs (i) to (iv) above and the balance remaining for distribution exceeds the Threshold Amount, the Issuer shall apply such balance in accordance with paragraphs (vi) to (ix) above and shall disregard paragraph (v).

#### **4.4 Priorities of Payments from Available Funds following the Enforcement of Security.**

Subject to the provisions of the Trust Deed, the Trustee shall retain all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the security constituted thereby on trust to apply them in the following order of priority (the "**Post-Enforcement Priorities of Payments**"):

- i. first, in payment or satisfaction of the Notes' pro rata portion of the fees, costs, charges, expenses and liabilities incurred by or payable to the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including the costs of realising any Security and the Trustee's or receiver's remuneration);
- ii. second, in or towards payment of the Notes' pro rata portion of any amounts owed by the Issuer to the Irish tax authorities and required to be paid by the Issuer;
- iii. third, in or towards payment or discharge of the Notes' pro rata portion of all amounts which are due to the Loan Servicer pursuant to the LSA (including amounts due to the Loan Servicer to reimburse it for Permitted Expenses it has paid on behalf of the Issuer and in respect of which it has issued a written request to the Issuer to be reimbursed);
- iv. fourth, pro rata and pari passu in or towards (a) reimbursement of the Loan Servicer for the Notes' pro rata portion of Permitted Expenses paid by the Loan Servicer on behalf of the Issuer and for which the Loan Servicer has not been reimbursed under item (iii) above



and (b) payment or discharge of the Notes' pro rata portion of Permitted Expenses not paid by the Loan Servicer on behalf of the Issuer;

- v. fifth, in or towards the payment of the Notes' profit amount of €100 per annum to the Issuer, which shall be retained by the Issuer and available for distribution to its shareholders subject to applicable law;
- vi. sixth, pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of interest then due and payable under or in respect of the Notes in an amount up to the Accrued Interest Balance;
- vii. seventh, pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes; and
- viii. eighth, thereafter, the balance (if any) standing to the credit of the Series Account shall be applied (a) firstly, in reimbursement of the Loan Servicer for any Permitted Expenses paid by the Loan Servicer on behalf of the Issuer and for which the Loan Servicer has not been reimbursed from funds credited to other Series Accounts applied in accordance with the Priorities of Payments applicable to the disbursement of such funds in accordance with the terms and conditions of such other Series as a consequence of a lack of available funds and (b) secondly, pro rata and pari passu, in or towards payment or discharge of unpaid Permitted Expenses not discharged from funds credited to other Series Accounts applied in accordance with the Priorities of Payments applicable to the disbursement of such funds in accordance with the terms and conditions of such other Series as a consequence of a lack of available funds, and (c) thereafter, any surplus shall be retained by the Issuer.

**4.5** In respect of Conditions 4.3 and 4.4 above, where any reference is made to the Notes' pro rata portion of any amount at any time, such pro rata portion shall be determined by or on behalf of the Issuer (i) based on the ratio of the aggregate outstanding principal amount of the Notes at such time to the then aggregate outstanding principal amount of all Series (including the Notes) except where the amount is a Permitted Expense relating to one or more (but not relating to all) Series; (ii) where the amount is a Permitted Expense relating to one or more (but not relating to all) Series including the Notes, based on the ratio of the aggregate outstanding principal amount of the Notes to the outstanding aggregate principal amount of all of those Series (including the Notes) to which the Permitted Expense relates; or (iii) where the Permitted Expense does not relate to the Notes, as zero.

**4.6** The Notes are direct, limited recourse and secured obligations of the Issuer and rank pari passu and without preference among themselves and ahead of all unsecured obligations of the Issuer and are secured in the manner described in Condition 4.1.

## **5. INTEREST AND PRINCIPAL**

### *INTEREST*

**5.1** Interest shall accrue on the Notes from the Interest Commencement Date and shall be payable on each Payment Date on an available funds basis, such amount being paid in accordance with the applicable Priorities of Payments in an amount up to the Accrued Interest Balance for such Payment Date. Interest shall cease to accrue on the Notes at the end of the Interest Period immediately preceding the scheduled Maturity Date specified in the applicable Final Terms or (if earlier) any other date on which the Notes are fully redeemed in accordance with these Conditions. Interest shall not accrue during the Post-Maturity Repayment Period however amounts representing interest that accrued prior to the commencement of



the Post-Maturity Repayment Period will be paid by the Issuer on an available funds basis on Additional Payment Dates, subject to and in accordance with Condition 7.3.

*MANDATORY PRINCIPAL REPAYMENTS*

- 5.2 On each Payment Date and, if applicable, each Additional Payment Date, the Notes shall be redeemed in part in an aggregate amount equal to the amount available for repayment of outstanding principal in accordance with the applicable Priorities of Payments. Should the amount available for repayment of outstanding principal in accordance with this Condition 5.2 be equal to or greater than the principal amount outstanding of the Notes on any Payment Date or Additional Payment Date, the Notes shall be redeemed in full and cancelled on that Payment Date or Additional Payment Date, as appropriate, without any prior notice to Holders.

*BASE RATE REPLACEMENT*

- 5.3 In the event that an Administrator/Benchmark Event occurs, the Issuer:
- i. shall (upon the instruction of the Calculation Agent), instruct the Trustee to make such adjustment(s) and amendments to the Conditions of the Notes (which the Trustee shall implement, subject to Condition 5.6) as the Calculation Agent has determined appropriate in its sole and absolute discretion to account for the relevant event or circumstance and, without limitation, such adjustment(s) and amendments may include selecting a successor benchmark(s) and making related adjustment(s) and amendments to the Conditions of the Notes including where applicable to reflect any increased costs of the Issuer providing exposure to the successor benchmark(s) and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks; or
  - ii. may, on giving notice to the Holders in accordance with Condition 16, redeem all, but not some only, of the Notes at their the Notional Principal Amount on the last Calculation Date and no further interest (if applicable) will accrue or be payable in respect of the period since the immediately preceding Payment Date or, if none, the Issue Date.
- 5.4 For the avoidance of doubt, the above is additional, and without prejudice, to any other Conditions of the Notes. In the event that under any such terms any other consequences could apply in relation to an event or occurrence the subject of an Administrator/Benchmark Event, the Issuer shall determine which terms shall apply in its sole and absolute discretion.
- 5.5 The Issuer shall give notice as soon as practicable to Holders in accordance with Condition 16 of any adjustment(s) made pursuant to Condition 5.3(i) above, provided that any failure to give, or non-receipt of, such notice shall not affect the validity of such adjustment(s).
- 5.6 When implementing any amendments to the Conditions pursuant to Condition 5.3 (Base Rate Replacement), neither the Trustee nor the Calculation Agent shall consider the interests of the Holders, any other Secured Parties or any other person and the Trustee shall act and rely solely and without further investigation on any instruction provided to it pursuant to Condition 5.3, nor shall the Trustee or the Calculation Agent be liable to the Holders, any other Secured Party or any other person for so acting or relying, irrespective of whether any such amendment is or may be materially prejudicial to the interests of any such person.

For the purposes of this Condition 5:

**“Administrator/Benchmark Event”** means, in relation to any Benchmark, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event, all as determined by the Calculation Agent.



**“Benchmark”** means any figure which is a benchmark as defined in BMR and where any amount payable or deliverable under the Notes, or the value of the Notes, is determined by reference in whole or in part to such figure, all as determined by the Calculation Agent.

**“Benchmark Modification or Cessation Event”** means, in respect of a Benchmark, any of the following has occurred or will occur:

- i. any material change in such Benchmark;
- ii. the permanent or indefinite cancellation or cessation in the provision of such Benchmark; or
- iii. a regulator or other official sector entity prohibits the use of such Benchmark.

**“BMR”** means the EU Benchmark Regulation (Regulation (EU) 2016/1011).

**“Non-Approval Event”** means, in respect of a Benchmark:

- i. any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be obtained;
- ii. the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be included in an official register; or
- iii. the Benchmark or the administrator or sponsor of the Benchmark does not or will not fulfil any legal or regulatory requirement applicable to the Notes, the Issuer, the Calculation Agent or the Benchmark,

in each case, as required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes. For the avoidance of doubt, a Non-Approval Event shall not occur if the Benchmark or the administrator or sponsor of the Benchmark has not been or will not be included in an official register because its authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended if, at the time of such suspension, the continued provision and use of the Benchmark is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension.

**“Rejection Event”** means, in respect of the Benchmark, the relevant competent authority or other relevant official body rejects or refuses or will reject or refuse any application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register which, in each case, is required in relation to the Notes, the Benchmark or the administrator or sponsor of the Benchmark under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes.

**“Suspension/Withdrawal Event”** means, in respect of the Benchmark:

- i. the relevant competent authority or other relevant official body suspends or withdraws or will suspend or withdraw any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Benchmark or the administrator or sponsor of the Benchmark which is required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes; or
- ii. the Benchmark or the administrator or sponsor of the Benchmark is or will be removed from any official register where inclusion in such register is or will be required under any applicable law in



order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is or will be suspended or where inclusion in any official register is or will be withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Benchmark is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension or withdrawal.

## 6. INTEREST AND PRINCIPAL DETERMINATION AND PAYMENT

- 6.1 The amount of interest and principal payable in accordance with Conditions 5.1 and 5.2 for each Payment Date shall be determined by the Calculation Agent as at the immediately preceding Calculation Date based upon its review of the aggregate repayment amounts paid by Borrowers in respect of the Student Loans during the immediately preceding Interest Period (less any amounts withdrawn from the Series Account by the Loan Servicer in accordance with the LSA during the immediately preceding Interest Period) and any other available cash in the Series Account and taking into account any amounts then due in priority to payments of interest and principal on such Payment Date in accordance with the applicable Priorities of Payments. If the Calculation Agent does not at any time for any reason undertake this determination, the Trustee shall undertake or shall procure such calculation to be undertaken.
- 6.2 On each Payment Date, the Issuer (or the Loan Servicer on its behalf) shall direct the payment of such interest and principal amounts to Noteholders in accordance with Condition 8.
- 6.3 If the Issuer has insufficient funds on any Payment Date to make a payment of principal or interest as required by Conditions 6.1 and 6.2, such payment shall be deferred until the following Payment Date and non-payment shall not constitute an Event of Default.

## 7. REDEMPTION OPTIONS

### *REDEMPTION AT MATURITY*

- 7.1 Unless previously redeemed in full in accordance with these Conditions or purchased and cancelled as provided below, the outstanding Notes shall be redeemed at the Redemption Amount on the Maturity Date specified in the applicable Final Terms, but subject always to this Condition 7.

### *INSUFFICIENT FUNDS ON MATURITY DATE*

- 7.2 If on the Maturity Date the Issuer does not have sufficient available funds to redeem the Notes at the Redemption Amount after discharging any liabilities ranking in priority to the repayment of outstanding principal on the Notes in accordance with the applicable Priorities of Payments, the Issuer shall apply any funds available to be so applied in accordance with the applicable Priorities of Payments in a partial redemption of the Notes on a pro rata basis and the Maturity Date will be automatically postponed to the then next following anniversary of that date. Such postponement will be repeated annually unless, in each case, the Notes have been redeemed in full and cancelled.
- 7.3 Interest shall not accrue on the Notes during the Post-Maturity Repayment Period and the Issuer shall continue to apply funds (if any) standing to the credit of the Series Account during that period towards redemption of the Notes (up to the Redemption Amount as of the initial scheduled Maturity Date) in accordance with the applicable Priorities of Payments on such payment dates ("**Additional Payment Dates**") as may be notified by the Issuer to the Noteholders.



#### *POST-MATURITY PERIOD REDEMPTION*

- 7.4 During the Post-Maturity Repayment Period, if applicable, the Issuer may request the Loan Servicer, acting in a commercially reasonable manner, to value (or arrange the valuation of) the Student Loans that remain outstanding and which are comprised in the Mortgaged Property (the aggregate amount at which such Student Loans are valued being the “**Post-Maturity Valuation Amount**”).
- 7.5 The Issuer may, within 30 calendar days’ of any such valuation and provided it has the requisite available funds to do so, on giving no less than 10 calendar days’ notice to the Noteholders and the Trustee, distribute an amount equal to the Post-Maturity Valuation Amount together with any other funds then standing to the credit of the Series Account in accordance with the applicable Priorities of Payments, which payment shall be in full and final discharge of all amounts of interest and principal then due and payable under or in respect of the Notes. If such a distribution is made by the Issuer, the rights of the Noteholders to receive any further amounts in respect of the Notes shall be extinguished and the Notes shall thereupon be redeemed in full and cancelled.

#### *NON-PERFORMING PORTFOLIO REDEMPTION*

- 7.6 If, at any time during the Post-Maturity Repayment Period, if applicable, the Loan Servicer confirms to the Issuer and the Trustee in writing that there is no realistic prospect of collecting further funds from Borrowers of the outstanding Student Loans in accordance with its Loan Management Policy, the Issuer shall so notify the Noteholders in accordance with Condition 16. The Notes shall thereupon be redeemed in full and cancelled and the rights of the Noteholders to receive any further amounts in respect of the Notes shall be extinguished.

#### *OPTIONAL EARLY REDEMPTION*

- 7.7 Subject to Condition 5.2, the Issuer may at any time, on giving not less than 20 Business Days’ notice in writing of redemption to the Noteholders and the Trustee, redeem the Notes in whole or in part at the Redemption Amount on the date specified in the redemption notice provided the Issuer has the requisite funds available to it to effect such a redemption from a sale or refinancing of all or part of the Student Loans in accordance with Condition 9.14.
- 7.8 The Issuer may convene a meeting of the Holders at any time after the Issue Date to consider a proposal by the Issuer to sell all or some of the Student Loans (the “**Proposed Sale Loans**”) for a price (a “**Proposed Price**”) which, upon consummation of such sale and application of the amount received by the Issuer representing the Proposed Price in accordance with the Pre-Enforcement Priorities of Payments:
- i. where the Proposed Sale Loans are all of the Student Loans, would be less than the amount required to redeem the Notes in full; or
  - ii. where the Proposed Sale Loans are only some of the Student Loans would be less than the amount required to effect a partial redemption of the Notes having an aggregate principal amount which bears the same proportion to the aggregate principal amount outstanding of the Notes as the aggregate outstanding principal amount of the Proposed Sale Loans bears to the aggregate principal amount outstanding of all the Student Loans.

PROVIDED THAT, in either case, the Proposed Price is equal to or greater than the aggregate amount which, in the opinion of the Loan Servicer, the Issuer would receive if:

- i. it were to hold the Proposed Sale Loans until their maturity; and/or



- ii. the Loan Servicer were to take enforcement action in respect of the Proposed Sale Loans which are in default or in respect of which a default may occur in accordance with its Loan Management Policy.

If a sale of all the Student Loans at the Proposed Price is approved by Extraordinary Resolution, the Notes shall be redeemed and cancelled without any further payment by the Issuer to the Noteholders upon the application of the sale proceeds by the Issuer in accordance with the Pre-Enforcement Priorities of Payments.

#### *PURCHASE BY ISSUER*

- 7.9** The Issuer may at any time purchase Notes at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike.

#### *CANCELLATION*

- 7.10** All Notes which are redeemed in full will forthwith be cancelled and such Notes may not be re-issued or resold. Notes purchased by the Issuer will be cancelled. The Issuer will notify the Trustee of all such cancellations and the Trustee shall thereafter release the Mortgaged Property from the Security.

## **8. PAYMENTS**

- 8.1** Payment of the Redemption Amount shall be made by electronic transfer in the manner provided in Condition 8.2 below.
- 8.2** Interest and principal payable in respect of the Notes shall be paid to the person shown on the Register at the close of business on the Record Date. Payments of interest and principal on each Note shall be made in the relevant currency in which such payments are due by transfer to an account in the relevant currency maintained by the Holder (or to the first named of joint Holders) of such Note and notified to the Issuer.
- 8.3** All payments are subject in all cases to any applicable laws, regulations and directives (including, without limitation, requirements applicable in any place of payment to withhold or deduct for or on account of tax). No commission or expenses shall be charged to the Noteholders in respect of such payments.
- 8.4** The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Issuer shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.
- 8.5** If the Issuer, on the occasion of the next payment due in respect of the Notes, would be required by applicable law to withhold or account for tax or would suffer withholding tax on payments due to it in respect of the Student Loans, then the Issuer shall so inform the Trustee in writing, and shall be entitled to arrange the substitution of a company incorporated in another jurisdiction approved beforehand in writing by the Trustee as the principal obligor in respect of the Notes or to change (to the satisfaction of the Trustee) its residence for taxation purposes to another jurisdiction approved beforehand in writing by the Trustee.
- 8.6** The holders of the Notes shall agree to provide the Issuer (and on enforcement the Trustee) with all information and documentation required by the Issuer and/or the Trustee as the case may be, to satisfy any Irish or other country tax or regulatory obligations at any time.



8.7 If any date for payment in respect of any Note is not a Business Day, the Holder shall neither be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

## 9. STUDENT LOANS

### 9.1 Eligibility Criteria / Eligible Institutions / Eligible Courses

The Issuer shall only use the proceeds of the issuance of the Notes (and any Early Repayment Amounts and/or proceeds of sales or refinancing of Student Loans by the Issuer during the Acquisition Period) to acquire Student Loans (in the Specified Currency) which have been or will be granted to students attending (or who have attended) Eligible Courses at Eligible Institutions and which, subject to Condition 9.2, satisfy the Eligibility Criteria and the requirements set out in the section of the Final Terms entitled "Provisions relating to Student Loans".

### 9.2 In Specie Subscription

If "In Specie Subscription" is stated to apply in the applicable Final Terms, the proceeds of the Notes, any Early Repayment Amounts and the proceeds of the sale of any Student Loans (if any) may be used by the Issuer, at its absolute discretion, to acquire Student Loans granted to Borrowers who attend (or who have attended) the Eligible Institution(s) notwithstanding that such Student Loans may be Impaired Student Loans and/or may not meet all Eligibility Criteria and/or comply fully with the section of the Final Terms entitled "Provisions relating to Student Loans" ("**In Specie Student Loan**"). Where such Final Terms also specify an "In Specie Subscription Level", only In Specie Student Loans up to the maximum amount specified as the In Specie Subscription Level may be acquired by the Issuer with the proceeds of the issue of the Notes and/or any Early Repayment Amounts and/or any proceeds of sale or refinancing of Student Loans.

### 9.3 Financial Guarantee

If "Financial Guarantee" is stated to apply in the applicable Final Terms, the Notes will benefit from a financial guarantee provided by a Financial Guarantor specified in such Final Terms in respect of some or all of the Student Loans, subject to the terms and conditions thereof.

### 9.4 Overcapitalisation Level

The Issuer may specify an applicable "Overcapitalisation Level" in the Final Terms to indicate that the Loan Originator has identified a particular level of demand from potential borrowers for Student Loans at the Issue Date but the Issuer has determined to issue the relevant Series of Notes in a principal amount that is greater than the aggregate principal amount of Student Loans so identified (such excess amount as a percentage of the principal amount of the Series being the specified Overcapitalisation Level), in anticipation of there being further demand for Student Loans from Borrowers during the Acquisition Period.

Any amounts which represent the proceeds of a Series issuance which the Issuer has not utilised during the Acquisition Period to pay Permitted Expenses and/or purchase Student Loans will be applied in accordance with the applicable Priorities of Payments on the Payment Date that follows the Acquisition Period.

### 9.5 Borrower Life Cover





If “Borrower Life Cover” policy is stated to apply in the applicable Final Terms, a group life cover policy (as more particularly described in the applicable Final Terms) will be put in place by the Loan Originator in respect of the Borrowers of the Student Loans.

## **9.6 Permitted Loan Purposes**

With respect to each Series of Notes, the Student Loans acquired with the proceeds of such Series may only be granted for the “Permitted loan purposes” specified in the applicable Final Terms.

## **9.7 Loan Advance Arrangements**

With respect to each Series of Notes, the Issuer may only acquire Student Loans that satisfy the administrative arrangements specified as “Loan advance arrangements” in the applicable Final Terms.

## **9.8 Refinancing of Student Loans**

If “Refinancing of student loan” is stated to be applicable in the relevant Final Terms, the proceeds of the issuance of the Notes may be used by the Issuer to refinance student loans made by a third party lender to a student provided such refinanced loan would have satisfied the Eligibility Criteria and would meet the requirements set out in the section of the relevant Final Terms entitled “Provisions relating to Student Loans” (if applicable).

## **9.9 Eligible Institutions Ranking Concentration**

If “Eligible Institutions Ranking Concentration” is stated to be applicable in the relevant Final Terms, the aggregate of the principal amounts of all Student Loans (in each case, determined on the date on which such Student Loan was acquired), acquired by the Issuer during the Acquisition Period, which have been advanced to Borrowers who attended, are attending, or will attend Ranked Eligible Institutions shall, by the end of the Acquisition Period, when expressed as a percentage of the aggregate principal amount of all Student Loans (in each case determined on the date on which such Student Loan was acquired), acquired by the Issuer during the Acquisition Period, be equal to or greater than the Ranked Percentage specified in the applicable Final Terms.

## **9.10 Student Geographic Concentration**

If “Student Geographic Concentration” is stated to be applicable in the relevant Final Terms, the Issuer may only acquire Student Loans advanced to Borrowers who have attended, are attending or will attend Eligible Institutions located in Permitted Borrower Countries and/or may not acquire Student Loans advanced to Borrowers who have attended, are attending or will attend Eligible Institutions located in Restricted Borrower Countries, in each case as specified in the applicable Final Terms.

## **9.11 Gender Concentration**

If “Gender Concentration” is stated to be applicable in the Final Terms, the aggregate of the principal amounts of all Student Loans (in each case, determined on the relevant date on which such Student Loan is acquired by the Issuer), acquired by the Issuer during the Acquisition Period, which have been advanced to Borrowers who are female or male (as specified in the applicable Final Terms), shall, by the end of the Acquisition Period, when expressed as a percentage of the aggregate principal amounts of all Student Loans (in each case, determined on the relevant date of acquisition of each such Student Loan), acquired by the Issuer during the Acquisition Period, be equal to or greater than the Requisite Gender Percentage specified in the applicable Final Terms.



## 9.12 Impaired Student Loans

If “Impaired Student Loans” is stated to be applicable in the Final Terms, the Issuer may acquire Impaired Student Loans provided that the aggregate of the principal amounts of all Impaired Student Loans (in each case determined on the relevant date on which such Student Loan is acquired by the Issuer), acquired by the Issuer during the Acquisition Period shall, by the end of the Acquisition Period, when expressed as a percentage of the aggregate principal amounts of all Student Loans (in each case, determined on the relevant date of acquisition of each such Student Loans), acquired by the Issuer during the Acquisition Period, be no more than the Requisite Impaired Loan Percentage specified in the applicable Final Terms.

## 9.13 Exchange

The Issuer may elect to exchange any Student Loan(s) included in the Mortgaged Property for any other Student Loan(s) that satisfy the requirements applicable to Student Loans acquired by the Issuer as set out in Condition 9.1 and 9.2 and direct the Trustee to execute any document required to release the Student Loan(s) being replaced from the security created by the Trust Deed and take a first ranking security interest over those replacement Student Loan(s) which the Trustee is obliged to do provided the Loan Originator has confirmed to the Issuer in writing (with a copy to the Trustee) that on the relevant exchange date:

- (a) each replacement Student Loan satisfies the requirements applicable to Student Loans acquired by the Issuer as set out in Condition 9.1 and 9.2;
- (b) in relation to the replacement of any Impaired Student Loan(s), the aggregate market value of the replacement Student Loan(s) is no less than the market value of the Impaired Student Loan(s) being replaced; and
- (c) in relation to the replacement of any Student Loan(s) that is/are not Impaired Student Loans, the replacement Student Loan(s) is/are not Impaired Student Loans and the principal amount plus the accrued and expected interest amount due under the replacement Student Loan(s) is equal to or greater than the principal amount plus the accrued and expected interest amount due under the Student Loan that is/are being replaced

## 9.14 Sale and/or Refinancing

The Issuer may effect a sale or refinancing of all or part of the Student Loans at any time and for the purposes of completing such a sale or refinancing direct the Trustee to release the Security over all or a proportion of the Student Loans provided that:

- (a) with respect to such Student Loans that are sold or refinanced during the Acquisition Period, the proceeds of such sale or refinancing are no less than the aggregate principal amount outstanding of the relevant Student Loans on the relevant sale date; and
- (b) with respect to such Student Loans that are sold or refinanced following the Acquisition Period, the proceeds of such sale or refinancing when applied by the Issuer in accordance with the Pre-Enforcement Priorities of Payments, are sufficient to redeem the Notes in full (in the case of a sale or refinancing of all the Student Loans) or in part (in the case of a sale or refinancing of a proportion of the Student Loans), but if in part the principal amount of the Notes to be redeemed shall not be of a lesser proportion to the principal amount of the Notes then outstanding than the amount of the



Student Loans to be sold or refinanced bears to the aggregate amount of all Student Loans outstanding and then comprised in the Mortgaged Property. Upon receipt of a direction in accordance with this Condition 9.14 the Trustee shall release the relevant Student Loans from the Security, provided the conditions for release set out in section 6 of the Principal Trust Deed are satisfied.

In the event the Issuer wishes to effect a sale of only some of the Student Loans in accordance with Condition 7.8, (following the passing of the relevant Extraordinary Resolution referred to in Condition 7.8), the Issuer may direct the Trustee to release the Security over the Student Loans being sold, which the Trustee shall do, provided the conditions for release set out in section 6 of the Principal Trust Deed are satisfied.

## 10. 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 5 years (in the case of interest) from whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Principal Paying Agent on or prior to such due date, the date on which, the full payment having been so received, notice to that effect shall have been given to the Noteholders (the "Relevant Date").

## 11. EVENTS OF DEFAULT

11.1 The Trustee at its discretion may, and if so requested in writing by the Holders of a clear majority of the nominal amount of the Notes or if so directed by an Extraordinary Resolution of the Noteholders shall (subject to being indemnified and/or secured to its absolute satisfaction) (but in the case of the happening of any of the events mentioned in Conditions 11.1(a) and 11.1(c) inclusive below, only if the Trustee shall have certified that, in its opinion, such event is materially prejudicial to the interests of the Noteholders), give notice to the Issuer that the Notes are, and they shall accordingly immediately become, due and payable at their Redemption Amount, if any of the following events shall occur and be continuing:

- (a) subject to Conditions 6.3 and 7.2, default is made for a period of 14 or more days in the payment of any interest or principal amounts or Redemption Amount which is due and payable in respect of the Notes;
- (b) the Issuer defaults in the performance or observance of or compliance with any of its other undertakings set out in the Notes or the Trust Deed which default is, in the opinion of the Trustee, incapable of remedy or which, if capable of remedy, is not in the opinion of the Trustee remedied within 30 days (or such longer period as the Trustee may permit) after notice requiring remedy of such default, and indicating that this provision may be invoked if it is not remedied, shall have been given to the Issuer by the Trustee; or
- (c) any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Issuer or by any other person to wind up or dissolve the Issuer or to appoint a liquidator (whether provisional, interim or otherwise), trustee, examiner or similar officer of the Issuer or any part of its undertaking or assets.

11.2 At any time after the Notes become due and repayable pursuant to this Condition, the Trustee may, at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to



enforce repayment of the Notes but it shall not be bound to take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the Noteholders holding clear majority in nominal value of the Notes and (ii) it shall have been indemnified and/or secured to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to proceed, fails to do so within a reasonable period of time and such failure is continuing.

## 12. MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

- 12.1** The Principal Trust Deed contains provisions for convening meetings of (a) the Noteholders of all Series generally to consider matters, including the modification of these Conditions or the provisions of the Principal Trust Deed, and (b) the Noteholders of Notes of a specific Series to consider matters particular to that Series, including whether enforcement action should be taken where an Event of Default exists with respect to that Series and whether the Mortgaged Property (or any part thereof) should be sold at a price that will result in a loss for Noteholders of that Series. Generally, the Trustee will only be required to take action on matters (i) if considered at a meeting of Noteholders generally or the Noteholders of Notes of a specific Series (as appropriate, the "**Relevant Noteholders**") and the Trustee is directed to do so by Extraordinary Resolution or (ii) if the Trustee is directed to do so by Extraordinary Resolution in writing of the Relevant Noteholders. The quorum at any meeting of Relevant Noteholders for passing an Extraordinary Resolution will be two or more persons present holding or representing by proxy a clear majority of the nominal amount of the Notes for the time being outstanding to all Relevant Noteholders, or at any adjourned meeting two or more persons present being or representing Relevant Noteholders whatever the nominal amount of the Notes for the time being outstanding so held or represented, except that, at any meeting of the Noteholders generally, the business of which includes the modification of any of these Terms and Conditions, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than 75%, or at any adjourned such meeting not less than 25%, of the nominal amount of all Notes for the time being outstanding.
- 12.2** An Extraordinary Resolution passed at any meeting of Relevant Noteholders will be binding on all Relevant Noteholders, whether or not they are present at the meeting.
- 12.3** The Trustee may agree, without the consent of any Noteholders to (a) any modification of any of the provisions of the Principal Trust Deed, any Supplemental Trust Deed, the Agency Agreement, the Corporate Services Agreement, the Financial Guarantee (if applicable), the Placing Agency Agreement, the LOA and the LSA that, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error which is, in the opinion of the Trustee, proven, and (b) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the agreements referred to in sub-section (a) above that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on all Noteholders and, if the Trustee so requires, such modification shall be notified to all Noteholders as soon as practicable.
- 12.4** In connection with the exercise by it of any of its trusts, powers or discretions (including, but without limitation, any modification, waiver or authorisation), the Trustee shall have regard to the interests of the Relevant Noteholders as a class and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof 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.



### 13. SUBSTITUTION

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of any other company in place of the Issuer, or of any previously substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. Any such substitution will be notified to Noteholders in accordance with Condition 16 and (for so long as the Notes are listed thereon) shall be notified to Euronext Dublin and a supplementary prospectus prepared as soon as practicable thereafter.

### 14. REPLACEMENT OF NOTES, CERTIFICATES

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Registrar, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed 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) and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

### 15. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further Series and further Tranches of existing Series of Notes: A further Tranche of an existing Series shall:

- (a) be fungible with the Notes of that existing Series;
- (b) have the same terms and conditions as the Notes of that Series except for Issue Date, Issue Price, first payment of interest, Acquisition Period, accrued interest and notional amount; and
- (c) be consolidated and form a single Series with that existing Series of Notes, and references in these Conditions to Notes shall be construed accordingly.

### 16. NOTICES

**16.1** Notices to the Holders of Notes shall be emailed to them at their respective email 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.

**16.2** If, in the opinion of the Trustee, notification in accordance with Condition 16.1 is not practicable, notice shall be validly given if published in a leading daily English language newspaper with general circulation in



Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

**16.3** While the Notes are listed on Euronext Dublin, copies of all notices given in accordance with this condition shall be forwarded to the Companies Announcement Office of Euronext Dublin.

**16.4** Notices to be given by any Holder of the Notes of this Series shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent.

## **17. INDEMNIFICATION AND REPLACEMENT OF THE TRUSTEE**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances including provisions relieving it from instituting proceedings to enforce repayment unless indemnified and/or secured to its absolute satisfaction.

## **18. LIMITED RECOURSE AND NON-PETITION**

**18.1** All payments to be made by the Issuer in respect of the Notes will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer under the Student Loans and/or from the Series Account, subject always to the applicable Priorities of Payments.

**18.2** In relation to any sums received or recovered, the Issuer (or the Loan Servicer on its behalf) shall determine to which Series such sums relate and such determination shall be binding on Noteholders of all Series in the absence of manifest error.

**18.3** In the event that the Issuer (or the Loan Servicer on its behalf) is unable to make or, following a request by the Trustee fails to make, the determination in Condition 18.2, such determination may be made by the Trustee or by such person as is directed by the Trustee. No liability shall attach to the Trustee as a result of such determination.

**18.4** To the extent that the sums referred to in Condition 18.1 are less than the amount which the Noteholders may have expected to receive (the difference being referred to as the shortfall), such shortfall will be borne by the Noteholders.

**18.5** Each Noteholder, by subscribing for and purchasing Notes, will be deemed to accept and acknowledge that it is fully aware that:

- (a) the Noteholders shall look solely to the sums referred to in this Condition 18 (Limited Recourse and Non Petition) as applied in accordance with the above paragraphs and the Priorities of Payments (the "**Relevant Sums**"), for payments to be made by the Issuer in respect of the Notes;
- (b) the Noteholders shall not look to the sums which are attributable to another Series in satisfaction of the obligations of the Issuer to such Noteholders;
- (c) the obligations of the Issuer to make payments in respect of the Notes will be limited to the Relevant Sums and the Noteholders shall have no recourse to the Issuer or its shareholders, directors, officers, successors or assigns in respect of the Notes for any shortfall between the Relevant Sums and any amount due to them under the Notes;



- (d) only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders and no Noteholder is entitled to proceed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable time and such failure or neglect is continuing;
- (e) the Trustee and the Noteholders shall have recourse only to the Mortgaged Property for satisfaction and discharge of the Issuer's obligations and liabilities arising under or in connection with the Notes and/or the relevant Transaction Documents and, following the realisation and distribution of the net proceeds of same in accordance with the applicable Priorities of Payments, the Trustee and the Noteholders or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) and the right to receive any such further sum shall be extinguished; and
- (f) none of the Trustee or any Noteholder shall be entitled to petition or take any other step or join with any other person in bringing, instituting or joining, insolvency proceedings (whether court based or otherwise) or for the appointment of an examiner, liquidator or analogous person in relation to the Issuer save for lodging a claim in the liquidation of the Issuer which is initiated by another party, nor shall any of them have any claim to, or in respect of any sum arising in respect of any assets of the Issuer other than the Mortgaged Property for the Series, subject to this Condition 18.

**18.6** Non-payment of any shortfall referred to in this Condition 18 shall not constitute an Event of Default under Condition 11 (Events of Default).

**18.7** None of the Issuer, the shareholders of the Issuer, the Agents, the Placing Agents, the Loan Originator, the Loan Servicer or the Back-Up Servicer has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes.

## **19. GOVERNING LAW**

The Trust Deed, the Notes and any non-contractual obligations arising out of or in connection therewith shall be governed by, and construed in accordance with, Irish law.



## 9. PROCEDURE FOR ISSUE

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### 9.1 CATEGORIES OF POTENTIAL INVESTORS

Notes offered as part of a Non-exempt Offer will be offered to investors within each of the following jurisdictions in which the Non-exempt Offer is being made (as specified in the applicable Final Terms): Austria, Belgium, Bulgaria, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Slovenia, Slovak Republic, Spain, Sweden, the Czech Republic, the Netherlands and the United Kingdom.

### 9.2 PROCEDURE FOR ISSUE

A prospective investor interested in acquiring Notes must deliver to the Issuer (or the relevant Placing Agent or other Authorised Offeror) a Letter of Interest, in a form available from the relevant Placing Agent or other Authorised Offeror, together with such evidence and certifications specified by the relevant Placing Agent or other Authorised Offeror as required confirmations of the prospective investor's eligibility to invest in the Notes. The Issuer may elect, in its absolute discretion, to offer Notes to any of the prospective investors that have delivered Letters of Interest, and offers will be made by the Issuer (or the relevant Placing Agent or other Authorised Offeror) sending Final Terms to the prospective investors selected by the Issuer. Each prospective investor who receives an offer of Notes will have agreed in the Letter of Interest to acquire Notes in accordance with the Letter of Interest except where the offer is rejected by that prospective investor by rejection notice given to the Issuer at least 10 Business Days prior to the Issue Date specified in the Final Terms.

Investors may not be allocated all of the Notes for which they apply, for example if the total amount of orders exceeds aggregate amount of the Notes ultimately issued. Investors will be notified by the relevant Placing Agent or other Authorised Offeror of their allocations of Notes and the settlement arrangements in respect thereof as soon as practicable after the Offer Period has ended. The Issuer does not intend to make any arrangements to facilitate dealing of the Notes before this notification has been made.

Investors wishing to hold Notes in Euroclear or Clearstream, Luxembourg should follow the procedures from time to time of Euroclear or Clearstream, Luxembourg (as the case may be).

### 9.3 ISSUE PRICE OF NOTES

The Issue Price of the Notes will be 100% unless otherwise specified in the applicable Final Terms.





# 10. SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

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## 10.1 INITIAL ISSUE OF NOTES

Unless otherwise indicated in the applicable Final Terms, Notes of each Series will initially be represented by interests in a Global Certificate. Each Global Certificate will initially be registered in the name of a nominee of, and deposited with a common depositary for, Euroclear and Clearstream on its Issue Date.

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

## 10.2 RELATIONSHIP OF ACCOUNTHOLDERS WITH CLEARING SYSTEMS

Each of the persons shown in the records of Euroclear, Clearstream or any other clearing system (an “Alternative Clearing System”) as being entitled to an interest in a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the Holder of such Global Certificate, and in relation to all other rights arising under the Global Certificates subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to the Holder of such Global Certificate in respect of each amount so paid.

## 10.3 EXCHANGE OF GLOBAL CERTIFICATES

Beneficial interests in a Global Certificate may be held only through Euroclear or Clearstream, Luxembourg at any time.

Each Global Certificate will be exchangeable, free of charge to the holder, in whole but not in part, for Individual Certificates in definitive registered form if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the holder giving notice to the Registrar or any Transfer Agent.

On or after the Exchange Date, the holder of the relevant Global Certificate may surrender such Global Certificate to or to the order of the Registrar or any Transfer Agent. In exchange for the relevant Global Certificate, as provided in the Agency Agreement, the Registrar will deliver, or procure the delivery of, an



equal aggregate amount of duly executed and authenticated Individual Certificates in or substantially in the form set out in the relevant schedule to the Trust Deed.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest or on the date of optional redemption in respect of the Notes.

“Exchange Date” means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent is located.

In such circumstances, the relevant Global Certificate shall be exchanged in full for Individual Certificates and the Issuer will, at its own cost (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Individual Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates.

The holder of an Individual Certificate may transfer the Notes evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon.

If the Final Terms states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 3.1 may only be made in whole, but not in part: (A) if Euroclear or Clearstream or any Alternative Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (B) if principal in respect of any Notes is not paid when due, by the Holder giving notice to the Registrar of its election for such exchange or (C) with the consent of the Issuer. A Global Certificate is exchangeable in the circumstances specified in the permanent Global Certificate.

#### **10.4 AMENDMENT TO CONDITIONS**

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



### *MEETINGS*

The Holder of the Notes represented by 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 and in any such meeting as having one vote in respect of each Note for which the relevant Global Certificate may be exchangeable.

### *TRUSTEE'S POWERS*

In considering the interests of Noteholders while any Global Certificate is registered in the name of any nominee for a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Certificate and may consider such interests as if such accountholders were the Holders of such Global Certificate.

### *NOTICES*

So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the Holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the Holder of the Global Certificate, provided that, so long as the Notes are listed on Euronext Dublin the Issuer will also publish notices in accordance with the rules of Euronext Dublin.



# 11. CLEARING AND SETTLEMENT

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## BOOK-ENTRY OWNERSHIP

### REGISTERED NOTES

Unless otherwise indicated in the applicable Final Terms, the Issuer will make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book- entry systems in respect of the Notes to be represented by each Global Certificate. Each Global Certificate will have a separate ISIN and a Common Code. Investors in Notes of any Series may hold their interests in a Global Certificate representing such Notes only through Euroclear or Clearstream, Luxembourg.

All Notes will initially be in the form of a Global Certificate or Individual Certificates, in amounts specified in the applicable Final Terms.

### TRANSFERS OF REGISTERED CERTIFICATES

If a Holder of a beneficial interest in the Notes represented by a Global Certificate wishes at any time to transfer such beneficial interest to a person who wishes to take delivery thereof in the form of a beneficial interest in that Global Certificate, such Holder may transfer such beneficial interest only in accordance with the transfer restrictions described in Section 15 “**Subscription, Sale and Transfer Restrictions**” and the terms set out in the relevant Global Certificate.

Transfers of interests in Global Certificates within Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.

Each Global Certificate and each Individual Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Certificate and as described in Section 15 “**Subscription, Sale and Transfer Restrictions**”. In certain circumstances, transfers of interests in a Global Certificate or an Individual Certificate may not be subject to such legend in part or in whole.

Although Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any Agent will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg, or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear and Clearstream, Luxembourg, will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.



# 12. FEES AND EXPENSES

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## 12.1 ORGANISATION COSTS

Costs and expenses incurred in connection with the organisation and ongoing administration of the Issuer are typically borne by the Loan Servicer (and reimbursed to the Loan Servicer by the Issuer) in accordance with Section 12.5 “Fees of Loan Servicer”.

## 12.2 FEES OF THIRD PARTIES

All fees and expenses of third parties appointed by the Loan Servicer to assist it in the performance of its duties to the Issuer will be discharged by the Loan Servicer out of fees to which the Loan Servicer is entitled.

## 12.3 FEES OF PLACING AGENT

In respect of each Series of Notes issued under the Programme, the relevant Placing Agent is entitled to receive a fee for services in placing the Notes of that Series with investors (the “**Placing Agency Fee**”). The level of the Placing Agency Fee for each Series will be specified in the Final Terms of that Series.

## 12.4 FEES OF LOAN ORIGINATOR

In respect of each Series of Notes issued under the Programme, the Loan Originator is entitled to receive an origination fee (the “**Origination Fee**”). The level of the Origination Fee for each Series will be specified in the Final Terms of that Series.

## 12.5 FEES OF LOAN SERVICER

An ongoing monthly Student Loan servicing and management fee is charged to the Issuer by the Loan Servicer (the “**Servicing Fee**”) in respect of each Series which is based on a percentage (which is specified in the relevant Final Terms and is subject to increase upon the agreement in writing of the Issuer and Loan Servicer) of the aggregate outstanding principal and accrued interest amount of the Relevant Student Loans on the first day of each servicing period (being the period commencing on the Issue Date of the relevant Series and ending on the 7th day of the next calendar month and thereafter, each period commencing on the 8th day of the calendar month and ending on the 7th day of the next falling calendar month). To the extent there are insufficient funds in the Series Account (representing payments of interest and/or principal by Borrowers) to pay the Servicing Fee, the obligation to pay same will be deferred until there are such available funds. The Loan Servicer and the Issuer may agree to increase the Servicing Fee.

The Issuer’s expenses will typically be discharged by the Loan Servicer on behalf of the Issuer (and the Issuer will reimburse the Loan Servicer in respect of such payments in accordance with the Priorities of Payments). These costs are estimated at €55,000 per annum and €5,500 per Tranche issued and include:

- Annual domiciliary, director and fiscal services for the Issuer
- Accounting, auditing and tax filing
- Legal fees
- Trustee services for the Notes
- Agency services for the Notes



- Listing fees

The setup and issuing costs of the Programme will be discharged by the Loan Servicer. The Loan Servicer shall have the additional right to recover fees, costs and expenses, which shall be considered as disbursements for VAT purposes, from any Borrower on the Issuer's behalf for any and all work made necessary by the acts and omissions of that Borrower, and arising from the administration and enforcement of any Student Loan. The Loan Servicer shall be entitled to use such sums as are collected to defray in whole or part, expenses reasonably incurred by it in the course of performing its obligations under the LSA.

Should there be a surplus remaining following the redemption of all Notes of a Series, that surplus will be used by the Issuer to reimburse the Loan Servicer for discharging fees and expenses relating to that Series or any other Series to the extent paid by the Loan Servicer other than from the Series Account or a Series Account for another Series and to discharge undischarged fees and expenses relating to any other Series to the extent that the balance on the Series Account for that other Series is insufficient to do so.

## 12.6 LEGAL FEES IN RESPECT OF BREACH OR ENFORCEMENT OF LOAN AGREEMENT

Each Loan Agreement provides that the Borrower is responsible for any reasonable costs, charges and expenses that may be incurred by the Loan Servicer on behalf of the Issuer, including legal fees that arise out of the Borrower's breach of the Loan Agreement or its enforcement to recover the amount owing by the Borrower. In addition, the Loan Servicer reserves the right to use a third-party collection agency acting on its behalf and the Borrower is liable for the reasonable costs of collection imposed on the Loan Servicer by the third-party collection agency, up to the lesser of (a) 35% of the outstanding balance owing by the Borrower and (b) the maximum amount permitted by law. This amount will be added to the balance of the Student Loan outstanding and recovered in the event of a successful collection.

The costs, charges and expenses referred to above may be paid by the Issuer (at the request of the Servicer) in advance of payments of interest and principal being made on the Notes in accordance with the applicable Priorities of Payments or the Loan Servicer (in which case the Loan Servicer may request the Issuer to reimburse it for the relevant amount and such payment(s) may be made by the Issuer in advance of making payments of interest and principal on the Notes in accordance with the applicable Priorities of Payments). In the event the Issuer has paid such costs, charges and expenses or reimbursed the Servicer for doing so, the Servicer shall, upon recovering from the relevant Borrower, any amount(s) representing such costs, charges and expenses, transfer same to the relevant Series Account for application in accordance with the applicable Priorities of Payments.

In any of the following circumstances (amongst others), Prodigy Finance may be unable to recover legal fees from the Borrower:

- Prodigy Finance may obtain an arbitration award, but be unable to recover the full amount of the award (including legal costs) from the Borrower by local enforcement proceedings.
- Prodigy Finance may obtain an arbitration award but be unable to enforce the arbitration award locally in certain circumstances. For example, if the Borrower is not traceable or resides in a country where enforcement of foreign awards is difficult or impossible. In these circumstances, Prodigy Finance may postpone or halt local enforcement of the award having regard to the period within which an award can be enforced under the legal rules of the country where the enforcement will take place.
- Prodigy Finance may incur legal fees that arise out of the Borrower's breach of the Loan Agreement but decide not to take enforcement action and obtain an arbitration award in circumstances including the following (i) it assesses that the loan recovery achievable by



enforcement action is likely to be less than enforcement costs, in which case it has discretion to write off the loan without taking enforcement action or (ii) it enters into a full and final settlement agreement with a borrower which is less than the full amount outstanding, for example, to avoid the uncertainty, cost and delay related to enforcement proceedings or (iii) it assesses that a Borrower is a vulnerable client or does not have the financial means to satisfy the claim or (iv) the Borrower dies or is declared bankrupt.

Where costs, charges and expenses (including legal fees) are not recovered from a Borrower, they will be payable by the Issuer (whether directly or by way of reimbursement of the Loan Servicer for payment by it of such costs, charges and expenses) in accordance with the Priorities of Payments up to the maximum amount permitted by law and in accordance with the parameters established by the Loan Management Policy by submission of the relevant request for payment by the Loan Servicer to the Issuer.



## 13. USE OF PROCEEDS

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The net proceeds of the issue of the Notes will be used by the Issuer to acquire Relevant Student Loans from the Loan Originator in accordance with the terms of this Base Prospectus and the Final Terms and to pay Permitted Expenses. Any such proceeds which are not so used will be paid in accordance with the Priorities of Payments on the Payment Date following the Acquisition Period.





# 14. TAXATION

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

## WITHHOLDING TAX

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which may include interest payable on the Notes. However, an exemption from withholding on interest payments exists under section 64 of the Taxes Consolidation Act 1997 of Ireland (the “**TCA**”) for certain securities (“**quoted Eurobonds**”) issued by a body corporate (such as the Issuer) which are interest bearing and quoted on a recognised stock exchange.

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

- a. the person by or through whom the payment is made is not in Ireland; or
- b. the payment is made by or through a person in Ireland, and either:
  - i. the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg, amongst others, are so recognised), or
  - ii. the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as an Irish paying agent, if any) in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in any of Euroclear or Clearstream, Luxembourg, interest on the Notes can be paid by any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a qualifying company (within the meaning of section 110 of the TCA, as amended (a “**Qualifying Company**”) and provided the interest is paid to a person resident in (a) a member state of the European Union (other than Ireland) or (b) a country with which Ireland has signed a double taxation agreement (a “**Relevant Territory**”). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

## ENCASHMENT TAX

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the



interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

## TAXATION OF NOTEHOLDERS

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

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a relevant territory provided:

- a. the Notes are quoted Eurobonds and are exempt from withholding tax as set out above; or
- b. in the event of the Notes ceasing to be quoted Eurobonds exempt from withholding tax, if the Issuer is a Qualifying Company; or
- c. if the Issuer has ceased to be a Qualifying Company, the recipient of the interest is a company resident in a Relevant Territory imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory.

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

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

Noteholders receiving interest on the Notes which does not fall within the above exemptions may be liable to Irish income tax.

## CAPITAL GAINS TAX

A holder of the Notes will be subject to Irish tax on capital gains on a disposal of the Notes unless such holder is neither resident nor ordinarily resident in Ireland for the purpose of Irish tax and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

## CAPITAL ACQUISITIONS TAX

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



physically located at any particular time. Registered notes are generally regarded as situated where the principal register of noteholders is maintained or required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to Irish capital acquisitions tax regardless of the residence status of the disponer or the donee/successor.

For the purpose of Irish capital acquisitions tax, a non-Irish domiciled donee or disponer will not be treated as resident in Ireland or ordinarily resident in Ireland at the relevant date except where that person has been resident in Ireland for 5 consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls and that person is either resident in Ireland or ordinarily resident in Ireland on that date, in each case for Irish tax purposes.

## **STAMP DUTY**

On the basis of an exemption provided for in section 85(2)(c) to the Stamp Duties Consolidation Act 1999 of Ireland and provided the Issuer is a Qualifying Company and the proceeds of the Notes are used in the course of the Issuer's business, no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes whether they are represented by permanent global certificates or certificates i.e. definitive notes.

## **FATCA**

As set out in the U.S. Foreign Account Reporting risk factor, the FATCA rules are generally designed to impose a reporting regime in respect of U.S. persons' (as defined in the Code) direct and indirect ownership of non-U.S. accounts. FATCA imposes a withholding tax of 30% on a portion of certain payments by non-U.S. entities that comply with FATCA to persons that fail to comply with FATCA. If the Issuer (or relevant intermediary) complies with FATCA, this withholding tax may be imposed on a portion of payments to (a) certain holders or beneficial owners of Notes that do not provide certain information requested by the Issuer (or any relevant intermediary) and (b) any recipient (including an intermediary) of a payment that has not (or the relevant financial institution has not) entered into a FATCA Agreement (or otherwise established an exemption from FATCA or complied with the relevant FATCA reporting obligations). However, any such FATCA withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register.

Each holder of Notes should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

## **FATCA IMPLEMENTATION IN IRELAND**

On 21 December 2012, the Governments of Ireland and the U.S. signed the Ireland/US IGA with respect to FATCA ("Ireland IGA"). This agreement significantly increased the amount of tax information automatically exchanged between Ireland and the U.S.. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons (as defined under the Code), and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents.

The agreement provides that Irish financial institutions such as the Issuer will report to the Irish Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the U.S. Internal Revenue Service in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.



The Issuer shall be entitled to require Noteholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the Issuer may have as a result of the Ireland IGA or any legislation promulgated in connection with the agreement and investors will be deemed, by their subscription for or holding of the Notes to have authorised the automatic disclosure of such information by the Issuer or any other person to the relevant tax authorities.

## AUTOMATIC EXCHANGE OF INFORMATION

Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) (“**DAC2**”) provides for the implementation among EU Member States (and certain third countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and creates a mandatory obligation for Member States to exchange financial account information in respect of residents in other Member States on an annual basis.

On 14 July 2014 the OECD issued the Standard for Automatic Exchange of Financial Account Information (“**the Standard**”) which therein contains the CRS. The subsequent introduction of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information provides the international framework for the implementation of the CRS by participating jurisdictions.

The main objective of the CRS is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions.

Under the CRS, governments of participating jurisdictions (currently more than 95 jurisdictions) are required to collect detailed information to be shared with other jurisdictions annually. All EU member states, except Austria, introduced the CRS from 1 January 2016. Austria introduced CRS from 1 January 2017.

CRS is implemented in Ireland pursuant to the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, S.I. 583 of 2015, made under section 891F of the TCA.

DAC2 is implemented in Ireland pursuant to the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations of 2015, S.I. No. 609 of 2015 made under section 891G of the TCA.

Pursuant to these regulations, the Issuer may be required to obtain and report to the Revenue Commissioners annually certain financial account and other information for all new and existing holders of Notes (other than Irish and US holders) and, in certain circumstances, their controlling persons. The returns are required to be submitted on or before 30 June annually with respect to the previous calendar year. The information will include amongst other things, details of the name, address, taxpayer identification number (“TIN”), place of residence and, in the case of holders of Notes who are individuals, the date and place of birth, together with details relating to payments made to accountholders and their holdings. This information may be shared with tax authorities in other EU Member States (and in certain third countries subject to the terms of Information Exchange Agreements entered into with those countries) and jurisdictions which implement the CRS.

The Issuer shall be entitled to require Noteholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the Issuer may have as a result of DAC2 or CRS or any legislation promulgated in connection with DAC2 or CRS and investors will be deemed, by their subscription for or holding of the Notes to have authorised the automatic disclosure of such information by the Issuer or any other person to the relevant tax authorities.

## EU ANTI-TAX AVOIDANCE DIRECTIVES

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 on 12 July 2016 (“**ATAD 1**”). The EU Council adopted Council Directive (EU) 2017/952 on 29 May 2017, amending ATAD 1, to



provide for minimum standards for counteracting hybrid mismatches involving Member States and third countries (“ATAD 2”, together with ATAD 1, “ATAD”).

With effect from 1 January 2020, in line with the requirements of ATAD, hybrid mismatch rules have been introduced in Ireland to “neutralise” “hybrid mismatches” (the “Hybrid Mismatch Rules”). The purpose of the Hybrid Mismatch Rules is:

- (a) to prevent arrangements that exploit differences in the tax treatment of a financial instrument or an entity under the laws of two or more jurisdictions to generate a tax advantage; or
- (b) where such arrangements exist, to “neutralise” the tax advantage through the loss of a tax-deduction or the imposition of a tax charge, as the case may be.

Although the Finance Act of Ireland 2019 implemented the Hybrid Mismatch Rules with effect from 1 January 2020, published guidance of the Revenue Commissioners of Ireland has not yet been finalised. Accordingly, the impact of the rules on entities such as the Issuer remains uncertain.

Separately, ATAD 1 provides for an “interest limitation rule” which restricts the deductible interest of an entity to the higher of (a) EUR 3,000,000 or (b) 30 per cent. of its earnings before interest, tax, depreciation and amortisation. However, the interest limitation only applies to the net borrowing costs of an entity (being the amount by which its borrowing costs exceed its taxable interest revenues and other economically equivalent taxable revenues).

Interest limitation rules have not yet been implemented in Ireland. Accordingly, the impact of the rules on entities such as the Issuer remains uncertain.

## **14.1 MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

### **14.1.1 GENERAL**

The following discussion is a summary based on present law of certain United States federal income tax considerations relevant to the purchase, ownership and disposition of Notes. This discussion addresses only U.S. Holders (as defined below) who purchase Notes in their original offering at their offering price, hold such Notes as capital assets and use the U.S. dollar as their functional currency. This discussion is not a complete description of all U.S. federal income tax considerations relating to the purchase, ownership and disposition of Notes and is not a substitute for tax advice. It does not address all of the tax consequences that may be relevant in light of a U.S. Holder’s particular circumstances, including tax consequences that may be applicable to prospective investors subject to special rules, such as banks, thrifts, certain other financial institutions, dealers in securities or currencies, traders that elect to mark-to-market, regulated investment companies, real estate investment trusts, insurance companies, investors liable for the alternative minimum tax, certain U.S. expatriates, tax-exempt entities, pass-through entities, including partnerships and S-corporations, U.S. Holders beneficially owning 10 per cent. or more of any Series of Notes, or persons holding the Notes as part of a hedge, straddle, conversion or other integrated financial transaction or of U.S. Holders that will hold Notes in connection with a permanent establishment or fixed base outside of the United States.

It does not consider U.S. federal taxes other than income taxes (such as estate or gift taxes or the Medicare surtax on net investment income) or U.S. state or local tax matters.

EACH PROSPECTIVE PURCHASER SHOULD SEEK ADVICE FROM ITS OWN TAX ADVISORS ABOUT THE TAX CONSEQUENCES UNDER ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN NOTES UNDER THE LAWS OF IRELAND, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS AND ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.



For purposes of this discussion, a “U.S. Holder” is a beneficial owner of Notes that is, for purposes of U.S. federal income taxation, (i) a citizen or resident of the United States, (ii) a corporation or other entity treated as a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court, or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

The U.S. federal income tax treatment of a partner in a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) that acquires, holds and disposes of Notes will depend on the status of the partner and the activities of the partnership. Partnerships are urged to consult their own tax advisers regarding the specific tax consequences to their partners of purchasing, owning and disposing of Notes.

#### 14.1.2 CLASSIFICATION OF THE NOTES

The U.S. federal income tax consequences of holding the Notes will depend on whether the Notes are classified as debt or instead as equity for U.S. federal income tax purposes. There are no statutory provisions, regulations, published rulings, or judicial decisions that directly address the characterization for U.S. federal income tax purposes of the Notes or instruments similar to the Notes. Although the Notes in form are obligations of the Issuer, the U.S. Internal Revenue Service (the “IRS”) and courts are not bound by the form of a security and the Notes have some features that are more consistent with equity characterization. Moreover, the facts that are relevant under U.S. federal income tax law in classifying a security as debt or equity may differ for different Series of Notes. U.S. Holders are urged to consult their tax advisers regarding the classification of the Notes as debt, equity or otherwise, and as to the U.S. federal income tax consequences to them of an investment in Notes. The following discussion describes the material U.S. federal income tax consequences (i) if the Notes are treated as debt of the Issuer and (ii) if the Notes are treated as equity in the Issuer. Other characterizations of the Notes of a Series are possible, including treatment as direct ownership in the Student Loans referenced by such Series.

#### 14.1.3 TAXATION OF THE NOTES IF THE NOTES ARE DEBT FOR U.S FEDERAL INCOME TAX PURPOSES

##### *Payments on the Notes*

If the Notes are debt for U.S. federal income tax purposes, the rules for determining the timing and character of income will differ depending on whether the Notes are classified as “contingent payment debt instruments” (“CPDIs”). The facts relevant in determining whether Notes are subject to the CPDI rules may differ for different Series of Notes.

If the Notes are subject to the CPDI rules, a U.S. Holder would be required to treat all interest as original issue discount (“OID”) and to accrue OID as foreign source income at a rate equal to the comparable yield on a non-contingent fixed rate debt instrument of the Issuer with similar terms and conditions and a projected payment schedule that provides such comparable yield. The amount of OID will then be allocated on a rateable basis to each day in the period that the U.S. Holder holds the Note. The OID would be ordinary income from sources outside of the United States. If the actual payments made on a Note differ from the projected contingent payments, U.S. Holders will recognise adjustments additional interest income or loss (after offsetting and reducing OID for such periods). U.S. Holders therefore might be required to recognise income greater or less than the interest and other cash payments on the Notes. U.S. Holders of Notes denominated in a single currency other than U.S. dollars generally are required to accrue interest at a comparable yield in units of foreign currency and translate OID into U.S. dollars in accordance with the rules for accrual basis taxpayers. Special rules apply to the conversion of adjustments.



It is also possible that the Notes, instead of being subject to the CPDI rules, could be subject to certain rules applicable to debt instruments with alternative payment schedules. These rules could apply if, under the facts of a particular Series, payments that comprise each such schedule were known as of the issue date and a particular payment schedule were significantly more likely than not to occur. In that case, a U.S. Holder would be required to accrue interest and OID based on that particular schedule. If a change in circumstances occurs and payments are not made in accordance with the assumed schedule, then the Note would be deemed retired and reissued for purposes of these rules and the manner in which a U.S. Holder would account for further payments will be redetermined as of that time. As an alternative to the CPDI rules and the alternative payment schedule rules, it is also possible that the Notes could be subject to special rules applicable to debt instruments the timing of principal payments on which may be accelerated by reason of prepayments of other obligations (here the Student Loans) securing such debt instruments.

U.S. Holders should consult their tax advisors as to the potential applicability of the CPDI rules, the alternative payment schedule rules, and any other rules potentially applicable to the Notes.

#### *Disposition of the Notes*

Upon the sale, retirement or other taxable disposition of a Note, a U.S. Holder generally will recognize gain or loss equal to the difference, if any, between the amount realized upon the sale, retirement or other taxable disposition of a Note and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal the U.S. Holder's cost of the Note, increased by any OID included in income and decreased by any payments received on the Note. The amount realized will be equal to an amount equal to the U.S. dollar value of the currency on the date of sale. If the Notes are traded on an established securities market, a cash basis U.S. Holder or electing accrual basis taxpayer will determine the amount realized on the settlement date. A U.S. Holder will have a tax basis in the currency equal to the U.S. dollar amount realized. Any gain or loss realized by a U.S. Holder on a subsequent conversion of currency for U.S. dollars will be U.S. source ordinary income or loss.

To the extent recognized gain or loss on a Note is attributable to changes in exchange rates with respect to the relevant foreign currency between the date of acquisition and disposition of the Note, the exchange gain or loss will be treated as U.S. source ordinary income or loss and generally will not be considered additional interest income or expense. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction. If the Notes are subject to the CPDI rules discussed above, gain on the sale or other disposition of a Note in excess of such exchange gain or loss generally will be treated as ordinary income from sources outside of the United States, and loss will be U.S. source loss, treated as ordinary loss to the extent of prior net interest inclusions and capital loss to the extent of any excess. Otherwise, gain or loss in excess of such exchange gain or loss generally will be treated as U.S. source capital gain or loss.

#### **14.1.4 TAXATION OF THE NOTES IF THE NOTES ARE EQUITY FOR U.S. FEDERAL INCOME TAX PURPOSES**

If the Notes are treated as equity for U.S. federal income tax purposes, the Notes would be considered equity in a "passive foreign investment company" or "PFIC."

Payments on the Notes should be included in a U.S. Holder's gross income as ordinary dividend income from foreign sources to the extent of the Issuer's earnings and profits. Any payments in excess of such earnings and profits will be treated as a return of capital to the extent of the U.S. Holder's basis, and then as gain to the extent such amounts exceed basis. Dividends will not be eligible



for the dividends received deduction generally available to US corporations. Since the Issuer will be a PFIC, any payments characterised as dividends will not be eligible for the preferential tax rate available for qualified dividend income.

Dividend income paid in non-U.S. currency will be includable in income in a U.S. dollar amount based on the exchange rate in effect on the date of receipt whether or not the payment is converted into US dollars at that time. A U.S. Holder's tax basis in the foreign currency will equal the U.S. dollar amount included in income. Any foreign currency gain or loss on a subsequent conversion or other disposition of the non-U.S. currency for a different amount generally will be U.S. source ordinary income or loss.

U.S. Holders will recognize gain or loss on the sale or other disposition of the Notes in an amount equal to the difference between the U.S. Holder's adjusted tax basis in the Notes and the U.S. dollar value of the amount realized. A U.S. Holder's initial adjusted tax basis in the Notes generally will be its U.S. dollar cost. Any gain or loss generally will be treated as arising from US sources. A U.S. Holder that receives foreign currency on the disposition of Notes will realize an amount equal to the U.S. dollar value of the currency received at the spot rate on the date of sale (or, in the case of cash basis and electing accrual basis U.S. Holders, the settlement date). A U.S. Holder will recognize foreign currency gain or loss to the extent the U.S. dollar value of the amount received at the spot exchange rate on the settlement date differs from the amount realized. A U.S. Holder will have a tax basis in the currency received equal to the U.S. dollar value of the currency received on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the currency will be US source ordinary income or loss.

In addition, since the Issuer will be a PFIC, a U.S. Holder would be subject to additional taxes on any "excess distributions" and any gain realised from the disposition of the Notes. A U.S. Holder would have an excess distribution to the extent that payments on Notes during a taxable year exceeded 125% of the average amount received during the three preceding taxable years (or, if shorter, the U.S. Holder's holding period). To compute the additional tax on excess distributions or any gain, (i) the excess distribution or gain would be allocated ratably over the U.S. Holder's holding period, (ii) the amount allocated to the current taxable year would be taxed as ordinary income in the current year and (iii) the amount allocated to other taxable years would be taxed at the highest applicable marginal rate in effect for each year and an interest charge imposed to recover the deemed benefit from the deferred payment of the tax attributable to each year. Since any gain on disposition of the Notes would, under these rules, be treated in the same manner as an excess distribution, it would be taxable at the rates applicable to ordinary income rather than capital gain.

A U.S. Holder might be able to avoid the tax consequences of holding equity in a PFIC described above by electing to mark the Notes to market annually. The election would be available only if the Notes trade in more than de minimis quantities for at least 15 days during each calendar quarter on a qualified exchange. If a U.S. Holder is able to make and properly makes this election, the interest charge rules described above would not apply, but any gain from marking Notes to market or from disposing of them would be ordinary income. Any loss from marking Notes to market would be recognised only to the extent of gains previously included in income. Any loss from marking Notes to market that is recognised would be ordinary, but loss on disposing of them would be capital loss except to the extent of net gains previously included in income. A U.S. Holder should ask its tax advisor whether a mark-to-market election is available or desirable. A valid mark-to-market election cannot be revoked without the consent of the IRS unless the Notes cease to be marketable.





A U.S. Holder could not avoid the tax consequences described above by electing to treat the Issuer as a qualified electing fund ("QEF") because the Issuer does not intend to provide the information that a U.S. Holder would need to make a QEF election. U.S. Holders should consult their own tax advisors concerning the Issuer's PFIC status in the event that the Notes are considered equity for U.S. federal income tax purposes.

#### **14.1.5 CERTAIN ACCRUAL METHOD U.S. HOLDERS**

Certain accrual method U.S. Holders are required to take items of income into account for tax purposes no later than the time at which those items are taken into account as revenue on its audited financial statements. Thus, whether the Notes are debt or equity for U.S. federal income tax purposes, U.S. Holders to which this legislation applies could be required to take into account income from the Notes earlier than the time that would otherwise be the case under the foregoing rules.

#### **14.1.6 BACKUP WITHHOLDING AND INFORMATION REPORTING**

Interest, principal, and proceeds from the sale or other disposition of the Notes may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to amounts subject to reporting if the holder fails to provide an accurate taxpayer identification number or otherwise establish a basis for exemption. A U.S. Holder can claim a credit against its U.S. federal income tax liability for amounts withheld under the backup withholding rules, and can claim a refund of amounts in excess of its tax liability by providing the appropriate information to the IRS. Prospective investors should consult their tax advisors about qualifying for an exemption from backup withholding.

U.S. Holders are required to report information with respect to their investment in financial instruments not held through an account with a financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors about information reporting requirements applicable to their investment in the Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.



# 15. SUBSCRIPTION, SALE AND TRANSFER RESTRICTIONS

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## SELLING RESTRICTIONS

*Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Notes and the receipt of all amounts with respect to such Notes under the laws of the countries in which they may be liable to taxation and on any related subscription, sale and transfer restrictions and any adverse tax, accounting, liquidity or other consequences.*

*Neither the Issuer nor Prodigy Finance, nor any Agent nor the Trustee, service provider or professional adviser referred to within the Base Prospectus, accepts any liability with respect thereto including any responsibility for the classification of the Notes by regulatory, tax or similar authorities.*

### 15.1 PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS REGULATION

If the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA and UK Retail Investors” as not applicable with respect to offers of the relevant Notes in any Member State of the European Economic Area and/or the United Kingdom (each such jurisdiction, a “**Relevant State**”), the Permanent Placing Agent has represented and agreed, and the Issuer will require any other person acting on its behalf with respect to the Notes to agree, that it has not made and will not make an offer of such Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Placing Agent nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,



provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Placing Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129, as amended.

## 15.2 RESTRICTION ON SALES TO EEA AND UK RETAIL INVESTORS

If the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA and UK Retail Investors” as applicable with respect to offers or sales of the relevant Notes in any Member State of the European Economic Area (the “EEA”) and/or the United Kingdom of Great Britain and Northern Ireland (the “UK”) (each such jurisdiction, a “Relevant State”), the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in any such Relevant State. For these purposes:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## 15.3 UNITED KINGDOM

The Permanent Placing Agent has agreed, and the Issuer will require any other person acting on its behalf with respect to the Notes to agree, that:

- (a) it has complied with and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the “FSMA”) with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will



not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.

## 15.4 IRELAND

The Permanent Placing Agent has agreed, and the Issuer will require any other person acting on its behalf with respect to the Notes to agree, that it will not offer, place or do anything with respect to the Notes otherwise than in compliance with:

- (a) the provisions of the Prospectus Regulation and any rules issued under section 1363 of the Companies Act 2014 of Ireland;
- (b) the provisions of the Companies Act 2014 of Ireland (as amended);
- (c) the provisions of the European Communities (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017) of Ireland (as amended), and they will conduct themselves in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland with respect to anything done by them in relation to the Notes;
- (d) the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and the European Union (Market Abuse) Regulations 2016 of Ireland (as amended) and any rules issued by the Central Bank of Ireland pursuant thereto; and
- (e) the provisions of the Irish Central Bank Acts 1942 to 2018 of Ireland (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 of Ireland (as amended).

## 15.5 UNITED STATES

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in a private transaction to U.S. persons who are “accredited investors” as permitted under Rule 506(b) or Rule 506(c) of Regulation D, as applicable. The Issuer has not registered and will not register under the Investment Company Act, and accordingly, the investors in the Notes will not be entitled to the benefits of the Investment Company Act. It is contemplated that any U.S. person (as defined in Regulation S) who satisfies the qualifications as an “accredited investor” (as defined in Rule 501(a) of Regulation D) and wishes to purchase Notes shall be required to execute the applicable Letter of Interest confirming the prospective purchaser’s eligibility to invest in the Notes and making such representations and acknowledgements as required by the Issuer and the applicable provisions of the U.S. federal securities laws, including without limitation, Rule 506(b) or (c) of Regulation D, and any applicable U.S. state securities or “blue sky” laws. It is further contemplated that, in the case of a Rule 506(c) offering, all purchases of Notes shall be made by an eligible U.S. investor through a registered U.S. broker dealer which will confirm the U.S. investor’s “accredited investor” status or, alternatively, the U.S. investor will provide such other information, documentation or third-party confirmation as the Issuer deems necessary under the circumstances to satisfy the “reasonable verification requirement” contained within Rule 506(c) of Regulation D.



## U.S. Investors Must Qualify as Accredited Investors to Invest in Notes

The offering and sale of the Notes in the U.S. are being made pursuant to a private placement in a transaction pursuant to Rule 506(b) or Rule 506(c) of Regulation D, as applicable. Rule 506(b) permits the Issuer to sell the Notes in a private placement to U.S. persons (as defined in Regulation S) in the U.S. provided that the Issuer limits the offer and the sale of the Notes in the U.S. to U.S. persons (as defined in Regulation S) who are, or who the Issuer reasonably believe qualify as, “accredited investors” as defined in Rule 501(a) of Regulation D. Rule 506(c) of Regulation D, permits the Issuer to offer the Notes for sale in the U.S. to U.S. persons (as defined in Regulation S) provided that the sale of the Notes are limited to those U.S. persons who qualify as “accredited investors” as defined in Rule 501(a) of Regulation D and the Issuer takes reasonable steps to verify that the purchasers of the Notes are accredited investors.

In the case of individuals, an accredited investor must either (i) have an individual net worth, or joint net worth with that individual's spouse, at the time of sale of the Notes in excess of \$1,000,000 USD (exclusive of the individual's or individual's and spouse's joint equity interest in his, her or their primary residence), or (ii) have had income in excess of \$200,000 USD (or an income in excess of \$300,000 USD when combined with the income of a spouse) in each of the two most recent years and must reasonably expect to have income in excess of \$200,000 USD (or an income in excess of \$300,000 USD when combined with the income of a spouse) in the current year. Other types of accredited investors who will be permitted to invest in the Notes include (but are not limited to) (i) banks or savings and loan associations acting in an individual or fiduciary capacity; (ii) brokers or dealers registered under the Securities Exchange Act of 1934; (iii) insurance companies; (iv) certain qualified employee benefit plans; (v) a corporation, business trust or partnership not formed for the purpose of making the investment in the Notes and which has total assets in excess of \$5,000,000 USD; and (vi) any entity in which all of the equity owners are accredited investors.

Employee benefit plans and individual retirement accounts (“IRAs”) will qualify as accredited investors if either (i) the investment decision is made by a plan fiduciary that is a bank, savings and loan association, insurance company or registered investment adviser, (ii) the plan, has total assets in excess of \$5,000,000 USD or, (iii) the plan is a self-directed plan with investment decisions made solely by persons who are accredited investors.

Each prospective U.S. investor must also represent that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the proposed investment, and that it can bear the economic risk of the investment (i.e., at the time of the investment, the prospective investor can afford a complete loss of the investment and can afford to hold the investment for an indefinite period of time). The fiduciary of any employee benefit plan must also represent that the investment is permissible under the governing plan documents and is both prudent and suitable for the plan in light of the plan's risk tolerance and need for diversification and liquidity.

U.S. persons (as defined in Regulation S) investing in the Notes will be required to confirm to the Issuer and, in the case of a Rule 506(c) offering, to the registered U.S. broker dealer through which the investors are purchasing Notes their qualification as an “accredited investor” and to provide the Issuer and said registered U.S. broker dealer such information or documentation as the Issuer and/or the broker dealer may request to confirm the investors' eligibility to purchase the Notes and to satisfy any applicable regulatory requirement. In the event that a U.S. person (as defined in Regulation S) invests in the Notes offered pursuant to Rule 506(c) of Regulation D, the Issuer is required to take reasonable steps to verify that such investor meets the “accredited investor” qualification, which will turn on factors such as the nature of the investor and type of accredited investor that the investor claims to be, the amount and type of information that the Issuer has or is provided on the investor and the nature of the offering. The SEC has provided a non-exclusive list of



specific methods for satisfying the verification requirement in Rule 506(c) of Regulation D, including, but not limited to, reliance on written confirmation from a registered broker-dealer, an SEC-registered investment adviser, a licensed attorney or a certified public accountant that such person or entity has taken reasonable steps to verify that an investor is an accredited investor within the prior three months and has determined that such an investor is an accredited investor. The Issuer intends to comply with the reasonable verification requirement in connection with any offer and sale of Notes to U.S. persons (as defined in Regulation S) pursuant to Rule 506(c), which may include, for example, reliance on a registered broker-dealer or other third-party verification or on some other comparable procedure or method to confirm investor qualification as an “accredited investor”. In addition, the Issuer will file a Form D with the SEC and any comparable state notification with any applicable U.S. state regulatory authority that may be required in connection with the sales of Notes to U.S. accredited investors under Rules 506(b) or 506(c) of Regulation D.

### **U.S. Transfer Restrictions**

Each prospective purchaser (other than the Issuer) of any Notes, by accepting delivery of such Notes, will have represented, acknowledged and agreed that:

- For a prospective purchaser who is not a U.S. person (as defined in Regulation S under the Securities Act), each such purchaser represents that it is located outside the United States and does not come within the definition of a U.S. person (as defined in Regulation S), nor is such person acting for the account or benefit of any such U.S. person.
- Each such non-U.S. person purchasing the Notes from the Issuer agrees that if it offers or sells the Notes prior to the expiration of 40 days after the closing date of the offering of the Notes, it will not make such an offer or sale to a U.S. person (as defined in Regulation S) or for the account or benefit of any such U.S. person; and that any subsequent offer or sale to a U.S. person (as defined in Regulation S) may only be made to an “accredited investor” (as defined in Rule 501(a) of Regulation D).
- For a prospective purchaser who is a U.S. person (as defined in Regulation S), each such purchaser represents that it is an “accredited investor” (as defined in Rule 501(a) of Regulation D) and that any purchase of Notes shall be in a private placement transaction in compliance with the provisions of Rule 506(b) or Rule 506(c) of Regulation D, as applicable.
- It understands that the Notes purchased by it are being offered and may be transferred only in transactions not involving any public offering in the United States within the meaning of the Securities Act or the Investment Company Act, as applicable. It understands that the Notes have not been and will not be registered under the Securities Act, or under any U.S. state “blue sky” laws, and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, any distributors or dealers and any such persons' affiliates, that, if in the future it decides to offer, resell, pledge or otherwise transfer such Notes purchased by it, any offer, resale or transfer will be made in compliance with the Securities Act, the Investment Company Act and any applicable U.S. state securities laws, and with respect to any prospective purchaser who is a U.S. person (as defined in Regulation S), such prospective purchaser shall be an “accredited investor” (as defined in Rule 501(a) of Regulation D).
- It acknowledges that the Issuer reserves the right to make inquiries of any Holder of such Notes or interests therein at any time as to such person's status under the U.S. securities laws and qualification as an “accredited investor”, and to require any such person that has not satisfied the Issuer that such person is holding appropriately under the U.S. securities laws or



does not qualify as an “accredited investor (as defined in Rule 501(a) of Regulation D) to transfer such Notes or interests immediately to the Issuer.

- It represents that, for purposes of Employee Retirement Income Security Act of 1974 (“ERISA”), either (i) it is not purchasing Notes for the account of or with the assets of a benefit plan investor within the meaning of the Plan Asset Regulations or (ii) it is not purchasing Notes for the account of or with the assets of a governmental, church or non-US plan unless its purchase and holding of the Notes would not constitute a violation of any federal, state, local or non-US laws substantially similar to sections 406 of ERISA and section 4975 of the Code.
- It agrees that it will inform each subsequent purchaser of Notes from it of these transfer restrictions (the “Transfer Restrictions”) and will not transfer the Notes transferred to any Person unless the transferee provides an undertaking to be bound by the Transfer Restrictions contained herein.
- It acknowledges that since all of the Notes will be in the form of Book-Entry Notes, neither the Issuer, the Registrar, the global custodian, transfer agent, Trustee nor the clearing system will have the ability to monitor subsequent transfers of the Notes to ensure compliance with, nor shall the Issuer, Registrar, global custodian, transfer agent, Trustee or clearing system have any liability to any person or entity for violations of, the Transfer Restrictions.
- It acknowledges that the Issuer, the Registrar, any distributors or dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

#### **U.S. General**

This Base Prospectus has been prepared by the Issuer for use in connection with (i) the offer and sale of the Notes outside the United States to non-U.S. persons and for the listing of the Notes on Euronext Dublin, and (ii) for the offer and sale of the Notes in the United States to U.S. persons (as defined in Regulation S) who are “accredited investors” in a private transaction in accordance with Rule 506(b) or 506(c) of Regulation D, as applicable, and exempt from the registration requirements of the Securities Act. The Issuer and any distributor or dealer and any of their affiliates reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. persons (as defined in Regulation S) except as permitted by and in accordance with the provisions of Rule 506(b) or Rule 506(c) of Regulation D, as applicable. Distribution of this Base Prospectus to any person within the United States is unauthorised except to the extent permitted by and in compliance with the Securities Act and Rule 506(b) or 506(c) of Regulation D, as applicable. Any disclosure of any of the contents of Base Prospectus, without the prior written consent of the Issuer, is prohibited.

These Transfer Restrictions may be modified by the Issuer following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

## **15.6 GENERAL**

Other than as provided in the Final Terms in respect of any Series of Notes, no representation has been made that any action has been or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Base Prospectus or any amendment or supplement hereto or any information booklet or advertisement or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is



required. The Issuer and any entity acting on its behalf will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus or any such other material.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or, in any other cases, in a supplement to this Base Prospectus.





## 16. FORM OF FINAL TERMS

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The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below. The completed Final Terms for each Series, which are described in this Base Prospectus as the "**Series Final Terms**" or the "**Final Terms**" will be published on the website of the Irish Stock Exchange p.l.c., trading as Euronext Dublin ([www.ise.ie](http://www.ise.ie)).

The Base Prospectus dated 21 August 2020 (the "**Base Prospectus**") has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

The Central Bank of Ireland has only approved the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Such approval should not be considered as an endorsement of the quality of the securities that are the subject of these final terms and investors should make their own assessment as to the suitability of investing in the securities.

The Central Bank of Ireland has provided the competent authorities of [insert details of relevant Host Member State(s)] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the provisions of the Prospectus Regulation. This should not be considered as an endorsement of the quality of the securities that are the subject of these final terms and investors should make their own assessment as to the suitability of investing in the securities.

**RESTRICTION ON SALES TO EEA AND UK RETAIL INVESTORS** – [Other than with respect to offers of the Notes in [specify jurisdiction(s) for which a PRIIPs KID is being prepared] [during the period[s] [x]-[x] repeat periods as necessary], [T]/[t]he Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom of Great Britain and Northern Ireland ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently[, save as provided above,] no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Notes are appropriate including investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. 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.



Any person making or intending to make an offer of the Notes may only do so:

- (i) in those Non-exempt Offer Jurisdictions mentioned in Paragraph 6 of Part B below, provided such person is of a kind specified in that paragraph and that such offer is made during the Offer Period specified for such purpose therein; or
- (ii) otherwise<sup>2</sup> in circumstances in which no obligation arises for the Issuer or any Placing Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

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

## MBA COMMUNITY LOANS PLC

*(Incorporated with limited liability in Ireland under registered number 486917)*

**Legal Entity Identifier (LEI): 6354005COMAJVTF3BZ29**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €1,000,000,000 Note Programme**

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the “**Conditions**”) set forth in the Base Prospectus dated 21 August 2020 [and the supplement[s] to it dated [ • ] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all relevant information. A summary of the issue of the Notes is annexed to these Final Terms. The Base Prospectus has been published on the website of the Irish Stock Exchange p.l.c., trading as Euronext Dublin (www.ise.ie).]

*[The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the “**Conditions**”) set forth in the Base Prospectus dated [5 September 2014]/ [12 August 2015]/[29 July 2016]/[14 August 2017]/[21 August 2018]/[18 July 2019] [and the supplement[s] to it dated [ • ]] which [is][are] incorporated by reference into the Base Prospectus dated 21 August 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”) and must be read in conjunction with the Base Prospectus dated 21 August 2020 [and the supplement[s] to it dated [ • ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Base Prospectus**”) in order to obtain all relevant information, save in respect of the Conditions which are extracted from the Base Prospectus dated [5 September 2014]/[12 August 2015]/[29 July 2016]/[14 August 2017]/[21 August 2018] / [18 July 2019] [and the supplement[s] to it dated [ • ]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated 21 August 2020 and [5 September 2014]/[12 August 2015]/[29 July 2016]/[14 August 2017]/[21 August 2018]/[18 July 2019]. A summary of the

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<sup>2</sup> Include this wording where a non-exempt offer of Notes is anticipated.



issue of the Notes is annexed to these Final Terms. The Base Prospectus has been published on the website of the Irish Stock Exchange p.l.c., trading as Euronext Dublin ([www.ise.ie](http://www.ise.ie)).]]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

1. Issuer: MBA Community Loans plc
2. (a) Series Number: [ • ]  
(b) Tranche Number: [ • ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)*
3. Specified Currency: [ • ]
4. Aggregate Nominal Amount:  
Series: [ • ] or [Up to [ • ] The aggregate nominal amounts of the Notes to be issued will depend, among other things, on the amount of the Notes for which offers to subscribe are received during the Offer Period (as defined at paragraph 7(i) of Part B below) and will be specified in an announcement to be published on the website of the Irish Stock Exchange p.l.c., trading as Euronext Dublin ([www.ise.ie](http://www.ise.ie)) after the expiration of the Offer Period.]  
[Tranche: [ • ] [As above]]
5. Issue Date: [ • ] or such other date as will be specified in an announcement to be published on the website of the Irish Stock Exchange p.l.c., trading as Euronext Dublin ([www.ise.ie](http://www.ise.ie)) after the expiration of the Offer Period.
6. (a) Minimum Denomination: [ • ]  
(b) Minimum Trading Amount: [ • ]
7. (a) Interest Commencement Date (if different from the Issue Date): [Not Applicable / *Specify*]  
(b) Issue Price: [ • ] per cent.
8. Maturity Date: [ • ]
9. Status of the Notes: Secured among themselves as described in Condition 4.1
10. (a) In Specie Subscription: [Applicable/Not Applicable]  
(a) In Specie Subscription Level [[ • ] per cent. of Aggregate Notional Amount]  
[(including Requisite Impaired Loan Percentage)]



11. Method of distribution: Directly to investors
12. Governing law: Irish
13. EU Benchmark Regulation: Article 29(2) statement on benchmarks: [Not Applicable]
- [Applicable: Amounts payable under the Notes are calculated by reference to [insert name[s] of benchmark(s)], which [is/are] provided by [insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark].
- As at the date of these Final Terms, [insert name[s] of the administrator[s]] [is/are] [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority [“(ESMA)”] pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) [(the “BMR”)]. [repeat as necessary]
- [EURIBOR in respect of a specified currency and a specified period is the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation]/[[USD][GBP] LIBOR in respect of a specified currency and a specified period is the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over administration of that rate).]

## PROVISIONS RELATING TO INTEREST PAYABLE

14. Interest: Pursuant to Condition 5.1, on each Payment Date, interest is payable on an available funds basis calculated in accordance with the Priorities of Payments in an amount up to the Accrued Interest Balance (as described in Condition 1).
15. Payment Date(s): [ ]



16. Calculation Date(s): [As specified in the Conditions] / [ • ]
17. Base Rate: [[ ] [day/week/month] [EURIBOR / USD LIBOR / LIBOR] / [US Prime Lending Rate] / [Bank of England Base Rate]
18. Target Interest Rate: [[ • ]% above the Base Rate or [ • ]% where the Base Rate has a negative value]
19. Interest Periods: As described in the Conditions
20. Target Interest Rate Determination Date(s): [As described in the Conditions] / [ • ]

## PROVISIONS RELATING TO PRINCIPAL PAYMENTS / PARTIAL REDEMPTION

21. Principal Payments: On each Payment Date, an amount of principal shall be payable on an available funds basis in accordance with the Priorities of Payments as set out in Condition 4.3.

## GENERAL PROVISIONS APPLICABLE

22. Form of Notes: Registered
- Certificate: [Permanent Global Certificate exchangeable in the circumstances specified in the permanent Global Certificate] / [Individual Certificates]

## PROVISIONS RELATING TO FINANCIAL GUARANTEE

23. Financial Guarantee: [Applicable/Not Applicable] [If applicable, further information on the Financial Guarantee will have to be included in a supplement to the Base Prospectus]
24. Financial Guarantor [Specify]/[Not Applicable] [If applicable, further information on the Financial Guarantor will have to be included in a supplement to the Base Prospectus]

## PROVISIONS RELATING TO STUDENT LOANS

25. Eligible Institutions: [Specify one or more institutions that meet the definition of "Eligible Institutions" in Condition 1.]
26. Eligible Institutions Ranking Concentration: [Not applicable] / [Applicable].



A. Ranking Criteria	[ • ]
B. Ranked Percentage	[ • ]%
27. Eligible Courses:	[Specify]
28. Acquisition Period:	The period beginning on the Issue Date and ending [ • ].
29. Overcapitalisation Level:	[Specify percentage figure]/ [not applicable]
30. Borrower life cover requirements:	[Not Applicable]/[Group life cover policy underwritten by Sagicor Life]/ [ <i>Specify</i> ]
31. Permitted loan purposes:	[Payment of tuition fees only]/[Payment of tuition fees and/or living and related expenses]/[Payment of living and related expenses] [and/or refinancing a loan borrowed for any such purpose.]
32. Loan advance arrangements:	[Directly to Eligible Institution]/[Directly to Borrower]/ Directly to Eligible Institution and/or Borrower] [and/or] [Directly to the third party lender of the student loan(s) (including to a restricted account of the Borrower maintained by the third party lender in accordance with such third party lender's administrative and procedural requirements)]/[Loan Originator has advanced relevant disbursement(s) in accordance with the foregoing].
33. Refinancing of student loan	[Applicable]/[Not Applicable]
34. Student Geographic Concentration:	[Not applicable]/ [Applicable]
A. Permitted Borrower Countries	[ • ] / [Not applicable]
B. Restricted Borrower Countries	[ • ] / [Not applicable]
35. Gender concentration	[Applicable]/[Not Applicable]
A. Requisite Gender Percentage	[ • ]% [Female] [Male]
36. Impaired Student Loans	[Applicable]/[Not Applicable]
A. Requisite Impaired Loan Percentage	[ • ]%/[Not Applicable]

## PROVISIONS RELATING TO FEES AND EXPENSES

37. Placing Agency Fee:	[ • ]
38. Origination Fee:	[ • ]
39. Servicing and Management Fee:	[ • ]



## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to trading on [the regulated market of the Irish Stock Exchange p.l.c., trading as Euronext Dublin]] of the Notes described herein pursuant to the €1,000,000,000 Note Programme of [the Issuer].

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus referred to above, contains all information that is material to the issue of the Notes.

Signed on behalf of the Issuer:

By

\_\_\_\_\_   
 Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

#### (i) Listing:

[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the [Official List of the Irish Stock Exchange p.l.c., trading as Euronext Dublin]]. / [Application will be made by the Issuer (or on its behalf) for the Notes to be listed on the [Official List of the Irish Stock Exchange p.l.c., trading as Euronext Dublin] with effect from [ • ].]

#### (ii) Admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of the Irish Stock Exchange p.l.c., trading as Euronext Dublin] with effect from [ • ].] / [Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market of the Irish Stock Exchange p.l.c., trading as Euronext Dublin] with effect from [ • ].]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

### 2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Loan Originator, the Loan Servicer, the Back-Up Servicer, the Placing Agent, the Trustee, the Corporate Services Provider and SGBT, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

*(Amend as appropriate if there are other interests)*



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

- (i) Reasons for the offer [ • ]  
*(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*
- (ii) Estimated net proceeds: Up to [ • ]  
*(If proceeds are intended for more than one use will need to split out and present in order of priority.)*
- (iii) Estimated total expenses: [ • ]  
*(Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".)*

### 4. PERFORMANCE OF RATES *(Floating Rate Notes only)*

Details of performance of [insert relevant Benchmark] rates can be obtained, [but not] free of charge, from [Reuters/Bloomberg/give details of electronic means of obtaining the details of performance]

### 5. OPERATIONAL INFORMATION

- (i) ISIN Code: [ • ]
- (ii) Common Code: [ • ]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment





(v) The Agents appointed in respect of the Notes are: [Details of Agents.]

(vi) Trustee: Apex Corporate Trustees (UK) Limited

## 6. DISTRIBUTION

(i) Placing Agent: [Permanent Placing Agent]/[Specify Additional Placing Agent as Additional Placing Agent]

(ii) Non-Exempt Offer: [Not Applicable]/[Applicable]  
*(If not applicable, delete sub-paragraphs (iii) and (iv) below and also paragraph 7 below)*

(iii) Non-Exempt Offer Jurisdictions: [*Specify relevant State(s) where the Issuer intends to make the Non-exempt offer (where the Base Prospectus lists the Non-exempt Offer Jurisdictions, select from that list) which must therefore be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*]

(iv) Authorised Offerors: [*Insert names and addresses of financial intermediaries receiving specific consent to use the Base Prospectus in accordance with the conditions in it*]

(v) Prohibition of Sales to EEA and UK Retail Investors: Applicable [, other than with respect to offers of the Notes in [*specify jurisdiction(s) for which a PRIIPs KID is being prepared*] [during the period[s] [*x*]-[*x*] repeat periods as necessary]

## 7. TERMS AND CONDITIONS OF THE OFFER

[Offer Price:] [Issue Price][*specify*]

[Conditions to which the offer is subject:] [Not Applicable/*give details*]



[Description of the application process:]	[Not Applicable/ <i>give details</i> ]
[Details of the minimum and/or maximum amount of application:]	[Not Applicable/ <i>give details</i> ]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]	[Not Applicable/ <i>give details</i> ]
[Time period during which the offer will be open:]	[The period from [ <i>specify date</i> ] until [ <i>specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"</i> ] ( <b>Offer Period</b> ). The Offer Period may be shortened or lengthened by the Issuer and details of any such change will be specified in an announcement to be published on the website of the Irish Stock Exchange plc trading as Euronext Dublin ( <a href="http://www.ise.ie">www.ise.ie</a> ).
[Details of the method and time limits for paying up and delivering the Notes:]	[Not Applicable/ <i>give details</i> ]
[Manner in and date on which results of the offer are to be made public:]	[Not Applicable/ <i>give details</i> ]
[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]	[Not Applicable/ <i>give details</i> ]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not Applicable/ <i>give details</i> ]



[ANNEX – FORM OF ISSUE SPECIFIC SUMMARY]

*(Issuer to annex issue specific summary to the final terms on a drawdown)*



# 17. GENERAL INFORMATION

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## GENERAL

Audited financial statements for the financial years ended 7 July 2018 and 7 July 2019 and unaudited financial statements for the six-month period ended 7 January 2020 (in each case, prepared in accordance with IFRS) have been approved by the Board of Directors and are incorporated herein. The Issuer does not intend to provide post issuance information in relation to either the Notes or the underlying Student Loans.

## AUTHORISATION

The establishment of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 20 September 2010. The updating of the Programme and the issue of Notes thereunder was duly authorised by a resolution of the Board of Directors of the Issuer dated 20 August 2020.

## LISTING OF NOTES ON EURONEXT DUBLIN

It is expected that each Series of Notes which is to be admitted to the Official List of Euronext Dublin will be admitted separately as and when issued, subject only to the issue of the Global Certificate initially representing the Notes of each Tranche of such Series. The listing of the Programme in respect of Notes is expected to be granted on or around 21 August 2020. The time required to effect the listing of a Note is variable and may take in excess of one month.

The estimated total expenses related to the admission to trading of the Programme is €5,000.

## SIGNIFICANT OR MATERIAL CHANGE

There has been no significant change in the financial position of the Issuer since 7 January 2020 (the date of the latest financial statements incorporated herein) and no material adverse change in the financial position or prospects of the Issuer since 7 July 2019 (the date of the latest audited financial statements incorporated herein).

The key contributor to the losses in the financial statements is the IFRS impairment provision on the outstanding loan portfolio. The impairment is front-loaded based on current loan portfolio balance, whereas the Issuer will benefit from excess spread (aggregate Student Loan interest obligations exceed the Issuer's Note interest obligation for any Series) earned over the term of each Series of Notes. This excess spread will mitigate against the impairment and any losses to the Issuer and the Noteholders.

## LITIGATION

The Issuer (whether as defendant or otherwise) is not and has not been involved in any governmental or legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer.

## DOCUMENTS ON DISPLAY

For so long as the Notes of any Series remain outstanding or Notes may be issued under the Programme, copies of the following documents (together with any other documents specified in the relevant Supplemental Prospectus) will, when published (to the extent applicable), be available for physical inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:



- (a) the Constitution of the Issuer;
- (b) the Principal Trust Deed relating to the Notes;
- (c) the Supplemental Trust Deed relating to each Series of Notes;
- (d) a copy of this Base Prospectus and the base prospectuses of the Issuer dated 29 March 2011, 15 May 2012, 15 January 2013, 28 January 2014, 5 September 2014, 12 August 2015, 29 July 2016, 14 August 2017, 21 August 2018 and 18 July 2019.
- (e) the Agency Agreement;
- (f) any Financial Guarantee applicable to outstanding Notes;
- (g) if/when published, any future prospectuses, offering circulars, information memoranda and supplements of the Issuer including Final Terms to this Base Prospectus;
- (h) audited financial statements of the Issuer for the financial years ended 7 July 2018 and 7 July 2019 and the latest annual report of the Issuer (when published); and
- (i) unaudited financial statements of the Issuer for the six-month period ended 7 January 2020 and the latest interim report of the Issuer (when published).

In addition, a copies of the Constitution of the Issuer and the Principal Trust Deed are available on the website of the Loan Servicer at <https://prodigyfinance.com/investor>.

#### DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been filed with the Central Bank of Ireland and Euronext Dublin, are incorporated by reference herein:

- (i) the section of each of the base prospectuses of the Issuer dated 29 March 2011, 15 May 2012, 15 January 2013, 28 January 2014, 5 September 2014, 12 August 2015, 29 July 2016 and 14 August 2017, 21 August 2018 and 18 July 2019 entitled "Terms and Conditions of the Notes" which base prospectuses are available on the website of Euronext Dublin at:  
<http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=449&FIELDSORT=fileDate;>
- (ii) the unaudited financial statements of the Issuer for the six month period ended 7 January 2020 (prepared in accordance with IFRS), which are available at:  
[https://www.ise.ie/debt\\_documents/MBA%20interim%20accounts%2007012020\\_d07995f5-8cc1-497a-8ed3-9e250f4757b5.PDF](https://www.ise.ie/debt_documents/MBA%20interim%20accounts%2007012020_d07995f5-8cc1-497a-8ed3-9e250f4757b5.PDF)
- (iii) the audited financial statements of the Issuer for the financial year ended 7 July 2019 (prepared in accordance with IFRS), which are available at:  
[https://www.ise.ie/debt\\_documents/MBA%20annual%20accounts%2007072019\\_46511173-912f-46aa-9bba-bf63b4206bbc.PDF](https://www.ise.ie/debt_documents/MBA%20annual%20accounts%2007072019_46511173-912f-46aa-9bba-bf63b4206bbc.PDF)
- (iv) the audited financial statements of the Issuer for the financial year ended 7 July 2018 (prepared in accordance with IFRS), which are available at:  
[https://www.ise.ie/debt\\_documents/2018%20MBA%20accounts\\_985eb7c3-20bb-4e6f-bdc7-ce07e05e0649.PDF;](https://www.ise.ie/debt_documents/2018%20MBA%20accounts_985eb7c3-20bb-4e6f-bdc7-ce07e05e0649.PDF)

The non-incorporated parts of the documents referred to at (i) above are either not relevant to the investor or are covered elsewhere in this Prospectus.



## **WEBSITES**

While throughout this Base Prospectus references are made to websites, such websites do not form part of this Base Prospectus.

## **CLEARING SYSTEMS**

The Notes (represented by Global Certificates) have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate ISIN and Common Code for each Series will be specified in the relevant Final Terms. If the Notes are to clear through an additional or Alternative Clearing System, the appropriate information will be specified in the relevant Final Terms. The address of Euroclear is 3 Boulevard de Roi, Albert 11, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

## **WITHHOLDING TAX AT SOURCE**

All payments of principal and interest by the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland or any authority therein or thereof having power to tax, unless such withholding is required by law. Under Irish tax law, the Issuer may be required to operate withholding tax on payments of interest to Noteholders. Section 14 ("Taxation") of this Base Prospectus and Condition 8 of the Notes (as set out in Section 8 "Terms and Conditions of the Notes" of this Base Prospectus) outline further details in relation to the operation of withholding tax on the Notes. Other than as described in Section 14 ("Taxation") of this Base Prospectus, no amounts of withholding tax will be withheld by the Issuer or agents acting on behalf of the Issuer with respect to payments made to Noteholders in any jurisdiction. Subject to the above, the Issuer assumes no responsibility for withholding tax at source.

Prospective investors are recommended to consult their own professional advisers on the implications of making an investment in, holding or disposing of Notes and the receipt of all amounts with respect to such Notes under the laws of all of the countries in which they may be liable to taxation.



**REGISTERED OFFICE OF THE ISSUER**

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**LOAN ORIGINATOR, LOAN SERVICER, CALCULATION AGENT AND TRANSFER AGENT**

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**PERMENANT PLACING AGENT**

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**REGISTRAR**

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**PRINCIPAL PAYING AGENT**

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