

## 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.

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 person located in the U.S. or any of its territories or possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, America Samoa, Wake Island, and the Northern Mariana Islands) or the District of Columbia (“U.S. Person”), 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 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 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.

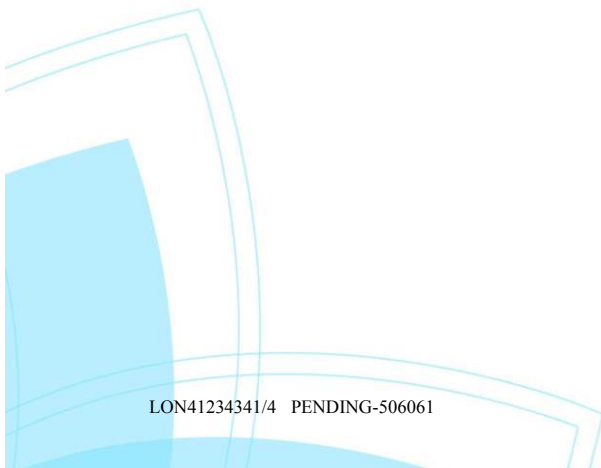


## **MBA COMMUNITY LOANS plc**

(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



LON41234341/4 PENDING-506061



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), subject to increase as described herein.

This Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the “**Prospectus Directive**”). The Central Bank of Ireland only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange PLC (the “**Irish Stock Exchange**”) or other regulated markets for the Directive 2004/39/EC (the Markets in Financial Instruments Directive) or which are to be offered to the public in any Member State of the European Economic Area. This Base Prospectus constitutes a Base Prospectus for the purposes of the Prospectus Directive and for the purpose of giving information with regard to the issue of Notes issued under the Programme described in the Base Prospectus during the period of twelve months after the date hereof. 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 offense in the United States.

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List (the “**Official List**”) and to trading on its regulated market.

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 14 August 2017

This Base Prospectus supersedes any previous Base Prospectus issued by the Issuer. Any Notes issued under the Programme on or after the date hereof are issued subject to the provisions set out in this Base Prospectus.

This Base Prospectus has been prepared for the purpose of providing information with regard to the Issuer and the Notes. The Issuer (the “**Responsible Person**”) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information provided in the Section “**Legal Structure, Roles and Regulation**” in relation to the Loan Originator, the Loan Servicer, the Placing Agent, the Principal Paying Agent, the Registrar, the Transfer Agent, the Calculation Agent, the Listing 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.

By subscribing for Notes, the Noteholders have agreed, represented and warranted that they have not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the issue of any Notes:

- (i) otherwise than in compliance with the provisions of the Prospectus Directive;
- (ii) otherwise than in compliance with the provisions of the Companies Act 2014;
- (iii) otherwise than in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (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;
- (iv) otherwise than in compliance with the provisions of the European Union (Market Abuse) Regulations 2016 and any rules issued by the Central Bank of Ireland pursuant thereto; and
- (v) otherwise than in compliance with the provisions of the Irish Central Bank Acts 1942 - 2015 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

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 Financial Conduct Authority (the “FCA Rules”). Even though the Notes are listed instruments offered under a Prospectus Directive 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 U.K. 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 Limited. 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.

**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 under the Securities Act (Regulation S)) except to Accredited Investors (as defined in Regulation D under the Securities Act) 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 (**Registered Notes** comprising a **Registered Series**) and will initially be represented by interests in a permanent global registered certificate (each a **Global Certificate**) or 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 and Clearstream. Beneficial interests in Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. See **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 purchasing Notes, the purchaser must be an Accredited Investor 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 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 EXCEPTION 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 THE IRISH STOCK EXCHANGE. 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**

Certain Tranches (*as defined under “Terms and Conditions of the Notes”*) of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may, subject as provided below, be offered in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a “**Relevant Member State**”) in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to in this Base Prospectus as a “**Public Offer**”.

This Base Prospectus has been prepared on a basis that permits Public Offers of Notes. However, any person making or intending to make a Public Offer of Notes in any Relevant Member State may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of its Base Prospectus in connection with such offer as provided under “*Consent given in accordance with Article 3.2 of the Prospectus Directive*” and the conditions attached to that consent are complied with by the person making the Public Offer.

Save as provided above, neither the Issuer nor the Placing Agent has authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or the Placing Agent to publish or supplement a prospectus for such offer.

#### **Consent given in accordance with Article 3.2 of the Prospectus Directive**

In the context of any Public Offer of the Notes, the Issuer accepts responsibility for the content of the Base Prospectus in relation to any person (an “**Investor**”) to whom an offer is made by any financial intermediary to whom the Issuer has given its consent to use the Base Prospectus (an “**Authorised Offeror**”) where the offer is made in compliance with all conditions attached to the giving of the consent.

Neither the Issuer nor the 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 Public Offer.

Save as provided below, neither the Issuer nor the Placing Agent has authorised the making of any Public Offer and the Issuer has not consented to the use of this Base Prospectus by any person in connection with any Public Offer of Notes. Any Public Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor the Placing Agent accepts any liability or responsibility for the actions of the persons making any such unauthorised offer. If, in the context of a Public Offer, any person is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus, and if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

#### **Consent**

Subject to the conditions set out below, the Issuer consents to the use of the Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer by the Placing Agent and by:

- (i) any financial intermediary named as an Authorised Offeror in the applicable Final Terms; or
- (ii) any financial intermediary appointed after the date of the applicable Final Terms who is identified as an Authorised Offeror in respect of the relevant Public Offer by the publication of their name on the website of Prodigy Finance (<http://s3.prodigyfinance.com/authorised>).

The conditions of the Issuer's consent are that such consent:

- (a) is only valid in respect of the relevant Tranche of Notes;
- (b) is only valid during such part of the Offer Period specified in the applicable Final Terms which occurs within 12 months of the date of this Base Prospectus; and
- (c) only extends to the use of this Base Prospectus in each of the Public Offer Jurisdictions (as defined below) in which the Public Offer is being made.

The Issuer may request the Central Bank of Ireland to provide a certificate of approval in accordance with Article 18 of the Prospectus Directive (a "**passport**") in relation to the passporting of this Base Prospectus to the competent authorities of Austria, Belgium, Bulgaria, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Slovenia, Slovak Republic, Spain, Sweden, the Czech Republic, the Netherlands and the United Kingdom (the "**Host Member States**") and, together with Ireland, the "**Public Offer Jurisdictions**"). Even if the Issuer passports this Base Prospectus into the Host Member States, it does not mean that the Issuer will choose to consent to any Public Offer in any such Public Offer Jurisdiction. Investors should refer to the Final Terms for any issue of Notes for the Public Offer Jurisdictions the Issuer may have selected as such Notes may only be offered to Investors as part of a Public Offer in the Public Offer Jurisdiction specified in the applicable Final Terms.

#### **ARRANGEMENTS BETWEEN AUTHORISED OFFERORS AND INVESTORS**

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH INVESTOR AND THE RELEVANT AUTHORISED OFFEROR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. NONE OF THE ISSUER, PRODIGY FINANCE AND THE PLACING AGENT (EXCEPT THE PLACING AGENT WHERE THE PLACING AGENT IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

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# 1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A-E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

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

<b>SECTION A – INTRODUCTION AND WARNINGS</b>	
A.1	<p>This summary should be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference.</p> <p>Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. No civil liability will attach to the Issuer solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or if the summary does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
A.2	<p>Subject to the conditions set out below, the Issuer consents to the use of the Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer by the Placing Agent and by:</p> <ul style="list-style-type: none"><li>(i) any financial intermediary named as an Authorised Offeror in the applicable Final Terms; or</li><li>(ii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the website of Prodigy Finance (<a href="http://s3.prodigyfinance.com/authorised">http://s3.prodigyfinance.com/authorised</a>) and is identified as an Authorised Offeror in respect of the relevant Public Offer.</li></ul> <p>The conditions of the Issuer's consent are that such consent:</p> <ul style="list-style-type: none"><li>(a) is only valid in respect of the relevant Tranche of Notes;</li><li>(b) is only valid during such part of the Offer Period specified in the applicable Final Terms which occurs within 12 months of the date of this Base Prospectus; and</li><li>(c) only extends to the use of this Base Prospectus in each of following jurisdictions in which the Public Offer is being made: 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.</li></ul> <p><b>ARRANGEMENTS BETWEEN AUTHORISED OFFERORS AND INVESTORS</b></p> <p><b>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH INVESTOR AND THE RELEVANT AUTHORISED OFFEROR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. NONE OF THE ISSUER, PRODIGY FINANCE AND THE PLACING AGENT (EXCEPT THE PLACING AGENT WHERE THE PLACING AGENT IS THE</b></p>

	RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.
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<b>SECTION B – ISSUER</b>		
<b>Element</b>	<b>Disclosure Requirement of the Prospectus Directive</b>	<b>Details</b>
B.1	<b>The legal and commercial name of the issuer.</b>	MBA Community Loans plc (the “ <b>Issuer</b> ”)
B.2	<b>The domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation.</b>	A public limited company incorporated in Ireland and regulated under the Companies Act 2014 (as amended) with registration number 486917.
B.16	<b>To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.</b>	All of the 40,000 issued shares of the Issuer are owned by Capita Trust Nominees No. 1 Limited (the “ <b>Share Trustee</b> ”), 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.
B.17	<b>Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process.</b>	Not Applicable, neither the Issuer nor the Notes are rated.
B.20	<b>A statement whether the issuer has been established as a special purpose vehicle or entity for the purpose of issuing asset backed securities.</b>	The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities.
B.21	<b>A description of the issuer’s principal activities including a global overview of the parties to the securitization program including information on the direct or indirect ownership or control between those parties.</b>	<p>The principal activity of the Issuer is to issue series (“<b>Series</b>”) of debt securities (“<b>Notes</b>”) 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 attending courses at leading international universities and entering into related contracts (“<b>Student Loans</b>”).</p> <p>The following are the principal parties to the programme:</p> <ol style="list-style-type: none"> <li>1. Prodigy Finance Limited (“<b>Prodigy Finance</b>”) of Palladium House, 1-4 Argyll Street, W1F 7LD, London, United Kingdom, appointed by the Issuer as “<i>Loan Originator</i>” to originate Student Loans and “<i>Loan Servicer</i>” to service and manage Student Loans. Prodigy Finance has also been appointed as the “<i>Calculation Agent</i>” and “<i>Transfer Agent</i>” for the Notes.</li> <li>2. Société Générale Bank &amp; Trust (“<b>SGBT</b>”) of 11 avenue emile reuter, L-2420 Luxembourg acts as “<i>Principal Paying Agent</i>” and “<i>Registrar</i>” in respect of Notes accepted to the respective book-entry systems of Clearstream and Euroclear and represented by global certificates.</li> <li>3. Capita Trust Company Limited, acting through its office at 4<sup>th</sup> Floor, 40 Dukes Place, London EC3A 7NH, acts as trustee</li> </ol>

		<p>of the Notes (the "<b>Trustee</b>").</p> <p>4. Prodigy Services Limited of Palladium House, 1-4 Argyll Street, W1F 7LD, London, United Kingdom, appointed by the Issuer as placing agent (the "<b>Placing Agent</b>").</p> <p>5. Capita International Financial Services (Ireland) Limited (the "<b>Corporate Services Provider</b>") of 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland is the corporate services provider of the Issuer.</p> <p>6. For each Series, the Issuer will open an account with HSBC 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 (the "<b>Account Bank</b>").</p> <p>7. Matheson of 70 Sir John Rogerson's Quay, Dublin 2, Ireland acts as listing agent to the Issuer (the "<b>Listing Agent</b>").</p> <p>8. LK Shields Solicitors of 40 Upper Mount Street, Dublin 2 are the legal advisers to the Issuer as to matters of Irish law.</p> <p>9. Ballard Spahr LLP of 1735 Market Street, 51<sup>st</sup> Floor, Philadelphia, PA 19103-7599 are the legal advisers to the Issuer as to matters of US law.</p> <p>Capita Trust Company Limited and Capita International Financial Services (Ireland) Limited are both wholly owned subsidiaries of Capita Plc. Each of the 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.</p>
B.22	<p><b>Where since the date of incorporation or establishment, an issuer has not commenced operations and no financial statements have been made up as at the date of the registration document, a statement to that effect.</b></p>	<p>Not Applicable, the Issuer has commenced operations since its date of incorporation.</p>
B.23	<p><b>Selected historical key financial information regarding the issuer, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year-end balance sheet information.</b></p> <p>The following summary financial data as of, and for the audited financial periods ended 7 July 2015 and 7 July 2016 and for the six month periods ended 7 January 2016 and 7 January 2017 has been extracted without any adjustment from, and is qualified by reference to and should be read in conjunction with, the Issuer's financial statements in respect of those dates and periods. Financial statements of the Issuer up to 7 July 2015 were prepared in accordance with Irish generally accepted accounting principles ("<b>GAAP</b>") and financial statements for periods thereafter have been or will be prepared in accordance with International Financial Reporting Standards ("<b>IFRS</b>").</p>	

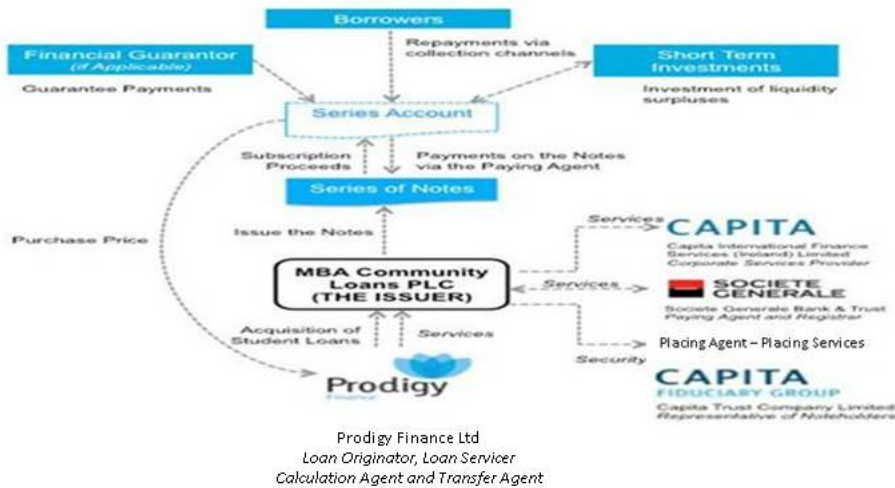
	For the 6 month period ended 7 Jan 2017 <u>Unaudited</u> <u>IFRS</u>	For the year ended 7 July 2016 <u>Audited</u> <u>IFRS</u>	For the 6 month period ended 7 January 2016 <u>Unaudited</u> <u>IFRS</u>	For the year ended 7 July 2015 <u>Audited</u> <u>Irish GAAP</u>
	€	€	€	€
<b>Income from loans and receivables</b>	5,364,801	7,206,387	2,925,559	3,223,557
<b>Finance expense on debt securities issued</b>	(3,688,470)	(5,412,354)	(2,339,231)	(2,290,990)
<b>Net interest income</b>	1,676,331	1,794,033	586,328	932,567
<b>Other income</b>	34,591	844,184	16,436	
<b>Specific impairment of loans and receivables</b>	(548,852)	(27,822)	(240,029)	13,718
<b>Non-specific impairment of loans and receivables</b>	(502,581)	(1,045,596)	(228,013)	(14,023)
<b>Administrative expenses</b>	(2,942,254)	(2,622,217)	(587,264)	(931,565)
<b>Profit on ordinary activities before taxation</b>	(2,282,765)	(1,057,418)	(452,542)	697
<b>Tax on profit on ordinary activities</b>	-	-	-	-
<b>Profit for the relevant period</b>	(2,282,765)	(1,057,418)	(452,542)	697
	<b>As at 7 January 2017 <u>Unaudited</u> <u>IFRS</u></b>	<b>As at 7 July 2016 <u>Audited</u> <u>IFRS</u></b>	<b>As at 7 January 2016 <u>Unaudited</u> <u>IFRS</u></b>	<b>As at 7 July 2015 <u>Audited</u> <u>Irish GAAP</u></b>
	€	€	€	€
<b>Financial fixed assets</b>				
Loans and receivables	161,205,474	99,615,466	88,140,501	50,880,864
<b>Current assets</b>				
Debtors	12,623,057	9,143,833	6,603,322	4,395,410
Cash at bank and in hand	11,803,741	15,397,920	32,960,763	8,695,444
<b>Total Assets</b>	<b>185,632,272</b>	<b>124,157,219</b>	<b>127,704,586</b>	63,971,718

	<table border="1"> <tbody> <tr> <td><b>Creditors : amounts falling due within one year</b></td> <td>(5,177,597)</td> <td>(5,857,454)</td> <td>(4,340,286)</td> <td>(3,784,453)</td> </tr> <tr> <td><b>Total assets less current liabilities</b></td> <td>180,454,675</td> <td>118,299,765</td> <td>123,364,300</td> <td>60,187,265</td> </tr> <tr> <td><b>Debt securities issued</b></td> <td>(184,048,738)</td> <td>(119,611,064)</td> <td>(124,070,723)</td> <td>(60,441,146)</td> </tr> <tr> <td><b>Net Assets</b></td> <td><b>(3,594,063)</b></td> <td><b>(1,311,299)</b></td> <td><b>(706,423)</b></td> <td>(253,881)</td> </tr> <tr> <td><b>Capital and reserves</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Called up share capital</td> <td>40,000</td> <td>40,000</td> <td>40,000</td> <td>40,000</td> </tr> <tr> <td>Retained earnings</td> <td>(3,634,063)</td> <td>(1,351,299)</td> <td>(746,423)</td> <td>(293,881)</td> </tr> <tr> <td><b>Equity Shareholder funds</b></td> <td><b>(3,594,063)</b></td> <td><b>(1,311,299)</b></td> <td><b>(706,423)</b></td> <td>(253,881)</td> </tr> </tbody> </table>	<b>Creditors : amounts falling due within one year</b>	(5,177,597)	(5,857,454)	(4,340,286)	(3,784,453)	<b>Total assets less current liabilities</b>	180,454,675	118,299,765	123,364,300	60,187,265	<b>Debt securities issued</b>	(184,048,738)	(119,611,064)	(124,070,723)	(60,441,146)	<b>Net Assets</b>	<b>(3,594,063)</b>	<b>(1,311,299)</b>	<b>(706,423)</b>	(253,881)	<b>Capital and reserves</b>					Called up share capital	40,000	40,000	40,000	40,000	Retained earnings	(3,634,063)	(1,351,299)	(746,423)	(293,881)	<b>Equity Shareholder funds</b>	<b>(3,594,063)</b>	<b>(1,311,299)</b>	<b>(706,423)</b>	(253,881)	
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B.24	<b>A description of any material adverse change in the prospects of the issuer since the date of its last published audited financial statements.</b>	Not Applicable, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.																																								
B.25	<p><b>A description of the underlying assets including:</b></p> <ul style="list-style-type: none"> <li>- confirmation that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the securities</li> <li>-a description of the general characteristics of the obligors</li> <li>- a description of the legal nature of the assets</li> <li>- loan to value ratio or level of collateralization</li> </ul>	<p>The proceeds of each Series of Notes will be used to acquire Student Loans.</p> <p>The Loan Originator is appointed to originate Student Loans to borrowers (the "<b>Borrowers</b>") that meet eligibility requirements (the "<b>Eligibility Criteria</b>") as follows:</p> <ul style="list-style-type: none"> <li>• Each Borrower must be accepted into an "<i>Eligible Course</i>" at an "<i>Eligible Institution</i>", each as specified in this Base Prospectus or the Series Final Terms.</li> <li>• Each Borrower must meet the Loan Originator's affordability criteria.</li> <li>• The Loan Originator must be satisfied with the results of a credit bureau or background check on each Borrower.</li> <li>• Each Borrower must be a resident of an "<i>Eligible Country</i>", which shall be described in the Loan Originations Credit Policy.</li> <li>• The Loan Originator must receive valid proof of identity and residence for each Borrower.</li> <li>• The loan must be denominated in the same currency as the relevant Series of Notes.</li> <li>• For a Student Loan that refinances an existing third party loan borrowed by the Borrower (which, if relevant, will be stated in the Series Final Terms), the Borrower must have used the loan to be refinanced to enrol 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.</li> <li>• Restrictions apply to the manner in which the proceeds of the loan may be paid, principally tuition fees must be paid directly</li> </ul>																																								

		<p>to the Eligible Institution and loans for refinancing must be paid to the third party lender.</p> <p>The Eligible Institutions are:  <b>[Specify]</b>/[one, some or all of the institutions specified as "Eligible Institutions " in Section 5 "<b>Loan Origination Process</b>" of the Base Prospectus]</p> <p>The Eligible Courses are: <b>[Specify]</b></p> <p>The Student Loans shall be acquired by the Issuer during the "Acquisition Period", which is from [Insert Date] to [Insert Date].</p> <p>The proceeds of the Student Loans will be used by the Borrowers to discharge their [tuition fees]/[and (to the extent a permitted loan purpose) living and related expenses] or [to repay a loan made by a third party for such purposes(s), where that refinancing loan will satisfy the Eligibility Criteria]. Borrowers are permitted a grace period (the "<b>Grace Period</b>") before Student Loan repayment obligations commence, typically six months after course completion for students studying on a full-time basis, in which to find employment. The Student Loans are documented by English law loan agreements developed by Prodigy Finance.</p> <p>If stipulated in the Series Final Terms (but not in any other circumstances), a Series of Notes will benefit from (i) a partial financial guarantee of the Student Loans securing that Series; or/and (ii) life insurance cover on Borrowers of the Student Loans securing that Series.</p> <p>Temporary liquidity surpluses may from time to time be invested in high quality short term investments. Permitted investments are: (i) deposits with European Economic Area ("<b>EEA</b>") credit institutions; and (ii) money market instruments issued by EEA member states or EEA credit institutions.</p> <p>The Issuer confirms that the assets backing each Series will have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.</p> <p><b>Collateralisation:</b> Each Series of Notes will be secured by first ranking fixed security over all Student Loans and related rights ([financial guarantee] and/or [life insurance]) acquired with the proceeds of the Series, together with any amounts held by the Issuer in the Series Account (as defined below).</p> <p>The Loan Originator may recommend that some or all of the Student Loans securing a Series should be exchanged for other student loans that satisfy the Series Eligibility Criteria, and the Issuer may direct the Security Trustee to execute releases and Supplemental Trust Deeds required to give effect to the exchange where the student loans for which those then securing the Series are to be exchanged are confirmed by the Loan Originator as not then in default and by the Calculation Agent as having aggregate principal and interest values at least equal to the secured Student</p>
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		<p>Loans for which they are to be exchanged.</p> <p>For each Series of Notes, the Loan Originator is entitled to receive an origination fee, and the Placing Agent is entitled to receive a placing agency fee, which may result in the loan to value ratio being less than 100% immediately after the Issue Date.</p> <p>In addition, where there is objective evidence of Student Loan impairment, 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 270 days in arrears, while a non-specific provision (based on an incurred but not reported model) is made for loans in arrears for up to 270 days. While this provisioning may result in a loan to value ratio of less than 100% for a Series affected by impaired Student Loan security, interest charged on Student Loans that secure that Series will exceed the interest rate payable on Notes for that Series providing a degree of buffer for holders of Notes against losses on non-performing Student Loans. As the Notes are issued on limited recourse terms, the holders of the Notes of a Series will incur a loss if ever the accumulated interest margin on performing Student Loans that secure that Series is insufficient to offset fully the defaulted Student Loans that secure that Series.</p> <p>There is no minimum level of collateralisation required under the terms and conditions of the Notes.</p> <p>The loan to value ratio for this Series of Notes (comprising cash and Student Loans) shall be [●] % immediately following the Issue Date.</p>
B.26	<p><b>In respect of an actively managed pool of assets backing the issue a description of the parameters within which investments can be made, the name and description of the entity responsible for such management including a brief description of that entity's relationship with any other parties to the issue.</b></p>	<p>Not applicable. While the Notes are not backed by an actively managed pool of assets, the Loan Originator may recommend to the Issuer that</p> <ul style="list-style-type: none"> <li>• Student Loans that secure a Series should be exchanged for performing student loans that satisfy the Series Eligibility Criteria and that have aggregate principal and interest values at least equal to the Student Loans for which they are to be exchanged.</li> <li>• the Student Loans securing a Series should be sold or that the Issuer should borrow on the security of the Student Loans securing a Series where the sales proceeds or borrowings will permit the Issuer to redeem Notes in the Series in full or the sales proceeds or borrowing are not less than the principal and interest then owing on the Student Loans to be sold or refinanced.</li> </ul> <p>In addition, the Loan Originator may recommend a sale of the Student Loans securing a Series where considered likely to result in greater redemption of Notes of that Series than would result from holding Student Loans to maturity and enforcing on defaulting Student Loans.</p>
B.27	<p><b>Where an issuer proposes to issue further securities backed by the same assets a statement to that effect.</b></p>	<p>The Issuer may issue further tranches of Notes of each Series which will be fungible with other Notes of that Series and backed by the same assets backing the other Notes of that Series.</p>

B.28	A description of the structure of the transaction, including, if necessary, a structure diagram	The following structure chart is intended to provide investors with a general overview of the structure.
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B.29	<p>A description of the flow of funds including information on swap counterparties and any other material forms of credit/liquidity enhancements and the providers thereof.</p>	<p>The proceeds of each Series of Notes will initially be lodged into a bank account established for that Series with the Account Bank (“Series Account”).</p> <p>During the Acquisition Period for a Series, the proceeds lodged to the Series Account will be used by the Issuer to acquire Student Loans, and to invest temporary surpluses in high quality short term investments.</p> <p>The disbursement of Student Loans is carried out by the Loan Originator when the Student Loan is acquired and collection of Student Loan repayments from the Borrowers is managed by the Loan Servicer, who can appoint payment service providers and establish local accounts in order to facilitate easier repayments.</p> <p>Repayments are lodged to the Series Account and will be applied in accordance with prescribed priorities of payments (<i>described below</i>).</p> <p><b>Financial Guarantee</b> Series of Notes benefit from a partial financial guarantee of Student Loans securing the Series given by an Eligible Institution for that Series or a related entity of such an Eligible Institution only if specified in the Series Final Terms.</p> <p>[This Series of Notes does not benefit from a partial financial guarantee in respect of the Student Loans backing this Series] / 2 [The Financial Guarantee benefits the Series in accordance with the description set out at Section 16 “Financial Guarantee” of the</p>
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		<p>Base Prospectus and the following particulars specified in the Series Final Terms:</p> <p>Demand Restrictions: [Amounts Due] / [All Defaulted Amounts] / [Defaulted Amounts over [●] %].</p> <p>Guaranteed Amount: [Not applicable] / [Specify].]</p> <p>Recourse Limitation: [Not Applicable]/[Applicable, recourse to the Financial Guarantor's assets is limited to [specify]]</p>
B.30	<b>The name and a description of the originators of the securitised assets.</b>	<p>The Student Loans will be originated by Prodigy Finance as 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).</p>

<b>SECTION C – SECURITIES</b>		
<b>Element</b>	<b>Disclosure Requirement of the Prospectus Directive</b>	<b>Details</b>
C.1	<b>A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number.</b>	<p>The Notes are issued in Series and each Series may be issued in tranches (each a Tranche) on the same or different Issue Dates.</p> <p>The specific terms of each Tranche will be specified in the Final Terms and, except for the Issue Date, Issue Price, first payment of interest, accrued interest and notional amount of the Tranche, each Tranche terms will be identical to others of the same Series.</p> <p>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 for one or more clearing systems are referred to as "Global Certificates".</p> <p>[[●] of Series [●] Tranche [●] Notes are being offered pursuant to this Final Terms.] or [Up to [●] of Series [●] Tranche [●] Notes are being offered pursuant to this Final Terms.</p> <p>Details of the Notes:</p> <p>ISIN: [●]</p> <p>Common Code: [●]</p> <p>Issue Date: [●] or such other date as will be specified in an announcement after the expiration of the Offer Period.</p> <p>Issue Price: [●]</p>
C.2	<b>Currency of the securities issue.</b>	This Series will be denominated in [details of currency].

C.5	<p><b>A description of any restrictions on free transferability of the securities.</b></p>	<p>The offering of the Notes will be subject to offer restrictions in the United States and the EEA and to any applicable offer restrictions in any other jurisdiction in which offered.</p> <p>With respect to the United States, 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 who qualify as “Accredited Investors” under Rule 506(b) or Rule 506(c) of Regulation D, as applicable.</p> <p>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).</p> <p>Each U.S. Person 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, such prospective purchaser shall be an “Accredited Investor” (as defined in Rule 501(a) of Regulation D).</p> <p>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.</p>
C.8	<p><b>A description of the rights attached to the securities, including ranking and any limitations to those rights.</b></p>	<p>The Notes of each Series will constitute secured obligations of the Issuer ranking <i>pari passu</i> and without any preference amongst themselves.</p> <p>Each Series of Notes will be secured by first ranking fixed security on:</p> <ul style="list-style-type: none"> <li>(i) the Student Loans acquired for the Series;</li> <li>(ii) the Series Account established for the Series; and</li> <li>(iii) the Issuer’s rights, interest and benefit under the transaction documents to the extent relating to the Series.</li> </ul> <p>If stipulated in the Final Terms for a Series only, Borrower life insurance cover and/or a financial guarantee will also be included in the security.</p> <p>The security for each Series will be constituted by the Supplemental Trust Deed incorporating the Principal Trust Deed.</p> <p>Payments to be made by the Issuer are subject to prescribed priorities of payments on each Payment Date as follows:</p> <ul style="list-style-type: none"> <li>(i) in payment or satisfaction of that Series pro rata portion of</li> </ul>

		<p>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 ;</p> <ul style="list-style-type: none"> <li>(ii) 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;</li> <li>(iii) in or towards payment or discharge of that Series pro rata portion of all Permitted Expenses due or expected to be due by the Issuer to the Calculation Agent, the Corporate Services Provider, the Registrar, the Principal Paying Agent, the Transfer Agent, the Placing Agent, the Loan Originator and the Loan Servicer;</li> <li>(iv) in or towards the payment or discharge of that Series pro rata portion of any Permitted Expenses not already discharged above;</li> <li>(v) 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;</li> <li>(vi) during the Acquisition Period in or towards the acquisition of Student Loans;</li> <li>(vii) where the balance then remaining available for distribution is less than €500 for Euro denominated Series, £500 for Sterling denominated Series or \$500 for US dollar denominated Series, retaining that balance as a payment reserve to be applied in accordance with this priority of payments on the next Payment Date after that Payment Date;</li> <li>(viii) 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;</li> <li>(ix) pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes of that Series; and</li> <li>(x) following the release of the security over the Series Account, the Issuer shall authorise the Loan Servicer to apply the balance (if any) on the Series Account in reimbursement of the Loan Servicer for discharging fees and expenses relating to that Series or any other Series to the extent paid by the Loan Servicer other than from the Series Account or the Series Account of another Series and, thereafter, 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,</li> </ul> <p>Subject to the provisions of the Supplemental Trust Deed, the Trustee shall apply all moneys received by it under the Supplemental Trust Deed in connection with the realisation or enforcement of the security constituted thereby on trust to apply them as follows:</p> <ul style="list-style-type: none"> <li>(i) in payment or satisfaction of that Series pro rata portion of all amounts then due and unpaid under Clause 13 of the</li> </ul>
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		<p>Principal Trust Deed to the Trustee and/or any permitted appointee of the Trustee ;</p> <ul style="list-style-type: none"> <li>(ii) 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;</li> <li>(iii) in or towards payment or discharge of that Series pro rata portion of all Permitted Expenses due or expected to be due by the Issuer to the Calculation Agent, the Corporate Services Provider, the Registrar, the Principal Paying Agent, the Transfer Agent, the Placing Agent, the Loan Originator and the Loan Servicer;</li> <li>(iv) in or towards the payment or discharge of that Series pro rata portion of any Permitted Expenses not already discharged above;</li> <li>(v) 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;</li> <li>(vi) 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;</li> <li>(vii) pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes of that Series; and</li> <li>(viii) by releasing them to the Issuer by release of the security over the Series Account for the Series and/or paying any moneys received in respect of the Series to that Series Account.</li> </ul> <p><b>“Permitted Expenses”</b> include amounts payable to the service providers appointed by the Issuer, auditors’ fees and expenses, legal fees and expenses including fees incurred in pursuing a defaulting borrower and enforcement costs, directors’ fees and expenses, any Irish statutory or regulatory fee, reserve, tax, charge or expense and an amount equal to the Issuer’s paid up capital (which shall be retained by the Issuer) and all costs and expenses associated with the dissolution and liquidation of the Issuer.</p> <p>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 or recovered on the security for the Series, with any shortfall being borne by the Noteholders.</p>
C.9	<p><b>A description of,</b></p> <p><b>“the nominal interest rate”</b></p> <p><b>“the date from which interest becomes payable and the due dates for interest”</b></p>	<p><b>Interest Payments</b></p> <p>Each Series of Notes will seek to provide a return at the <i>[Specify Target Interest Rate]</i> (either (i) a fixed margin above a variable Base Rate, being whichever of EURIBOR, USD LIBOR, LIBOR, US Prime Lending Rate and Bank of England Base Rate is specified in the Series Final Terms, or (ii) where the specified Base Rate is negative, the fixed margin specified in the Series Final Terms) to investors.</p> <p>Interest will begin to accrue from [the Issue Date / specify other</p>

<p><b>“where the rate is not fixed, description of the underlying on which it is based”</b></p> <p><b>“maturity date and arrangements for the amortisation of the loan, including the repayment procedures”</b></p>	<p>date] (the “<i>Interest Commencement Date</i>”). 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 each Series Final Terms.</p> <p>The Payment Dates for this Series of Notes will be: [Specify Payment Dates] (the “Payment Dates”). On each Payment Date, interest is payable on an available funds basis from funds received on the Student Loans. Interest will be payable in accordance with the prescribed priorities of payments.</p> <p>For each Interest Period, the <i>Accrued Interest Balance</i> will be the “<i>Current Interest</i>” amount plus any amounts of interest accrued but not yet paid in previous Interest Periods.</p> <p>Current Interest is calculated by the Calculation Agent applying the Target Interest Rate to the Notional Principal Amount for the Interest Period on [the 8<sup>th</sup> of each calendar month] <b>or</b> [specify other date in a month in which there is a Payment 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.</p> <p>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.</p> <p>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 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 not sufficient available funds 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.</p> <p><b>Principal Payments</b></p> <p>On each Payment Date on which funds available 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.</p> <p>Failure to pay principal on a Payment Date will not constitute an Event of Default, but will result in deferral until the next Payment Date.</p> <p><b>Maturity of the Notes</b></p> <p>The Maturity Date of this Series of Notes is [●]. The maturity of the Notes of this Series [may] / [may not] be extended by the</p>
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		<p>Issuer.</p> <p>The maturity of the Notes of any Series may be extended by the Issuer if “<i>Option to Extend Maturity</i>” is specified as applicable in the Series Final Terms. Although a Maturity Date will be specified for each Series, as principal payments may be made on each Payment Date, Notes may be fully repaid prior to their stated Maturity Date.</p> <p><b>Representative of the Noteholders</b> Capita Trust Company Limited as the Trustee has been appointed as a representative of the Noteholders.</p>
C.10	<b>If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.</b>	Not Applicable, the Notes do not have a derivative component in the interest payments.
C.11	<b>An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question.</b>	<p>Notes may be admitted to the Official List and trading on the Main Securities Market of the Irish Stock Exchange or may be issued on an unlisted basis.</p> <p>[The Notes will be listed on the Official List and trading on the Main Securities Market of the Irish Stock Exchange.] / [The Notes will not be listed on any stock exchange]</p> <p>[The Notes may be offered to the public 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]. / [The Notes are being sold only to <i>specify</i>].]</p>
C.12	<b>The minimum denomination of an issue.</b>	The minimum denominations of Notes of each Series [specify minimum denomination].

#### SECTION D – KEY RISKS

Element	Disclosure Requirement of the Prospectus Directive	Details
D.2	<b>Key information on the key risks that are specific to the issuer.</b>	<b>Credit Risk:</b> The ability of the Issuer to meet its payment obligations under the Notes will be adversely affected by defaults in the underlying Students Loans. If Student Loan repayments fall short of the amount necessary to achieve full Maturity Date redemption, then the Issuer will not be obliged to pay any amounts representing such shortfall and any claims in

		<p>respect of such shortfall shall be extinguished, so that Noteholders lose all or part of their investment.</p> <p><b>Early Repayments:</b> The nature of the pool of Borrowers means that early repayments of principal are likely and expected. There is a risk that early repayments of principal cannot be invested at the same rate as the Notes for the period prior to a Payment Date. Given that the Student Loans backing a particular Series feature a range of interest rate margins, early repayment of specific loans might affect the weighted average margin available to pay Noteholders of a specific Series.</p> <p><b>Death of Borrower:</b> Borrower life insurance cover will only apply to a Series where stated in the Series Final Terms. Where applicable, an insurance payment may not be made with respect to a deceased Borrower if the insurer under the group insurance policy available to Prodigy Finance establishes a cause of death excluded from policy cover or if Prodigy Finance has exercised permitted Final Terms discretion to exclude the deceased Borrower from cover. In these circumstances, where the Series Final Terms do not stipulate for Borrower life insurance cover, and where insurances recovered are insufficient to repay fully a deceased Borrower's loan, the Issuer will rank as a creditor of the estate of the deceased Borrower for the unpaid amount of the 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 that unsecured claim and all others in full.</p> <p><b>Legal Enforcement and Collections:</b> A Student Loan and any costs incurred in attempting to collect and enforce it may be irrecoverable if a Borrower is not traceable or residing in a country that does not recognise and enforce foreign awards or if the Student Loan is found to be unenforceable.</p> <p><b>Liquidity of the Student Loans:</b> The Student Loans held by the Issuer are illiquid and likely to be held by the Issuer until they mature. While the Issuer may require release of security over Student Loans securing a Series if a purchaser is identified or loan finance can be put in place that will result in Notes in the Series being redeemed in full, there can be no assurance that the Issuer will be able to identify a purchaser or lender prepared to deal on these terms.</p> <p><b>Early Redemption:</b> The Issuer may look to redeem Notes in a Series by sale or loan arrangements involving the Student Loans securing that Series being released to secure the loan to redeem. The Issuer is permitted to redeem immediately after giving 5 Business Days' notice of redemption to the Series Noteholders, which may be given at any time after the Issue Date of the Series. Should the Issuer opt to redeem early, Series Noteholders will not receive the investment return anticipated when the Notes were acquired.</p> <p><b>Third Party Secured Creditors:</b> Should the Issuer opt to borrow to re-finance a Series of Notes, there will be additional insolvency</p>
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		<p>risk on the Issuer with respect to the new lender. The Issuer will only be permitted to avail of the option to refinance, however, if the refinancing loan is on terms that limit recourse for its recovery to the Student Loans given as security for it.</p> <p><b>Noteholders Resolution:</b> The Issuer may convene a meeting of holders of Notes in a Series at any time after the Series Issue Date to consider a proposal to sell the Student Loans securing the Series where there is a prospect that the redemption of Notes resulting from the sale proceeds will be greater than that which would result from holding the Student Loans until maturity and enforcing on defaulting Student Loans. Should the meeting pass an Extraordinary Resolution (approved by holders of 75% in value of votes cast) to sell, 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.</p> <p><b>Insolvency Risk:</b> Under Irish law, upon an insolvency of an Irish company such as the Issuer, the claims of a limited category of preferential creditors will take priority over the claims of secured creditors, including the Noteholders. Other provisions of Irish insolvency law could also potentially reduce the amount of funds available to meet the obligations of the Issuer to the Noteholders. In addition, the Issuer may suffer loss if any of the service providers or any financial guarantor should become insolvent.</p> <p><b>No Regulation of the Issuer by any Regulatory Authority:</b> 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. Regulatory authorities in one or more jurisdictions could take a contrary view to the Issuer's regarding the applicability of any such laws to the Issuer, which could have an adverse impact on the Issuer or the holders of Notes issued by the Issuer.</p> <p><b>Regulation of the Loan Originator:</b> The Loan Originator is licensed for its credit activities by the Financial Conduct Authority 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. The Loan Originator is applying for credit licences in certain states in the United States in connection with its access to the Student Loan market in those states, but has not applied (and does not expect to apply) for any other licences or authorisations. Regulatory authorities in one or more jurisdictions could take a contrary view to the Loan Originator's regarding the applicability of any such laws to the Loan Originator, which could have an adverse impact on the holders of Notes secured by Student Loans.</p>
D.3	<p><b>Key information on the key risks that are specific to the securities</b></p>	<p><b>Liquidity of the Notes:</b> No established secondary market exists for the Notes. In addition, transfers and sale of the Notes in the U.S. are subject to various restrictions on transfer. See C. 5.</p> <p><b>Exchange Rate:</b> Investors whose assets are not denominated in</p>



the currency of the Notes acquired by them 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 detrimentally the returns to them.

**Risk of Insufficient Security:** Notes are issued for each Series based on the identified level of demand from potential borrowers at the Issue Date and, where an Overcapitalisation Level is specified in the Series Final Terms, in anticipation of further demand materialising after the Issue Date. As Student Loans have yet to be agreed with borrowers when Series Notes are issued, demand for Student Loans may be less than proceeds of Series Notes. Should that happen, Note proceeds not required for Student Loans would then be reinvested in high quality short term investments until the next Payment Date, when returned to Series Noteholders. This might reduce the overall return on the Notes.

**Noteholder Has No Recourse to Borrowers:** No Noteholder will have any entitlement to enforce Student Loans or have direct recourse to the Borrowers except through action by the Trustee.

**Security May Be Declared Invalid:** If the security interest of the Trustee for a Series was determined to be invalid or unperfected, Noteholders in such Series would be unsecured creditors ranking pari passu with other unsecured creditors (if any) of the Issuer.

**Borrower rights against Loan Originator:** The Issuer may acquire a loan disbursement from the Loan Originator as a Student Loan where the Loan Originator has contracted to advance further loan disbursements to the relevant Borrower. In those circumstances, the acquisition of the loan disbursement will be an equitable assignment only, which permits the Borrower to require enforcement by the Loan Originator (rather than the Issuer) and to rely on defences and set off rights available against the Loan Originator to reduce debt owing on the loan disbursement acquired by the Issuer.

**Not a Bank Deposit:** Any investment in the Notes is not a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland.

**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 United States.

**Employment/Job Market:** Employment risks vary according to the type of course that the Borrower has undertaken. In addition, employment prospects can be impacted adversely by market conditions and cyclical factors affecting regional economies where Borrowers reside and are likely to seek employment.

**Concentration Risk:** Where loan origination activities for a Series focus on a particular geographical area, catastrophic, health,

		economic and other circumstances impacting adversely on that geographical area may affect repayment of Student Loans that secure that Series. Neither the Issuer nor Prodigy Finance has significant statistical or other data on the impact of concentrations of this kind.
<b>SECTION E – OFFER</b>		
<b>Element</b>	<b>Disclosure Requirement of the Prospectus Directive</b>	<b>Details</b>
E.2b	<b>Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.</b>	Unless otherwise specified in the Series Final Terms, the net proceeds of the issue of the Notes will be used by the Issuer to acquire Student Loans which satisfy the Eligibility Criteria. Temporary liquidity surpluses may from time to time be invested in high quality short term investments.
E.3	<b>A description of the terms and conditions of the offer.</b>	<p><b>Conditions to which the offer is subject:</b> The Issuer may elect, in its absolute discretion, to offer Notes to prospective investors that have delivered a Letter of Interest (available from the Placing Agent or other Authorised Offeror) to the Issuer. The Issuer will make the offer by sending Final Terms to the prospective investors selected by it. Each prospective investor who receives an offer 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.</p> <p><b>Total Amount of the issue / offer:</b> [[●] of Series [●] Tranche [●] Notes are being offered pursuant to this Final Terms.] or [Up to [●] of Series [●] Tranche [●] Notes are being offered pursuant to this Final Terms.</p> <p><b>The time period during which the offer will be open and description of the application process:</b> The period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"] (<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.</p> <p>"In Specie Subscription" [is] [is not] applicable to this Series of Notes.</p> <p><b>Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</b> There will be no refund as investors will not pay for any Notes until any application for Notes has been accepted and the Notes allotted.</p> <p><b>Details of the minimum or maximum amount of application:</b> [●]</p> <p><b>Details of the method and time limits for paying up and delivering the Notes:</b> [The Notes will be issued on the Issue Date against payment to the Issuer of the subscription monies.] or [Specify other]</p>

		<p><b>Manner in and date on which results of the offer are to be made public:</b> The offer results will be published on the website of the ISE (<a href="http://www.ise.ie">www.ise.ie</a>) after expiry of the Offer Period.</p> <p><b>The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised:</b> Not applicable.</p>
E.4	<b>A description of any interest that is material to the issue/offer including conflicting interest.</b>	Save for any fees and other amounts payable to the Loan Originator, the Loan 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.
E.7	<b>Estimated expenses charged to the investor by the Issuer or the offeror.</b>	Not applicable, no expenses will be charged to the investor by the Issuer.

## 2 RISK FACTORS

Prospective investors should read the entire Base Prospectus. Investing in the Notes involves a degree of risk. Investors must carefully consider the risks and uncertainties described below before subscribing for the Notes. Many of the following risks and uncertainties relate to factors not in the control of the Issuer. This Base Prospectus also contains forward-looking statements that are subject to risks and uncertainties. Actual results could differ from those anticipated in the forward-looking statements as a result of any number of factors, including the risks and uncertainties described below and elsewhere in this Base Prospectus.

Capitalised words used in this Base Prospectus but which are otherwise defined shall have the meanings given to them in Clause 1 of the Conditions (as set out in Section 8 “**Terms and Conditions of the Notes**” of this Base Prospectus).

There are other risks and difficulties that may arise in the future and over the term of the Notes that may materially and adversely affect the Issuer’s investment in the Student Loans and the returns of the Student Loans and other collateral, and as a result, the ability of the Issuer to repay the Notes.

### Credit Risk

The ability of the Issuer to meet its payment obligations under the Notes will be adversely affected by defaults in the underlying Students 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.

Importantly, the community nature of the platform and the sources of funding provide an incentive for Borrowers to meet all their Student Loan repayments. In addition, each Borrower studying on a full-time basis is permitted a period from disbursement of the Student Loan until about 6 months after graduation before repayment obligation on the Student Loan commence (the “**Grace Period**”) in order to give the Borrower an opportunity to find employment that will finance Student Loan repayments. 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.

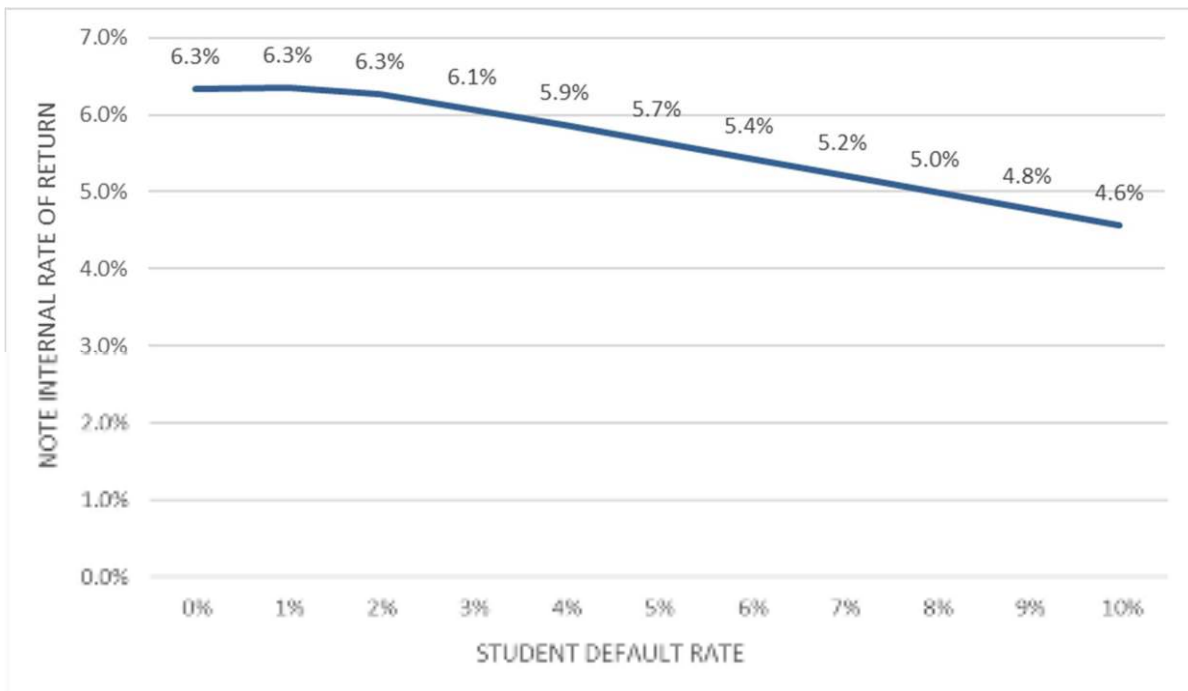
In its role as Loan Servicer, Prodigy Finance ensures compliance with regulations and codes of conduct relevant to collection and enforcement entitlements. As a result, borrowers will be extended appropriate forbearance should they encounter financial difficulties. The principles applied by Prodigy Finance 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.

It is unusual for Student Loan delinquencies to occur upfront at the beginning of the Student Loan’s life, rather they can occur over the full term of the Student Loan (as some Borrowers pay Instalments initially and then default later). This reduces the effect that default has on the portfolio return. In all calculations made in relation to the return on the Notes, a Student Loan delinquency curve is applied by Prodigy Finance based on a proxy portfolio of student loans. Prodigy Finance updates the curve as and when additional information becomes available

### Student Loan Default Effect on Noteholder Return

Since the Notes are backed 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 Student Loan security. As the pool of Student Loans that secure a Series of Notes becomes smaller, the impact of an individual borrower default becomes greater. For example, for a pool of only five Student Loans of equal size, one default shortly after the Series Notes are issued under the same set of assumptions would result in a realised cumulative default rate at least equal to 20% and the realised internal rate of return (which is an annual effective interest rate that takes into account the effect of compounding and timing of payments on the Target Interest

Rate) will be impacted accordingly, and potentially with a more severe effect than illustrated.



This chart replaces that contained in the base prospectus dated 29 July 2016, which illustrated that a 5.1% Note internal rate of return would decline to 3.1% should the rate of Student Loan defaults rise to 10%. The chart in this base prospectus 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 (1.156% on 10 April 2017) of 7.2%, 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 6.3% (gross) or 5.14% (514 bps) above 3 Month USD Libor 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 6.1% or 4.94% (494 bps) above 3 month USD Libor.

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 Student Loan default level of around 28%.** This table is updated from that in the base prospectus dated 29 July 2016 to illustrate how default rates impact on the 6.3% Note internal rate of return used in the preceding graph.



<b>BASED ON INVESTMENT OF 100</b>		
<b>Cumulative End State Default</b>	<b>Internal Rate of Return</b>	<b>Total Cash Payments Received</b>
0%	6.3%	131
1%	6.3%	131
2%	6.3%	131
3%	6.1%	130
4%	5.9%	129
5%	5.7%	127
6%	5.4%	126
7%	5.2%	125
8%	5.0%	124
9%	4.8%	123
10%	4.6%	122
11%	4.3%	120
12%	4.1%	119
13%	3.9%	118
14%	3.6%	117
15%	3.4%	116
16%	3.2%	114
17%	2.9%	113
18%	2.7%	112
19%	2.4%	111
20%	2.2%	110
21%	1.9%	108
22%	1.7%	107
23%	1.4%	106
24%	1.1%	105
25%	0.9%	104
26%	0.6%	102
27%	0.3%	101
28%	0.0%	100
29%	-0.3%	99
30%	-0.6%	98

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 might benefit from a partial financial guarantee in respect of the Student Loans backing that Series, which would improve the return profile shown in the table above. 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.

### **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 payments or even early settlement. Early repayments may be invested into replacement Student Loans (top ups to existing Borrowers or new Student Loans to Borrowers) at similar rates during the Acquisition Period but not otherwise. Should it not be possible to reinvest in Student Loans, the funds will be invested into high quality short term investments until the next Payment Date falls due. There is a risk that early repayments of principal cannot be invested at the same rate as the Notes for the period prior to a Payment Date. Given that the Student Loans backing a particular Series feature a range of interest rate margins, early repayment of specific loans might affect the weighted average margin available to pay Noteholders of a specific Series.

### **Death of Borrower**

A Series will only benefit from life insurance cover on Borrowers with Student Loans securing that Series if 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. Prodigy Finance as Loan Originator will rely upon a group life cover policy underwritten by Sagico Life, a Lloyds syndicate, when the Series Final Terms specify that life cover applies to a Series. Even where the Series Final Terms stipulate for Borrower life cover, 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 by "In Specie Subscription" (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.

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. Should Prodigy Finance be unable to recover legal fees from the Borrower, Prodigy Finance may receive the costs, charges and expenses from the Series Account (prior to payment to holders of Notes) in accordance with the Priorities of Payments.

### **Employment/Job Market**

Employment risks may vary according to the type of course that the Borrower has undertaken. The employment of students 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. 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.

## **Brexit**

The prospective 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.

## **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 catastrophic, adverse economic, health or other 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.

## **Liquidity**

The Notes are tradable and will be listed on the Irish Stock Exchange but no established secondary market exists for the Notes. Therefore, there is a risk that secondary market liquidity for the instruments will be limited and that investors will have to hold the Notes until maturity. The amortizing nature of the Note and the fact that many Borrowers repay early, means that the majority of principal is repaid long before final maturity.

Investors should also note that the Student Loans held by the Issuer are also 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 Loan will have to be held by the Issuer until maturity.

## **Sale, Exchange and refinancing of Student Loans**

The Issuer may elect to redeem the Notes of a Series early, where the Issuer (through the agency of the Loan Originator) identifies a purchaser of the Student Loans that secure those Series Notes or can put in place loan finance secured on those Student Loans, which in each case will result in sales proceeds or a loan amount that is sufficient to redeem the Notes in the Series in full. The Issuer may also elect to carry out a partial redemption of Series Notes with proceeds of sale or refinancing of some of the Student Loans that secure the Series Notes where the sale proceeds or loan amount is not less than the principal and interest then owing and accrued on the Student Loans to be sold or refinanced. A full or partial early redemption may reduce the return to the holders of Notes redeemed from that which they would have received had the Student Loans securing the Notes not been sold or refinanced.

The Issuer may elect to exchange some or all of the Student Loans that secure a Series for performing student loans that satisfy Series Eligibility Criteria and that have aggregate principal and interest values at least equal to the Student Loans for which they are exchanged. The student loans that become Series security as a result of the exchange will be comparably illiquid to the Student Loans for which exchanged.

## **Early Redemption**

The Issuer (through the agency of the Loan Originator) is permitted to explore options to redeem Notes of a Series, in whole or in part, by loan from a lender prepared to advance that loan to the Issuer if secured on the Student Loans that secure the Series or sale to an investor interested in purchasing the Student Loans that secure that Series. If the Loan Originator identifies loan or sale arrangements that will produce a loan or purchase consideration in an amount that is either sufficient to redeem Notes in that Series in full or not less than principal and interest then owing on the Student Loans to be sold or refinanced by loan arrangements, the Issuer may direct the Trustee to release the security over those Student Loans, which the Trustee will do upon receipt in the Series Account for the Series of an amount that is (as appropriate) sufficient to repay all principal, interest and other amounts owing in respect of that Series in accordance with the Priorities of Payments or not less than the principal and interest then owing on the affected 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 by giving 5 Business Days' notice of redemption to the Trustee and the Series Noteholders. Should the Issuer exercise this option to redeem early, the investment return that that Series Noteholder anticipated when acquiring the Notes will be diminished on a full early redemption and may be adversely affected on a partial early redemption.



### **Third Party Secured Creditors**

Should the Issuer opt to borrow to refinance a Series of Notes, there will be additional insolvency risk for the Issuer with respect to the new lender. The Principal Trust Deed provides that the Issuer may only avail of this option if the new loan is on terms that limit recourse for its recovery to the Student Loans given to the new lender as security for it. Therefore, the new loan arrangement should result in the same recourse obligations for the Issuer as the Series that the loan redeems.

### **Ability to sell Student Loans where authorised by Noteholders Resolution**

The terms of the Principal Trust Deed on meetings of holders of Notes in a Series permit the Issuer to convene a meeting to consider a proposal to sell the Student Loans securing that Series where there is a prospect that the redemption of Notes resulting from the sale proceeds will be greater than that which would result from holding the Student Loans until maturity and enforcing on defaulting Student Loans. Any such resolution can only be passed if 75% by value of Notes held by the holders of Notes present at the meeting convened by the Issuer vote in favour of the resolution. Should the resolution be passed, the Trustee must release security over the Student Loans to permit the approved sale. Where the sale proceeds are insufficient to redeem the Notes in full, any dissenting holders of Notes will incur losses on the Notes held by them on the same basis as holders of Notes who have voted in favour of the resolution.

### **Insolvency Risk**

For Series of Notes which are supported by a partial financial guarantee in respect of the 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 affect the funds held on account for the Issuer. In addition, balances standing to the credit of the Series Accounts may be invested into high quality short term investments. There is a risk that repayments on the Notes will be affected should a default occur in these investments. It should be noted that the funds initially remain for a very short period in the Series Accounts while awaiting transfer to the Eligible Institution, and insolvency of the Account Bank at a later point would only affect the balance of Student Loan repayments received in the Series Account during the interest period current when the insolvency occurs.

Insolvency of Prodigy Finance or a payment service provider contracted by it could affect funds held by these parties pending transfer to the Series Accounts. These funds are transferred to the Series Accounts every ten business days by Prodigy Finance in order to limit this risk.

### **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.

### **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 Note issuance, and such amounts are not capped and may be substantial. To the extent that the Trustee's costs, fees, expenses and indemnity payments are not satisfied by a third party, the Trustee is entitled to deduct such costs in accordance with the Priorities of Payments. Should the Trustee do so, and it is expected that the Trustee would exercise its right to do so, notwithstanding that all principal and interest has been repaid under the Student Loans, the investors will suffer a shortfall in respect of the amount of principal and interest (plus any accrued interest) that they receive under the Notes.

### **Risk Relating to Obligations of Borrowers under the Student Loans**

The Issuer is only obliged to make payments under the Notes to the Noteholders in an amount equivalent to sums of principal, interest and/or additional amounts (if any) actually received by or for the account of the Issuer from Borrowers whose Student Loans secure the Notes. Also, the Loan Servicer has discretion to write off a Student Loan rather than taking proceedings to enforce repayment. Consequently, an investor may receive less than the scheduled amount of principal, interest and/or additional amounts (if any) on the due date.

## **Noteholder Has No Recourse to Borrowers**

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

## **Borrower Rights against Loan Originator**

The Loan Originator may enter into a Student 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. As the Issuer may only acquire disbursed loan amounts (because the Issuer is not authorised to assume obligations to grant credit under a Student Loan agreement), the Issuer will acquire each loan disbursement as and when it is made to the Borrower to the extent Series Funding remains available then. As such an acquisition may not constitute an absolute assignment of a loan in its entirety and takes effect as an equitable assignment only, the Borrower's rights as against the Loan Originator may not be displaced by it. Therefore, until the 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.

## **Security May Be Declared Invalid**

The Issuer will, for each Series, grant security interests in favour of the Trustee for the benefit of the Noteholders in the Mortgaged Property pursuant to the Supplemental 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.

## **No Regulation of the Issuer by any Regulatory Authority**

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

## **Regulation of the Loan Originator**

The Loan Originator is licensed for its credit activities by the Financial Conduct Authority 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. The Loan Originator is applying for credit licences in certain states in the United States in connection with its access to the Student Loan market in those states, but has not applied (and does not expect to apply) for any other licences or authorisations. Regulatory authorities in one or more jurisdictions could take a contrary view to the Loan Originator's regarding the applicability of any such laws to the Loan Originator, which could have an adverse impact on the holders of Notes secured by Student Loans.

## **Not a Bank Deposit**

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.

## **Anti-Money Laundering**

If any governmental agency believes that the Issuer has accepted purchases of Notes by, or is otherwise holding assets of, any person or entity that is acting directly or indirectly, in violation of United States, international or other anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organisation, suspected drug trafficker, or senior foreign political figure(s) suspected of engaging in corruption, such governmental agency may freeze the assets of such person or entity invested in the Issuer or suspend their redemption rights. The Issuer may also be required to remit or transfer those assets to a governmental agency.

## **Early Repayment and Reinvestment Risk**

The Notes will be subject to early repayment risk. The timing of principal payments in respect of the Notes will depend principally on payments received by the Issuer under the Student Loans and any applicable partial financial guarantee in respect of the Student Loans backing that Series. 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.

## **Risk of Insufficient Security**

The Issuer raises funds by issuing Notes for any Series based, in part, on the level of demand that the Loan Originator has identified from potential Borrowers who may require a Student Loan that would be eligible as security for that Series. It is not the practice of the Loan Originator to contract for Student Loans as Series security prior to the Issue Date of that Series. Therefore, the Loan Originator may originate Student Loans for a Series that have a value less than the proceeds raised by issuing Notes in that Series. In addition, as the Loan Originator has experienced demand in excess of that expected for Student Loans for certain existing Series, the Issuer and the Loan Originator have agreed that certain Series should have flexibility to accommodate demand for Student Loans in addition to that identified by the Loan Originator. Where it has decided to avail of this flexibility, the Final Terms for the Series will specify an Overcapitalisation Level, being the percentage by which the Series can accommodate actual demand for Student Loans in addition to that identified by the Loan Originator prior to the Issue Date for that Series. If actual demand for Student Loans eligible as Series security is less than demand identified by the Loan Originator or, where the Series Final Terms stipulate an Overcapitalisation Level, sufficient demand levels do not materialise to use funds raised from Series Notes in full, the extra funds would then have to be reinvested in high quality short term investments until the next Payment Date when they would be applied in accordance with the Priorities of Payments. This might reduce the overall return on the Notes.

## **Certain Conflicts of Interest**

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

The Loan Originator (currently Prodigy Finance) has rights to recommend sale, re-financing or other dealings with the Student Loans. If the Student Loans are re-financed and repaid and the Notes redeemed in full, or if the Student Loans are sold and the sale proceeds exceed the amount necessary to redeem the Notes in full, then the Priorities of Payments stipulate that the Issuer must use any surplus to reimburse the Loan Servicer (also Prodigy Finance currently) for discharging fees and expenses relating to that Series of Notes or any other Series to the extent paid by the Loan Servicer other than from a relevant Series Account and, thereafter, to discharge undischarged fees and expenses relating to that Series or any other Series. As a result Prodigy Finance may benefit from early redemption of a Series, but only if amounts then owing to Noteholders of that Series are paid in full first.

## **Not Intended as a Complete Investment Program**

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

## **Lack of Suitability**

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, only "Accredited Investors" as defined in Rule 501 of Regulation D under the Securities Act 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 may only do so if the purchaser qualifies as an "accredited investor". The transfer of the Notes to a U.S. Person is also subject to other restrictions and limitations under the Securities Act and SEC regulations.

## **Liability for the Notes**

The Notes are secured obligations of the Issuer only and do not establish any liability or other obligation of any other person mentioned in this Base Prospectus including but not limited to the Loan Originator, the Loan Servicer, the Placing Agent, the Trustee, the Agents, any guarantor, the directors and the 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, its operating expenses and its administrative expenses is wholly dependent upon (i) payments of instalments by Borrowers, (ii) payments under any partial

financial guarantee in respect of the Student Loans backing that Series, (iii) amounts arising from an alternative investment, (iv) any available cash reserves, and (v) the performance by all of the parties to the Transaction Documents (other than the Issuer) of their respective obligations under the Transaction Documents.

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

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

### **Limited Recourse Nature of the Notes**

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

### **Taxation**

The Issuer expects that instalments it receives from Borrowers and payments received by Investors on the listed Notes generally will not be subject to withholding taxes imposed by Ireland or reduced by withholding taxes imposed by other countries from which such payments are sourced. Instalments and payments 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. Persons investing in the Notes shall be subject to U.S. federal income tax consequences in connection with the purchase, ownership and disposition of the Notes. See Section 14 "**Taxation**" for the Material U.S. Federal Income Tax Considerations.

### **Insolvency of the Issuer**

Under Irish law, upon an insolvency of an Irish company such as the Issuer, the claims of a limited category of preferential creditors will take priority over the claims of secured creditors. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include 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 (see **Examination** below).

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.

Enforcement of rights of Noteholders against the Issuer may also be limited by bankruptcy, insolvency, liquidation, reorganisation and other laws of general application in Ireland relating to or affecting the rights of

creditors including, without limitation, the power of the Irish High Court, if it deems it just and equitable to do so, to order any person who appears to have the use, control or possession of such property or the proceeds of the sale or development thereof to deliver it or pay a sum in respect of it to the liquidator on such terms or conditions as the court sees fit.

Furthermore, an Irish court has jurisdiction to order “if it is satisfied that it is just and equitable to do so” that a company related to the company in liquidation (such as its parent) should pay to the liquidator an amount equal to the whole or part of the debts of the subsidiary.

## **Examination**

Examination is a court procedure available under Part 10 of the Companies Act 2014 to facilitate the survival of Irish companies in financial difficulties.

The company, the directors of the company, a contingent, prospective or actual creditor of the company, or shareholders of the company holding not less than 1/10th of the voting share capital of the company at the date of presentation of the petition, are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, if authorised by High Court order, he may sell assets which are the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the proceeds of sale or an amount of them sufficient to discharge the payment obligations secured by the fixed charge.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern.

A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors impaired by the scheme has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement. In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors.

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 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 terms of the Notes.

## **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 United States. See Section “**Subscription, Sale and Transfer Restrictions**”.

### **Foreign Account Tax Compliance Act ("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 Statutory Instrument No. 33 of 2013), having regard to guidance notes issued by the Irish Revenue Commissioners. On the basis that the Issuer is an Investment Entity, debt interests resulting from the Notes are not subject to FATCA due diligence procedures because all Notes are listed on the Irish Stock Exchange, which is an "established securities market". None of the Issuer, the Loan Originator, the Loan Servicer and the 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. 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.



## 3 INVESTOR RETURN

### General

Each Series of Notes aims to provide a capped fixed margin above a variable base rate return (the "**Target Interest Rate**") generated by a diversified pool of Student Loans to students attending courses at the educational institutions specified as "Eligible Institutions" in the Final Terms for that Series. The Issuer arrives at the Target Interest Rate by acquiring Student Loans that secure the Series that are expected to result in aggregate interest payments to the Issuer at the Base Rate plus a weighted average margin that is sufficiently high to cover all fees, costs and expenses of the Series and return the Target Interest Rate to investors. 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 Student Loan payments that have then been received and that remain available to pay interest and/or principal after payment of certain fees and expenses in accordance with the Priorities of Payments exceed a threshold amount, which will be €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 relevant only if positive for Series issued after the date of this updated Base Prospectus) 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.*

#### LIBOR

*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. 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 United States is willing to lend funds in US Dollars to their prime clients.*

#### 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 Student Loans. Interest will be payable following the payment of certain fees and expenses (*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 8<sup>th</sup> 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 outstanding principal amount of such Note plus any interest amounts not yet paid from prior Interest Periods excluding the immediately preceding Interest Period used in calculating Current Interest.

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.

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 fees and expenses in accordance with the Priorities of Payment, 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 (and, usually, there is a Grace Period for a Borrower studying full-time, but not one for a Borrower studying part-time), the 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.

Following the Borrower's Grace Period, the Borrower enters into a repayment period where the Borrower will begin to repay the interest and principal outstanding on the Student Loan (the "**Repayment Period**"). The Repayment Period is typically seven to fifteen years 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 to make Series payments in accordance with the Priorities of Payments on each Payment Date. These payments will include payments of unpaid interest and principal on the Notes to the extent and in the circumstances specified under "Interest" and "Principal" in this Section 3 "**Investor Return**".

## Redemption

Notes of each Series will be redeemed on their Maturity Dates. On the Maturity Date the Issuer will repay all interest and principal which is outstanding in respect of the Notes unless there are insufficient available funds to redeem fully, when the Issuer will redeem partially on a pro rata basis with any unredeemed balance being redeemed as sufficient Series funds are received by the Issuer. Where specified as applicable in the Final Terms, the Issuer may by notice to Noteholders, extend the Maturity Date of any Series of Notes.

## 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. Prodigy Finance, as Loan Originator, has available to it a group life cover policy underwritten by Sagicor Life, a Lloyds syndicate, which Prodigy Finance relies upon for a Series only when life cover is specified in the Final Terms for that Series.

## Financial Guarantee

A Series of Notes will not benefit from a financial guarantee in respect of the Student Loans backing that Series unless specified in the Final Terms of that Series. Certain details of the terms of the financial guarantee that may apply in respect of a Series of Notes are set out in Section 16 "**Financial Guarantee**" of this Base Prospectus and, if a financial guarantee applies to a Series, other relevant details will be specified in the Final Terms for that Series.

## 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:

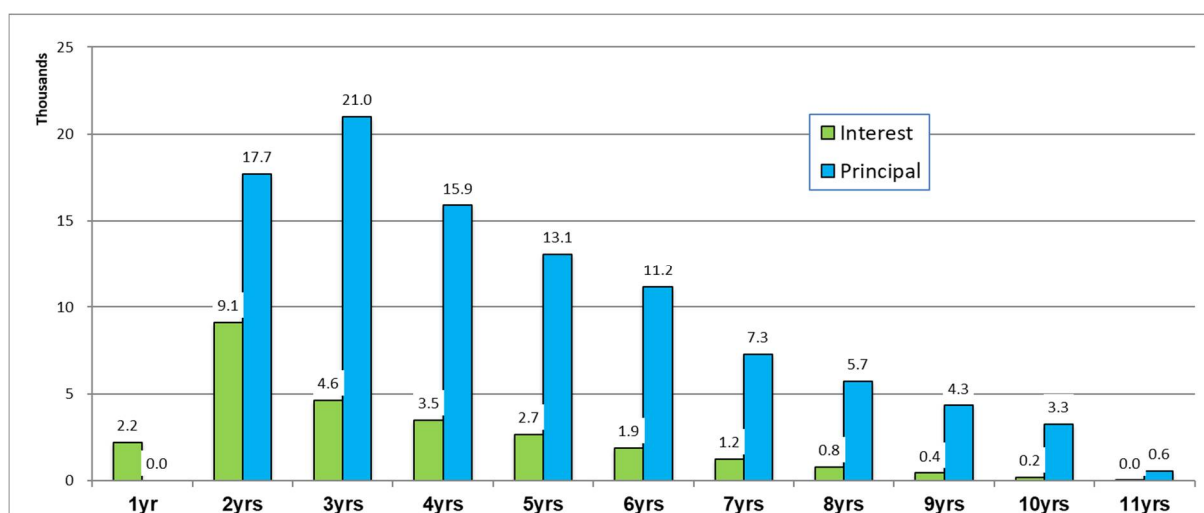
- (i) the Student Loans backing the Series;
- (ii) the Series Account established in respect of that Series;
- (iii) the Issuer's rights, interest and benefit under the Transaction Documents to the extent that they relate to the particular Series;
- (iv) where life insurance cover is stipulated as a requirement in the Final Terms for a Series, the Issuer's interest in the group life policy to the extent covering Borrowers whose Student Loans secure that Series; and

- (v) where a financial guarantee in respect of the Student Loans backing that Series is stipulated as a requirement in the Final Terms for a Series, the financial guarantee relating to that 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 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) Subject to review by Prodigy Finance Limited

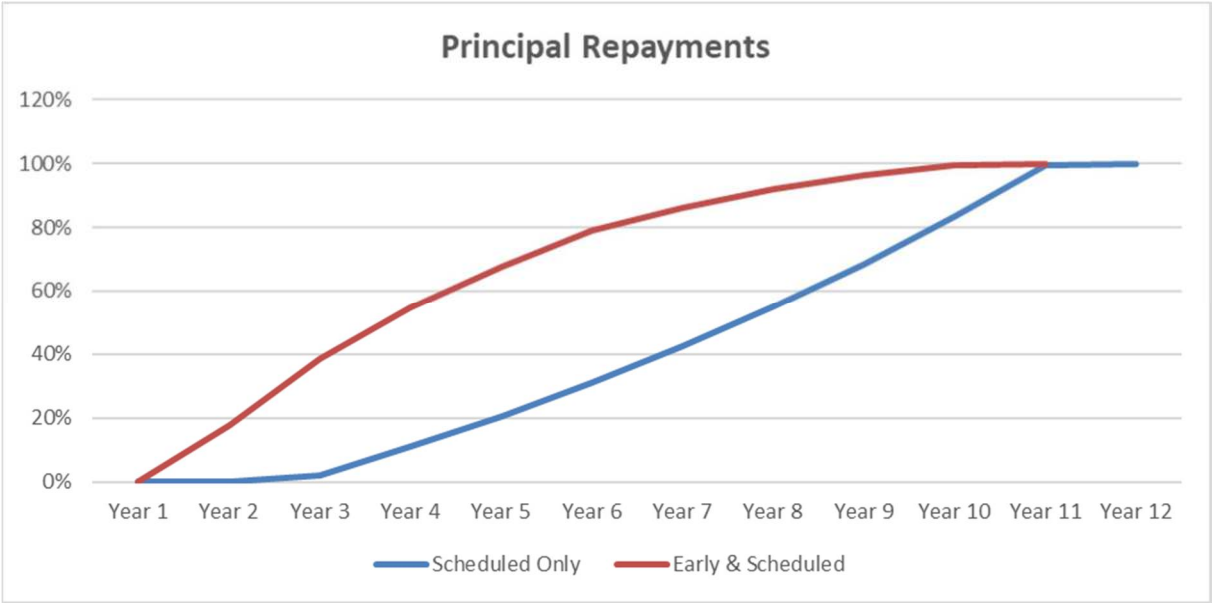
The guideline schedule for an investment of 100 is shown below based on a Target Interest Rate of 4.4% above a Base Rate forward rate curve. In this example, the Grace Period is 12 months (study period) plus 6 months (after graduation) and the Repayment Period is 10 years. An early repayment curve based 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. Based on Prodigy Finance’s experience with existing tranches of Student Loans, approximately 13% of principal is repaid ahead of schedule in the first year of repayments. 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 positive with one reflecting scheduled principal repayments only while the other shows the combined position for early and scheduled principal repayment.





	<b>Scheduled Only</b>	<b>Early &amp; Scheduled</b>
Year 1	0%	0%
Year 2	0%	18%
Year 3	2%	39%
Year 4	11%	55%
Year 5	21%	68%
Year 6	31%	79%
Year 7	43%	86%
Year 8	55%	92%
Year 9	68%	96%
Year 10	83%	99%
Year 11	99%	100%
Year 12	100%	
<b>Weighted Average Life</b>	<b>7.51</b>	<b>4.31</b>

## 4 STUDENT LOAN PROGRAMME FOR INTERNATIONAL STUDENTS

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

The loan programme is targeted towards students attending post-graduate courses at leading universities and business schools. While the programme has historically been focused on students taking MBA degrees, it also includes students attending other courses such as masters degrees in law, engineering and public policy. The programme is generally targeted towards international students at these universities.

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.

And 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 requires arbitration and 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 specifically designed for International students

and is customised by school. This means that applications can 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

### 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 (see Figure 1 below).

#### 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 intelligent 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. A typical range for the margin above the Base Rate on Borrower Student Loans is from 5% to 9%. 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.

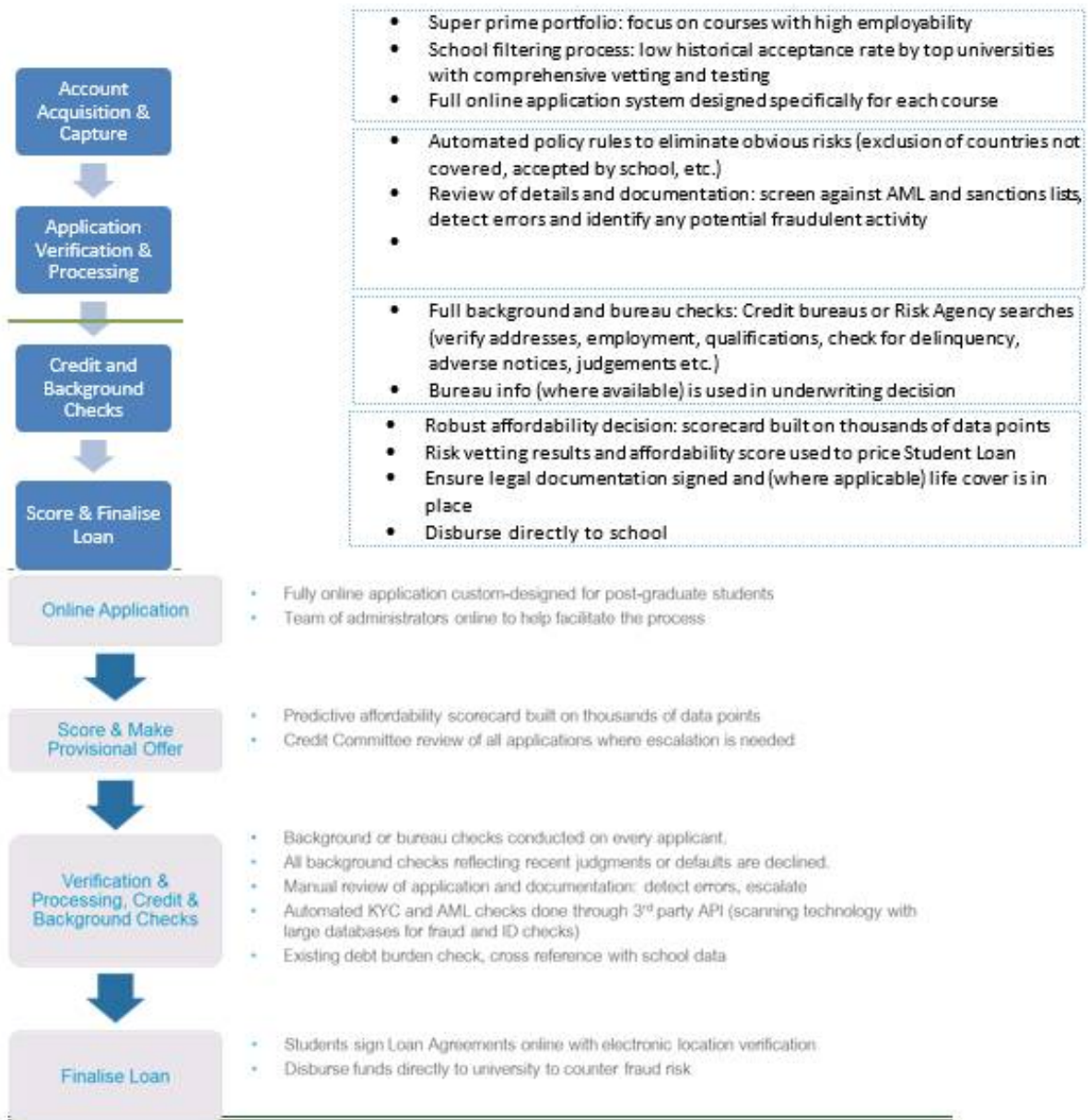
#### Compliance with applicable laws

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 U.K. Consumer Credit Sourcebook (CONC);
- the U.K. Equality Act 2010;
- the U.K. Consumer Protection from Unfair Trading Regulations; and
- the British Banking Association (BBA) Lending Code.



**Fig. 1 Process Overview**



## Overview of Origination and Sale Process

For each Series, the Loan Servicer will open an account (the “**Series Account**”) with HSBC 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 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 Servicer disburses the proceeds from the Series Account directly to a general designated UK client account and is pre-authorised by the Borrower in 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 or living expenses mandated to be paid directly to the university.

During this Acquisition Period, repayments received by the Issuer in respect of acquired Student Loans may be reinvested and used to acquire further Student Loans which meet the Eligibility Criteria. Temporary liquidity surpluses may from time to time be invested in high quality short term investments as described below.

The Student Loans backing each Series of Notes 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 either tuition fees and (if specified in the Final Terms for the Series) living expenses or repayment by the Borrower of a loan borrowed for these purposes.

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 does not underwrite that it will fulfil this mandate. The Issuer may only purchase amounts disbursed by way of loan to a Borrower when the purchase is made. If the Loan Originator and the Borrower have agreed that the 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 Series Acquisition Period. Note proceeds in excess of originated Student Loans are distributed in accordance with the Priorities of Payments on the Payment Date occurring after expiry of the Acquisition Period.

The Loan Originator will finalise the terms of the Student Loans following which the Issuer shall acquire the Student Loans (which will be limited to loan disbursements being made at that time). 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 Student Loan is consistent with the Eligibility Criteria for the Series. 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 United States of America will usually include provisions on disclosure required for compliance with applicable disclosure rules and conventions there.

The Loan Originator will prepare a request for funding ("**Request for Funding**") to the Issuer that sets out details of the Student Loans proposed for purchase by the Issuer and the purchase price for those Student Loans. On payment of the purchase price by the Issuer, the Loan Originator assigns the purchased rights 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). Student Loans must be acquired before the Acquisition Period ends.

In respect of any Series of Notes for which “In Specie Subscription” is stated to apply in the relevant Final Terms, Notes may be issued against the vesting in the Issuer of Student Loans to Borrowers who attended the Eligible Institution(s) for that Series notwithstanding that such Student Loans may not meet all Eligibility Criteria or

comply fully with the Series Final Terms.

## Eligible Institutions and Eligible Courses

With the proceeds of each Series of Notes, the Issuer will acquire Student Loans to Borrowers who have attended, are attending or will attend as students at those of the educational institutions listed in the table headed "**Eligible Institutions**" that are specified in the Series Final Terms and/or any other educational institutions specified in the Series Final Terms as an "Eligible Institution" in order to participate in an educational course specified as an "Eligible Course" in the Series Final Terms.

<b>ELIGIBLE INSTITUTIONS</b>		
Arizona State University, USA	Leeds University, UK	University of California Santa Barbara, USA
University of New South Wales, Australia	London School of Economics and Political Science, UK	University of Colorado, USA
Babson College, USA	Macquarie University, Australia	University of Delaware, USA
Bocconi University, Italy	Massachusetts Institute of Technology (MIT), USA	University of Florida, USA
Boston College, USA	McGill University, Canada	University of Cape Town, South Africa
Boston University, USA	Michigan State University, USA	University of Cambridge, UK
Brigham Young University, USA	Nanyang Technological University, Singapore	University of Massachusetts, USA
Brown University, USA	North Carolina State University, USA	University of Texas at Dallas, USA
California Institute of Technology, USA	Northeastern University, USA	University of Tennessee, USA
Case Western Reserve University, USA	National University of Singapore (NUS), Singapore	University of Chicago, USA
Carnegie Mellon University, USA	New York University, USA	University of Connecticut, USA
China Europe International Business School (CEIBS), China	Northwestern University, USA	University of Edinburgh, Scotland
City University London, UK	Ohio State University, USA	University of Illinois at Urbana-Champaign, USA
Columbia University, USA	Pan-American University, Mexico	University of Iowa, USA
Cornell University, USA	Pennsylvania State University, USA	University of Law, UK
Cranfield University, UK	Purdue University, USA	University of London, UK
Dartmouth College, USA	Princeton University, USA	University of Manchester, UK
Drexel University, USA	Queen's University, Canada	University of Mannheim, Germany
Duke University, USA	Rensselaer Polytechnic Institute, USA	University of Maryland, USA
Durham University, UK	Ramon Lull University, Spain	University of Melbourne, Australia
EDHEC Business School, France	Renmin University of China, China	University of Michigan, USA
Emory University, USA	Rice University, USA	University of Minnesota, USA
Erasmus University, Netherlands	Rutgers University, USA	University of Navarra, Spain
European School of Management and Technology, Germany	Shanghai Jiao Tong University, China	University of North Carolina, USA
Fudan University, China	Southern Methodist University, USA	University of Notre Dame, USA
George Washington University, USA	Stanford University, USA	University of Oxford, UK
Georgetown University, USA	Sungkyunkwan University, South Korea	University of Pennsylvania, USA
Georgia Institute of Technology, USA	The Chinese University of Hong Kong (CUHK), China	University of Pittsburgh, USA
Grenoble Ecole de Management, France	The Lisbon MBA, Portugal	University of Rochester, USA
Harvard University, USA	The University of Hong Kong (HKU), China	University of San Diego, USA
HEC Paris, France	Tias Business School, Netherlands	University of South Carolina, USA
Hong Kong University of Science and Technology (HKUST), China	Temple University, USA	University of Southern California, USA
IE University, Spain	Texas A&M University, USA	University of St Gallen, Switzerland
Imperial College London, UK	Tufts University, USA	University of Strathclyde, UK

INCAE Business School, Costa Rica	University College Dublin, Ireland	University of Texas at Austin, USA
Indian Institute of Management - Ahmedabad, India	University of Alberta, Canada	University of Toronto, Canada
Indian Institute of Management – Calcutta, India	University of Bath, UK	University of Virginia, USA
Indian Institute of Management, Bangalore, India	University of Birmingham, UK	University of Warwick, UK
Indian School of Business, India	University of British Columbia, Canada	University of Washington, USA
Indiana University, USA	University of California Berkeley, USA	University of Wisconsin, USA
INSEAD, France	University of California Los Angeles (UCLA), USA	Vanderbilt University, USA
International Institute for Management Development (IMD), Switzerland	University of California San Diego, USA	Virginia Tech (Virginia Polytechnic Institute and State University), USA
Iowa State University, USA	University of California, Irvine, USA	Vlerick Business School, Belgium
John Hopkins University, USA	University of California Davis, USA	Washington University, USA
Lancaster University, UK	University of California Riverside, USA	Western University, Canada
Yale University, USA	York University, Canada	

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 of the listed Eligible Institutions. In addition, the Loan Originator may identify other educational institutions that it considers appropriate for Student Loans that will secure a Series, but any such educational institution must be specified as an Eligible Institution in the Series Final Terms if loans to students attending an Eligible Course at that educational institution are to comprise part of the security for the Series.

## Loan Eligibility Criteria

For inclusion in the security for a Series, Student Loans will need to meet the Eligibility Criteria. Specifically, for each Series, all Student Loans must be made within the Loan Originations Credit Policy as adopted by the Loan Originator in accordance with the terms of the Loan Origination Agreement ("**LOA**").

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:

- Borrowers must be accepted into an "*Eligible Course*" (as described above) at an "*Eligible Institution*" (as described above).
- Borrowers must meet the affordability criteria of the Loan Originator.
- The Loan Originator must be satisfied with the results of a credit bureau or background check on the Borrowers.
- Borrowers must be resident of an "*Eligible Country*", which shall be described in the Loan Originations Credit Policy.
- Valid proof of identity and residence must be received by the Loan Originator.
- 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 (which, if relevant, will be stated in the Series Final Terms), the Borrower must have used the loan to be refinanced to enrol as a student in an Eligible Course at an Eligible Institution (whether the Borrower has yet to commence, is completing or has completed that Eligible Course) and the Student Loan must be used to repay the loan borrowed for that purpose.
- For a Student Loan that will finance tuition and (if specified in the Series Final Terms) living expenses the proceeds of the loan must be paid directly to: (i) the Eligible Institution (to the extent provided for tuition) (ii) the Borrower and/or the Eligible Institution, as indicated in the Series Final Terms, (to the extent provided for tuition and/or living and related expenses); (iii) the provider of the life insurance policy (to the extent provided for insurance premium where Borrower life cover is a requirement under the Final Terms but not

otherwise); and (iv) the Loan Originator or an affiliate of the Loan Originator in discharge of any fees payable by the Borrower to the Loan Originator or an affiliate of the Loan Originator in connection with the provision of the loan.

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 that it is expected to be limited to Borrowers from a particular geographical region if ever relevant to that Series.

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 identified level of interest is determined by the Loan Originator based on its interactions with potential borrowers prior to the Series Issue Date and represents its expectations of the level of Student Loans to these borrowers which will proceed. The Loan Originator is not required to have in place any legally binding agreements with Borrowers for the level of interest identified by the Loan Originator when the Series Issue Date occurs. For a number of existing Series, actual demand for Student Loans eligible as Series security has exceeded the level of interest identified by the Loan Originator. With a view to servicing excess demand without the cost of issuing an additional tranche for the Series, the Issuer may elect to capitalise the Series in an amount greater than the identified level of demand by specifying a percentage as the "*Overcapitalisation Level*" in the Final Terms for the Series. This Overcapitalisation Level allows the Issuer to meet demand from potential borrowers in excess of that identified by the Loan Originator which materialises in the months following the Issue Date.

### **Short Term Investments**

Pursuant to the terms of the LOA, the Loan Originator may from time to time request the Account Bank to invest temporary liquidity surpluses in high quality short term investments. Such surpluses will arise until Student Loans are acquired in the net amount raised by issuing Series Notes and may also arise where repayments of the Student Loans are received during the Acquisition Period. The types of short term investments that may be acquired are limited to:

- (i) deposits with credit institutions authorised in the European Economic Area; and
- (ii) money market instruments issued by member states of the European Economic Area or credit institutions authorised in the European Economic Area,

and in each case such investments must be denominated in the same currency as the relevant Series of Notes; the long term unsecured and unsubordinated debt obligations of the credit institution or member state must be rated at least "Baa3" by Moody's Investor Service Limited ("**Moody's**") or its affiliates (or any successor to its rating business); and must have a maximum maturity date at the time of the investment of no later than 2 Business Days prior to the immediately following Payment Date.

Moody's is established in the European Economic Area and registered under Regulation (EU) No 1060/2009, as amended.

### **Student Loan Exchanges**

At any time prior to a full redemption of the Notes of a Series, the Loan Originator may recommend that some

or all of the Student Loans securing that Series should be exchanged for other student loans that satisfy the Series Eligibility Criteria and, should the Issuer decide to proceed with the exchange, the Issuer may direct the Security Trustee to execute releases and Supplemental Trust Deeds required to give effect to the exchange where the student loans for which those then securing the Series are to be exchanged are confirmed by the Loan Originator as not then in default and by the Calculation Agent as having aggregate principal and interest values at least equal to the secured Student Loans for which they are to be exchanged.



## 6 LOAN SERVICING PROCESS

### Collection of Payments

Collection of repayments from Borrowers will be managed by the Loan Servicer. Under the terms of the Loan Servicing Agreement ("LSA"), the Loan Servicer can appoint payment service providers or subsidiary loan servicers and establish local accounts in order to facilitate easier repayments by Borrowers. Under the terms of the LSA, the Loan Servicer has discretion with respect to the terms of the Loan Management Policy and which management processes it may adopt.

The Loan Servicer will ensure that all Student Loan repayments by the Borrowers are aggregated into the Series Accounts held at the Account Bank.

Temporary liquidity surpluses may from time to time be invested in high quality short-term investments.

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.

The student Borrowers agree to discharge legal expenses reasonably incurred by the Loan Servicer in relation to the 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.

### Aging of Loans

The Loan Servicer ages loans through delinquency and default stages using industry standard methodology, which involves calculating the Days Past Due ("DPD") 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 the Student Loans.

The LSA stipulates that, where default occurs on a Student Loan, the Loan Servicer will have discretion whether to enforce payment of that 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 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 Student Loans backing each Series and will enforce the terms of any associated financial guarantees in respect of the Student Loans backing that Series. As an aspect of its repayment management role, the Loan Servicer is responsible for ensuring that all payments received on Student Loans (including any written off Student Loans) that secure a Series are paid or transferred to the Series Account for that Series for application in accordance with the priorities of payment specified in the Conditions to Notes of that Series.

## **Payment Arrangements**

The Loan Servicer is authorised by the Issuer to establish a temporary payment arrangement in order to help a Borrower unable to pay 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 Student Loans that are subject to temporary payment arrangements, which monitoring is carried out in accordance with the Loan Management Policy.

## **Study extensions**

The Loan Servicer has discretion to amend the terms of a 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.

## **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**

Any surplus funds attributable to a Series which are remaining following the redemption of all Notes of the Series and the discharge of all fees and expenses of the Issuer relating to the Series shall be retained by the Issuer and used to reimburse the Loan Servicer for discharging fees and expenses relating to that Series or any other Series to the extent paid by the Servicer other than from the Series Account for the redeemed Series or any other Series Account and, thereafter, to discharge undischarged fees and expenses of any other Series to the extent that the balance of the Series Account for that other Series is insufficient to do so.





## 7 LEGAL STRUCTURE, ROLES AND REGULATION

### 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's role as Loan Originator is distinct from the activities of the Issuer with a view to finding investors in Notes of Series to be issued under this updated Base Prospectus, and Prodigy Finance has not been appointed to provide, and does not provide, services by way of placing Notes of any Series to be issued under this updated 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 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; and
2. The management of loan disbursements to Borrowers on acquired Student Loans.

The Loan Originations Credit Policy outlines the rules and guidelines for approval of all loans at 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 Student Loans acquired by the Issuer on behalf of the Issuer and to manage and enforce repayment of those Student Loans. The principal responsibilities of Prodigy Finance under the LSA are as follows:

1. Monthly management of payments by Borrowers under the Student Loans;
2. Liaising with Borrowers on Student Loans generally and negotiating and agreeing amended Student Loan terms to the extent that amendments agreed are consistent with the requirements for a 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 Student Loan and pursuing enforcement procedures in respect of a Student Loan where appropriate;
5. Enforcing the rights of the Issuer under the terms of any financial guarantee in relation to the Student Loans where a Series is backed by financial guarantee; and
6. 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 on 5 Business Days' prior notice of redemption being given to the Trustee and the holders of the Notes.

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.

### ***Term and Termination***

The LSA continues until terminated by either party. Either party may terminate the LSA following a material breach by the other party of its obligations which it fails to remedy within a period of 30 days. In certain circumstances such as the insolvency of either party or either party ceasing to carry on business, the LSA will terminate without notice. The Issuer will then promptly appoint a replacement loan servicer and manager, 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. 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. If Prodigy Finance is unable to recover the legal fees from a Borrower, the Issuer shall reimburse Prodigy Finance for legal fees incurred, which amount shall be a "Permitted Expense" and paid from the Series Account (prior to payment to holders of Notes) in accordance with the Priorities of Payments, upon submission of the relevant request for payment by the Loan Servicer to the Issuer. Further details are set out under the section "Fees and Expenses" below.

### ***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 Placing Agency Agreement and the Placing Agent**

Prodigy Services Limited has been appointed as placing agent under a placing agency agreement between Prodigy Services Limited and the Issuer (the "**Placing Agency Agreement**"). Prodigy Services Limited 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. Prodigy Services Limited is an appointed representative of BriceAmery Capital Limited which is authorised and regulated by the Financial Conduct Authority.

Under the Placing Agency Agreement, the Issuer appoints Prodigy Services Limited (the "**Placing Agent**") to carry out placing and promotional activities with a view to finding investors in Notes of Series to be issued under this 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 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 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 Placing Agency Agreement will terminate without notice. The Issuer will then promptly appoint a replacement placing agent, and the Placing Agency Agreement contemplates that the Issuer and the Placing Agent may enter into an agreement with a reputable placing agent to replace the Placing Agent on its insolvency prior to a termination circumstance arising if the Placing Agent discharges expenses resulting from that agreement from its existing fee entitlements. The Placing Agent may not resign from its duties as Placing Agent without a replacement having been appointed.

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

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

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

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

## **The Agency Agreement and Agents**

### **The Principal Paying Agent and Registrar**

Société Générale Bank & Trust (“**SGBT**”) acts as principal paying agent and registrar pursuant to the Agency Agreement in respect of Notes which have been accepted to the respective book-entry systems of Clearstream and Euroclear and which are represented by Global Certificates.

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

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.

Pursuant to the Agency Agreement, SGBT provides paying agency and registrar services to the Issuer.

### **The Transfer Agent and Calculation Agent**

Prodigy Finance acts as the Transfer Agent and Calculation Agent pursuant to the Agency Agreement (described below).

Pursuant to the Agency Agreement, Prodigy Finance provides the Issuer with certain calculation agency, transfer agency and related services.

### **The Agency Agreement**

#### ***Removal and resignation of an Agent***

The Issuer may, with the prior written approval of the Trustee, remove any Agent at any time by giving at least 60 days' prior written notice to the 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**

Capita International Financial Services (Ireland) Limited of 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland is the Corporate Services Provider of the Issuer. 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**

Capita Trust Company Limited, acting through its office at 4<sup>th</sup> Floor, 40 Dukes Place, London EC3A 7NH, acts as trustee in respect of each Series of Notes under the terms of a Supplemental Trust Deed for each Series incorporating 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 regulated under the Irish Companies Act 2014. The registered office of the Issuer is 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland.

The Directors of the Issuer are Lisa Hand and Roddy Stafford. Lisa Hand is of Capita International Financial Services (Ireland) Limited, 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland. Roddy Stafford is a businessman who holds a number of directorships in addition to his directorship of the Issuer and he is not an employee of Capita International Financial Services (Ireland) Limited. 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 owned by Capita 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 began on 1 July of each year and terminated on 30 June of the following year until 2014/2015, when the financial year ran from 1 July 2014 until 7 July 2015. After 7 July 2015, each financial year of the Issuer shall begin on 8 July of each year and terminate on 7 July of the following year. Audited financial statements for the years ended 7 July 2015 and 7 July 2016 and unaudited financial statements for the six month periods ended 7 January 2016 and 7 January 2017 have been approved by the Board of Directors and are incorporated herein. The Issuer has not declared any dividends as at the date hereof. Until 8 July 2015, the Issuer prepared and published audited financial statements in accordance with generally accepted accounting principles in Ireland (“**Irish GAAP**”), but the Issuer has commenced and will continue to prepare and audit financial statements 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**”) since 8 July 2015.

The Issuer publishes annual financial statements and interim financial statements. The Issuer does not have any subsidiaries and will not produce consolidated accounts.

Any future published audited financial statements prepared by the Issuer will be in respect of the year beginning on 8 July in each calendar year and ending on 7 July of the following year. Any future published unaudited financial statements prepared by the Issuer will be in respect of the six month period ending on 7 January of the calendar year following that in which the financial year commenced. 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.

## 8 TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Registered Notes of each Series represented by definitive Certificates. These terms and conditions will only apply to Notes issued on or after the date of this Base Prospectus. Either (a) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (b) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the Certificates, as the case may be. 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.*

This Note is one of a Series (as defined below) of Notes constituted by an Amended and Restated Principal Trust Deed dated 14 August 2017 (as modified and/or supplemented as at the date of issue of the Notes (the **Issue Date**), the **Principal Trust Deed**) between the Issuer and Capita Trust Company 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) together with a supplemental trust deed for each relevant Series (the **Supplemental Trust Deed**). The Principal Trust Deed and the Supplemental Trust Deed are hereinafter referred to as the Trust Deed. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Certificates referred to below.

An Amended and Restated Agency Agreement dated 14 August 2017 (as amended 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 Bank & Trust 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 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 this Note (or the relevant provisions thereof) is attached to, or endorsed on, this Note. References to the applicable Final Terms are to the Final Terms (or the relevant provisions thereof) attached to, or endorsed on, this Note.

Any reference herein to "**Notes**", "**Notes of this Series**" or "**this Series of Notes**" shall be to the Series of Notes of which this Note forms part and any reference herein to "**all Series of Notes**" or "**Notes of all Series**" shall be to all Notes (as defined below) 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 Current Interest amount.
<b>Acquisition Period</b>	shall for each Series have the meaning given to it in the applicable Final Terms.

<b>Agency Agreement</b>	the amended and restated agency agreement entered into on 14 August 2017 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>	the Principal Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent.
<b>Appointee</b>	any attorney, manager, agent, delegate, nominee, custodian or other person appointed by the Trustee under the Trust Deed.
<b>Articles of Association</b>	the articles of association of the Issuer as amended from time to time.
<b>Auditors</b>	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>Base Rate</b>	the applicable variable base rate as specified in the Final Terms for a Series.
<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>	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>	unless otherwise specified in the final terms, the 8 <sup>th</sup> day of each calendar month.
<b>Corporate Services Agreement</b>	the amended and restated corporate services agreement dated 29 March 2011 as novated pursuant to a novation agreement dated 2 March 2012 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>	Capita International Financial Services (Ireland) 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>Certificates</b>	will have the meaning given to it in Condition 2.3.
<b>Current Interest</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>	the directors for the time being of the Issuer.
<b>Eligible Course</b>	each course offered at an Eligible Institution as specified in the Final Terms for the Series.
<b>Eligible Institution</b>	each educational establishment specified in the Final Terms for the Series.
<b>Eligibility Criteria</b>	the criteria as set out in the Loan Originations Credit Policy.
<b>EURIBOR</b>	the European Inter Bank Offered Rate.
<b>Events of Default</b>	has the meaning given to it in Condition 10.
<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>	the financial guarantee, if any, provided by a third party in respect of the obligations under the Student Loans.
<b>Holder</b>	will have the meaning given to it in Condition 2.5.
<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.
<b>Interest Commencement Date</b>	in respect of any Note the Issue Date or such other date as may be specified in the applicable Final Terms.
<b>Issue Date</b>	means for this Series, the date specified in the applicable Final Terms.
<b>Issue Price</b>	100 per cent or such other price as may be specified in the applicable Final Terms.
<b>LIBOR</b>	the London Inter Bank Offered Rate.
<b>LOA</b>	for any Series:  (a) the amended and restated Loan Origination Agreement entered into between the Issuer and the Loan Originator on 14 August 2017 to the extent loans are acquired under it with the proceeds of Notes of that Series; and  (b) any other agreement by which the Issuer appoints any person as originator of loans to be acquired with the proceeds of Notes of that Series.
<b>Loan Originations Credit Policy</b>	in respect of any Series of Notes, the credit approval criteria as adopted from time to time by the Loan Originator in respect of the Student Loans and scheduled to the LOA.
<b>Loan Originator</b>	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.
<b>Loan Servicer</b>	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.

<b>LSA</b>	for any Series:  (a) the amended and restated Loan Servicing Agreement entered into between the Issuer and the Loan Servicer on 14 August 2017 to the extent the Loan Servicer services loans that secure that Series under it, and  (b) any other agreement by which the Issuer appoints a person as servicer of loans that secure that Series and including, for the avoidance of doubt, an agreement appointing a person as back-up or replacement loan servicer for a current Loan Servicer should a termination circumstance occur with respect to the current Loan Servicer.
<b>Maturity Date</b>	the date specified in the applicable Final Terms.
<b>Minimum Denomination</b>	will have the meaning given to it in the Final Terms.
<b>Minimum Trading Amount</b>	will have the meaning given to it in the Final Terms.
<b>Mortgaged Property</b>	will have the meaning given to it in Condition 4.1.
<b>Notes</b>	all the Notes of a particular Series.
<b>Noteholder (and Holder)</b>	will have the meaning given to it in Condition 2.5.
<b>Notional Principal Amount</b>	with respect to a Note means for each Calculation Date, the outstanding principal amount of such Note together with any unpaid interest amounts in respect of any prior Interest Periods excluding the immediately preceding Interest Period.
<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>	for this Series of Notes, each Payment Date specified in the applicable Final Terms.
<b>Permitted Expenses</b>	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 or any Series thereof 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 Agent, 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), the obligation of the Issuer to indemnify the Placing Agent pursuant to the Placing Agency Agreement, the Loan Originator pursuant to the LOA, the Loan Servicer pursuant to the LSA, 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, auditors' fees and expenses, legal fees and expenses including those incurred against a defaulting borrower and any enforcement costs, directors' fees and expenses, any Irish statutory or regulatory fee, reserve, tax, charge or expense and an amount equal to the Issuer's paid up capital (which shall be retained by the Issuer) and all costs and expenses associated with the dissolution and liquidation of the Issuer.
<b>Principal Paying Agent</b>	Société Générale Bank & Trust or such other person as may be appointed as a replacement or additional paying agent by the Issuer from time to time and notice of whose appointment has been given to the relevant Noteholders and approved by the Trustee.

<b>Placing Agency Agreement</b>	<p>for any Series:</p> <p>(a) the amended and restated placing agency agreement entered into between the Placing Agent and the Issuer on 14 August 2017 to the extent that the Placing Agent provides placing services for Notes in respect of that Series under it; and</p> <p>(b) any other agreement by which the Issuer appoints a person to provide placing services for Notes in respect of that Series.</p>
<b>Placing Agent</b>	Prodigy Services Limited 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>Priorities of Payments</b>	shall mean the priorities of payments as set out in Conditions 4.2 and 4.3.
<b>Record Date</b>	means the Business Day immediately before the due date for payment.
<b>Redemption Amount</b>	in respect of each Note, the principal of the Note outstanding together with any Accrued Interest Balance calculated as at the immediately preceding Calculation Date.
<b>Register</b>	has the meaning given to it in Condition 2.4.
<b>Registrar</b>	Société Générale Bank & Trust or such other person as may be appointed as a replacement or additional registrar by the Issuer and approved by the Trustee from time to time and notice of whose appointment has been given to the relevant Noteholders.
<b>Registered Notes</b>	has the meaning given to it in Condition 2.1.
<b>Repayment Date</b>	in respect of each Note, 10 Business Days following the Maturity Date.
<b>Relevant Date</b>	has the meaning given to it in Condition 9.
<b>Relevant Sums</b>	has the meaning given to it in Condition 17.5
<b>Relevant Time</b>	means 4.00pm.
<b>Security</b>	means, for each Series, the security constituted by the relevant Supplemental Trust Deed.
<b>Series</b>	a series of Notes having one or more Issue Dates and on terms otherwise identical (or identical other than in respect of the first payment of interest and the Issue Price), the Notes of each series being intended to be interchangeable with all other Notes of the same series. Each series may be issued in tranches (each a Tranche) on the same or different Issue Dates.
<b>Student Loans</b>	the loans to Borrowers acquired by the Issuer which were originated by the Loan Originator in accordance with the Eligibility Criteria or (where permitted by the applicable Final Terms) which were acquired from the Loan Originator as part of an in specie subscription for the Notes, the proceeds of which shall be used to finance the Issuer's obligations in respect of this Series.
<b>Target Interest Rate</b>	<p>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:</p> <p>(i) as appearing on the Bloomberg information service; or</p> <p>(ii) if the service specified in (i) is not available, the arithmetic mean of</p>

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 excluded from the determination.

**Target Day Count Fraction**

means in respect of the calculation of any interest on any Note 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 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 proceeds the beginning of that Interest Period: the 8<sup>th</sup> day of January; the 8<sup>th</sup> day of April; the 8<sup>th</sup> day of July; or the 8<sup>th</sup> 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.

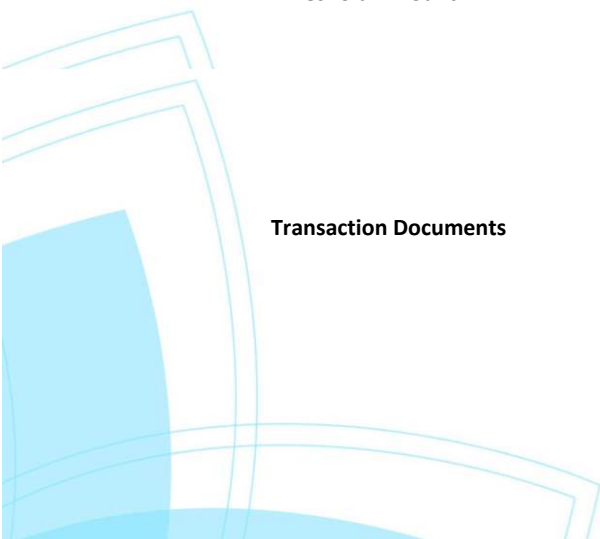
**Threshold Amount**

means:

- (a) for a Series denominated in Euro, €500;
- (b) for a Series denominated in Sterling, £500; or
- (c) for a Series denominated in US dollars, \$500.

**Transaction Documents**

means the Agency Agreement, the LOA, the LSA, the Placing Agency Agreement, the Principal Trust Deed, any Supplemental Trust Deed and the Corporate Services Agreement.



## Transfer Agent

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.

## 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 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 (**Registered Notes**) in the Minimum Denomination shown in the applicable Final Terms in such currencies as may be agreed or as may be otherwise designated by the Issuer at the time of issue and integral multiples of the Minimum Denomination thereafter subject to a minimum holding requirement for each Noteholder of the Minimum Trading Amount.
- 2.2 This Note is a Fixed Rate Note, a Floating Rate Note or any other kind of Note depending upon the Interest and Redemption Basis shown in the applicable Final Terms.
- 2.3 Registered 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 Registered 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 In these Conditions, Noteholder and Holder mean the person in whose name a Registered Note is registered (as the case may be) 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.

## 3. TRANSFERS OF REGISTERED NOTES

### 3.1 Transfer of Registered Notes

One or more Registered Notes may be transferred in whole or in part in a Minimum Trading Amount (provided that following any transfer in part, the notes retained by the transferor must be equal to the Minimum Trading Amount), subject to the transfer restrictions applicable to such Registered 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 Registered 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 Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

The transfer restrictions applicable to Registered Notes are described in 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 Registered 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 The obligations of the Issuer under the Trust Deed and the Notes are secured by first charges over certain assets owned by the Issuer and as specified in the relevant Supplemental Trust Deed (the “**Mortgaged Property**”).

4.2 **Priority of Payments prior to the enforcement of the Security.**

Prior to the enforcement of the Security, the Issuer shall or shall direct that the proceeds available for distribution in relation to a particular Series shall for each Payment Date, and each other date on which Clause 6.2 of the Principal Trust Deed provides for distributions, be applied in the following order:

- (i) 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 Appointee;
- (ii) 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) in or towards payment or discharge of that Series pro rata portion of all Permitted Expenses due or expected to be due by the Issuer to the Calculation Agent, the Corporate Services Provider, the Registrar, the Principal Paying Agent, the Transfer Agent, the Placing Agent, the Loan Originator and the Loan Servicer;
- (iv) in or towards the payment or discharge of that Series pro rata portion of any other Permitted Expenses not already discharged above;
- (v) 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) during the Acquisition Period in or towards the acquisition of Student Loans;
- (vii) where the balance then remaining available for distribution is less than the Threshold Amount, retaining that balance as a payment reserve to be applied as specified in this Condition 4.2 on the next Payment Date after that Payment Date;
- (viii) 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;
- (ix) pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes of that Series; and
- (x) following the release of the security over the Series Account, the Issuer shall authorise the Loan Servicer to apply the balance (if any) on the Series Account in reimbursement of the Loan Servicer for discharging fees and expenses relating to that Series or any other Series to the extent paid by the Loan Servicer other than from the Series Account or the Series Account of another Series and, thereafter, 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,

**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 (v), (viii) and (ix) of this Condition 4.2, the Issuer shall apply proceeds available for distribution in payment of those amounts and shall disregard paragraphs (vi) and (vii).

4.3 **Priority of Payments from Available Funds following the Enforcement of Security.**

Subject to the provisions of the Supplemental Trust Deed, the Trustee shall apply all moneys received by it under the Supplemental Trust Deed in connection with the realisation or enforcement of the security constituted thereby on trust to apply them as follows:

- (i) 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 any taxes required to be paid, the costs of realising any Security and the Trustee's or receiver's remuneration);
- (ii) 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) in or towards payment or discharge of that Series pro rata portion of all Permitted Expenses due or expected to be due by the Issuer to the Calculation Agent, the Corporate Services Provider, the Registrar, the Principal Paying Agent, the Transfer Agent, the Placing Agent, the Loan Originator and the Loan Servicer;
- (iv) in or towards the payment or discharge of that Series pro rata portion of any other Permitted Expenses not already discharged above;
- (v) 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) 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) pro rata and pari passu to the Noteholders in or towards the payment or discharge of all amounts of principal and any other amounts then due and payable under or in respect of the Notes of that Series; and
- (viii) by releasing them to the Issuer by release of the security over the Series Account for the Series and/or paying any moneys received in respect of the Series to that Series Account.

4.4 In respect of the Conditions 4.2 and 4.3 above, where any reference is made to a Series pro rata portion of any amount, such pro rata portion shall be determined by or on behalf of the Issuer (i) based on the ratio of the outstanding principal amount of such Series to the outstanding principal amount of all Series 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 such Series, based on the ratio of the outstanding principal amount of such Series to the outstanding principal amount of all of those Series to which the Permitted Expense relates; or (iii) where the Permitted Expense does not relate to such Series, as zero.

4.5 The Notes of each Series 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 which are secured in the manner described in Condition 4.1.

## 5. INTEREST AND PRINCIPAL

5.1 Interest shall accrue 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 Priorities of Payments in an amount up to the Accrued Interest Balance for such Payment Date. Interest shall cease to accrue at the end of the Interest Period immediately preceding the Maturity Date or the Payment Date on which the Notes are fully redeemed.

5.2 On each Payment Date, an amount of principal shall be payable in respect of each Note, such amount being paid in accordance with the Priorities of Payments.

## 6. INTEREST AND PRINCIPAL DETERMINATION AND PAYMENT

6.1 The amount of principal and interest 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 financial statements of the Issuer. 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 shall direct the payment of the 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 5.1 and 5.2, such payment shall be deferred until the following Payment Date and shall not constitute an Event of Default.

## **7. REDEMPTION, PURCHASE AND OPTIONS**

- 7.1 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.
- 7.2 Notwithstanding Condition 7.1 above and subject to Condition 17, if on the Maturity Date the Issuer does not have sufficient available funds to redeem the Notes at the Redemption Amount, the Issuer shall partially redeem the Notes on a pro rata basis and the balance of the Notes shall be redeemed by the Issuer as funds are received by it.
- 7.3 The Issuer may, on giving not less than 5 Business Days' notice in writing of redemption to the Noteholders and the Trustee, redeem the Notes 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, including as a result of a sale or refinancing of Mortgaged Property released from Supplemental Trust Deed security in accordance with the provisions of the Trust Deed.
- 7.4 Where the Issuer elects to redeem Notes in whole or in part prior to the Maturity Date for the Notes by selling or refinancing the Mortgaged Property that secures the payment obligations on the Notes the sale or refinancing proceeds must either (a) be sufficient to pay the Redemption Amount and all payment obligations relating to the Series specified in the proviso to Condition 4.2 at the date the sales or refinancing proceeds are received in the Series Account; or (b) at least equal principal owing and interest, whether accrued or owing, on the Mortgage Property sold or refinanced at the date the sale or refinancing proceeds are received in the Series Account.
- 7.5 If Option to Extend Maturity is specified in the applicable Final Terms, the Issuer may, on giving not less than 30 days' notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms) exercise any Issuer's option to extend the maturity of the Notes to such date as may be notified to Noteholders in accordance with Condition 15.
- 7.6 Notwithstanding Condition 7.4 above, the Issuer shall only exercise an option to extend the maturity of the Notes up to a maximum payback period of 15 years and if limited for any Series to a maximum of 5% of the total volume originated for that Series.
- 7.7 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.
- 7.8 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.
- 7.9 The Issuer may elect to exchange Student Loan(s) included in Series Mortgaged Property for other student loan(s) that satisfy the Series Eligibility Criteria and require the Trustee to execute any document required to release the Student Loan(s) from the security created by the Series Supplemental Trust Deed and take a first charge over those student loan(s) for which the Student Loan(s) to be released are being exchanged where the Loan Originator has confirmed in writing that the student loan(s) to become subject to a first charge are not then in default and the Calculation Agent has confirmed in writing to the Trustee that the student loan(s) to become subject to the first charge have aggregate principal and interest values at least equal to the Student Loans to be released from Series Supplemental Trust Deed security by the Trustee, which documents shall be executed by the Trustee and the Issuer as contemplated by clause 6.2 of the Principal Trust Deed and in any event no later than 3 Business Days after the Issuer gives notice in writing to the Trustee of the proposed exchange with the written confirmations required to be given by the Loan Originator and the Calculation Agent.

## **8. PAYMENTS**

- 8.1 Payments of the Redemption Amount in respect of Registered Notes shall be made by electronic transfer in the manner provided in Condition 8.2 below.



- 8.2 Interest and principal on Registered 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 Registered 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 In respect of any withholding or deduction imposed on interest by the Irish Government, the Issuer shall be required to increase the sum payable so that the net amount received by the Noteholder after the deduction or withholding (and after the payment of any tax or additional tax which is due as a consequence of the increase) shall be equal to the amount which the Noteholder would have been entitled to receive in the absence of any requirement to make that deduction or withholding. However, the Issuer shall not be obliged to increase the sum payable in respect of any Note if each of the beneficial owner or beneficial owners of the Note (or any part of the Note) cannot provide a current tax residence certificate from a Member State of the European Union (not including Ireland) or a country with which Ireland has agreed a double taxation agreement having force of law by virtue of Section 826(1) Taxes Consolidation Act 1997 as at the date of the issue of the Notes.
- 8.5 In the event of a material adverse change of law which would require the Issuer to increase the sum payable on Notes held by residents of a Member State of the European Union (not including Ireland) or a country with which Ireland has agreed a double taxation agreement having the force of law by virtue of Section 826(1) Taxes Consolidation Act 1997, the Issuer shall, with the approval of the Trustee, have the right to restructure the holding of the Notes in any manner so as to facilitate a reduction in the additional amount payable as required by Condition 8.4.
- 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. In the event that the holder of a Note (or any part thereof) does not provide the required information, the Issuer shall not be required to increase the sum payable in respect of the Notes as provided in Condition 8.4.
- 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. 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**").

## 10. EVENTS OF DEFAULT

- 10.1 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 of any Series 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 sub-paragraphs 10.1.2 and 10.1.3 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 of any Series 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:

- 10.1.1 subject to Condition 6.3, 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;

- 10.1.2 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
- 10.1.3 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.
- 10.2 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.

## 11. MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

- 11.1 The Trust Deed contains provisions for convening meetings of (a) the Noteholders generally to consider matters, including the modification of these Terms and Conditions or the provisions of the 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 Series security 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.
- 11.2 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.
- 11.3 The Trustee may agree, without the consent of any Noteholders to (a) any modification of any of the provisions of the Trust Deed 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 Trust Deed 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.
- 11.4 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 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.

## **12. 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 15 and (for so long as the Notes are listed thereon) shall be notified to the Irish Stock Exchange and a supplementary prospectus prepared as soon as practicable thereafter.

## **13. 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.

## **14. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders create and issue further Notes:

14.1 which are fungible with the Notes; and

14.2 which have the same terms and conditions as the Notes except for Issue Date, Issue Price, first payment of interest, accrued interest and notional amount;

and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to Notes shall be construed accordingly;

## **15. NOTICES**

15.1 Notices to the Holders of Registered 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.

15.2 If, in the opinion of the Trustee, notification in accordance with Condition 15.1 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.

15.3 While the Notes are listed on the Irish Stock Exchange, copies of all notices given in accordance with this condition shall be forwarded to the Companies Announcement Office of the Irish Stock Exchange.

15.4 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.

## **16. 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.

## 17. LIMITED RECOURSE AND NON-PETITION

- 17.1 All payments to be made by the Issuer in respect of the Notes of a particular Series will be made only from and to the extent of the sums received or recovered from time to time by or on behalf of the Issuer and which are attributable to the relevant Series.
- 17.2 In relation to any sums received or recovered, the Issuer shall determine to which Series such sums relate and such determination shall be binding on Noteholders of all Series in the absence of manifest error.
- 17.3 In the event that the Issuer is unable to make or, following a request by the Trustee fails to make, the determination in Condition 17.2, 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.
- 17.4 To the extent that the sums referred to in Condition 17.1 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.
- 17.5 Each Noteholder, by subscribing for and purchasing Notes, will be deemed to accept and acknowledge that it is fully aware that:
- 17.5.1 the Noteholders shall look solely to the sums referred to in this Condition 17 (Limited Recourse and Non Petition) as applied in accordance with the above paragraphs (the "**Relevant Sums**"), for payments to be made by the Issuer in respect of the Notes;
  - 17.5.2 the Noteholders of any Series shall not look to the sums which are attributable to another Series in satisfaction of the obligations of the Issuer;
  - 17.5.3 the obligations of the Issuer to make payments in respect of the Notes will be limited to the Relevant Sums and the Noteholders shall have no further recourse to the Issuer or its shareholders, directors, officers, successors or assigns in respect of the Notes;
  - 17.5.4 without prejudice to the foregoing, any right of the Noteholders to claim payment of any amount exceeding the Relevant Sums shall be automatically extinguished; and
  - 17.5.5 the Noteholders shall not be able to petition for the winding up of the Issuer as a consequence of such shortfall.
- 17.6 Non-payment of any shortfall shall not constitute an Event of Default under Condition 10 (Events of Default).
- 17.7 None of the Issuer, the shareholders of the Issuer, the Agents, the Placing Agent, the Loan Originator and the Loan Servicer has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes.

## 18. 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**

### **9.1 Categories of Potential Investors**

Notes offered as part of a Public Offer will be offered to investors within each of the following jurisdictions in which the Public Offer is being made: 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 Placing Agent or other Authorised Offeror) a Letter of Interest, in form available from the Placing Agent or other Authorised Offeror, together with such evidence and certifications specified by the 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 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 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 should follow the procedures from time to time of Euroclear or Clearstream (as the case may be).

### **9.3 In Specie Issues**

In respect of any Series of Notes for which "In Specie Subscription" is stated to be applicable in the Final Terms, the Issuer may in its absolute discretion issue Notes against the vesting in the Issuer of Student Loans which would form part of the assets of the Issuer that secure the Series but that do not comply fully with the Eligibility Criteria applicable to the Series or specific Series Final Terms.

### **9.4 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

### 10.1 Initial Issue of Notes

Upon the registration of Notes in the name of any nominee for Euroclear and Clearstream and delivery of the relevant Global Certificate to a common depositary for Euroclear and Clearstream, Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the notional amount thereof for which it has subscribed and paid. Series intended to be delivered outside a clearing system shall be delivered as agreed between the Issuer and the relevant investor or his agent.

Notes of each Series will initially be represented by interests in a Global Certificate. The Global Certificates 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.

### 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 the Holder of a Note represented by Global Certificate must look solely to Euroclear, Clearstream 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, as the case may be, 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 or such 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, as the case may be, in respect of each amount so paid.

#### *Global Certificates*

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 part (provided, however, that if it is held by or on behalf of a clearing system and the rules of that clearing system so permit) if so provided in, and in accordance with, the Conditions provided the registered Holder has given the Registrar not less than 30 days’ notice at its specified office of the registered Holder’s intention to effect such transfer.

### 10.3 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. All Holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.

#### *Trustee's Powers*

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

#### *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 the Irish Stock Exchange and the rules of such exchange so require, such notice shall also be published in a daily newspaper with general circulation in the Republic of Ireland (which is expected to be the *Irish Times*). Any such notice shall be deemed to have been given to the Holders of the Notes of the relevant Series on the seventh day after the date of delivery to the clearing system and publication (as aforesaid), whichever is the later.

## 11 CLEARING AND SETTLEMENT

### 11.1 Book-Entry Ownership

#### *Registered Notes*

The Issuer may make applications to Clearstream and Euroclear 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 Registered Notes of any Series may hold their interests in each Global Certificate only through Clearstream or Euroclear.

All Registered 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 another Global Certificate, such Holder may transfer such beneficial interest only in accordance with the transfer restrictions described in Section 5 “**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 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 5 “**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 Clearstream and Euroclear 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, 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 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 Clearstream and Euroclear 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

### 12.1 Organisation Costs

Costs and expenses incurred in connection with the organisation and ongoing administration of the Issuer are borne by the Loan Servicer out of the Servicing Fees paid to the Loan Servicer 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 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 annual Student Loan servicing and management fee is charged to the Issuer by the Loan Servicer (the “**Servicing Fee**”), the level of which for each Series is specified in the relevant Final Terms. The Servicing Fee accrues but is not paid during the Grace Period and is then settled as soon as possible from repayments from the Student Loans.

The structure and Issuer’s costs will be discharged by the Loan Servicer from its Servicing Fee. 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
- Trustee services for the notes
- Agency services for the notes

The setup and issuing costs of the structure 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**

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.

In any of the following circumstances, 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) will not be recovered from a Borrower, they may be paid from the Series Account (prior to payment to holders of Notes) 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

The net proceeds of the issue of the Notes will be used by the Issuer to acquire Student Loans which meet the Eligibility Criteria from the Loan Originator and in accordance with the terms of this Base Prospectus. Temporary liquidity surpluses may from time to time be invested in high quality short term investments as described in Section 15 “**Subscription, Sale and Transfer Restrictions**” of this Base Prospectus.



## 14 TAXATION

### 14.1 GENERAL

*This general summary sets out the Irish and U.S. tax implications of the acquisition and holding of the Notes. The summary is for guidance only and is based on the interpretation of tax law and practice in Ireland and the United States as at the date of this document, which may change over time. This summary is limited to the Irish and U.S. tax implications of the Notes, and does not cover any other tax or non-tax matters.*

*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.*

*Neither the Issuer nor the Trustee, nor any service provider or professional adviser referred to within this Base Prospectus, accepts any liability with respect thereto including any responsibility for the classification of the Notes by regulatory, tax or similar authorities and any related adverse tax, accounting or other consequences, or any responsibility to update this document for any changes in Irish or US tax law in the future.*

### 14.2 TAXATION IN IRELAND

*This summary is prepared on the basis that the holder of the Note (or any part of the Note) is not and has never been tax resident, ordinarily resident or domiciled in Ireland, and does not carry out a trade or business in Ireland, have a permanent representative to which or to whom the Notes are attributable, or hold an interest in an enterprise which carries on business in Ireland through a branch or agency. Such persons are recommended to obtain advice specific to their own personal circumstances.*

#### 14.2.1 Section 110 Taxes Consolidation Act 1997

The Issuer is a "Qualifying Company" for the purposes of Section 110, Taxes Consolidation Act 1997 ("TCA 1997"). This is on the basis that:

- The Issuer is resident in Ireland for tax purposes;
- It carries on in Ireland the business of the holding and or management of the financial assets and carries on no other business apart from activities ancillary to that business;
- The market value of the initial acquisition of the qualifying assets was not less than €10,000,000;
- The Irish Revenue have been notified that it is a qualifying company; and
- Its transactions are carried out by way of bargain made at arm's length.

The tax summary set out below is prepared on the basis that the Issuer is a "Qualifying Company".

#### 14.2.2 Taxation of Noteholders

Interest on the Notes should be exempt from Irish income tax if the recipient of the interest is resident in an EU Member State (other than Ireland) or a country with which Ireland has signed a double taxation agreement (such a double tax agreement having the force of law in Ireland under Section 826 (1) TCA 1997) provided the Issuer is a Qualifying Company and the interest is paid out of the assets of the Issuer. For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident for tax purposes or by reference to the terms of the relevant double taxation agreement.

The receipt of interest by the Noteholders who do not fall within the above criteria for exemption may be liable to Irish income tax on that interest. Interest paid on the Notes will have an Irish source and therefore will be within the charge to Irish income tax (and Universal Social Charge if received by an individual). Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income

comes within its scope.

### 14.2.3 Withholding Tax

Irish withholding tax (currently 20%) arises on the payment of annual interest. While not defined, annual interest is understood to be interest in respect of a debt obligation which is capable of lasting in excess of one year. Interest on Notes which have a maturity of less than one year will not be subject to Irish withholding tax. Interest on Notes which have a maturity in excess of one year will be subject to Irish withholding tax unless a specific exemption is available.

The Notes can qualify for an exemption from Irish withholding tax under Section 64 of the TCA 1997 (Section 64) provided the Notes continue to be quoted on a recognised stock exchange (the Irish Stock Exchange is currently a recognised stock exchange) and held within a recognised clearing system (within the meaning of Section 64). In such case payments of interest on the Notes by any paying agent will be treated as interest paid on a "Quoted Eurobond" within the meaning of Section 64 and may, under current law, be made without withholding or deduction for or on account of Irish income tax. At present, Euroclear and Clearstream are both listed by the Irish Revenue Commissioners as recognised clearing systems.

We understand that all of the Notes will be quoted on a recognised stock exchange, but that some of the notes will not be held through a recognised clearing system. Accordingly, under current law and practice, payments of interest on the Notes may be made without withholding or deduction for or on account of Irish income tax where:

- (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:
  - (i) the person who is the beneficial owner of the relevant Note and who is beneficially entitled to the interest is not resident in Ireland and has made a correct declaration to a relevant person in a prescribed form; or
  - (ii) the relevant Notes in respect thereof are held in a recognised clearing system (as to which see above).

If, for any reason, the various exemptions provided in Section 64 TCA 1997 do not or cease to apply, the Issuer can pay interest on the Notes free of withholding tax provided it is a Qualifying Company and provided the interest is paid to a person resident in a member state of the European Union (other than Ireland) or in a country with which Ireland has signed a double taxation agreement (such a country being a "Relevant Territory") in accordance with Section 246(3)(ccc) TCA 1997. 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.

There are provisions that deny a deduction for profit-dependent interest payments made to certain "specified persons" (particularly those benefiting from a favourable tax regime on the income). There can also be a denial of deduction on total return swap payments made to counterparties resident in non-tax treaty countries. Specified persons for these purposes include persons controlling the securitisation vehicle from a shareholder, rather than investment manager perspective, and persons originating 75% of the qualifying assets held by the vehicle.

### 14.2.4 Finance Act, 2016

It should be noted that a number of changes were introduced to Ireland's securitisation regime in Finance Act 2016. The provisions restrict a deduction for profit-dependent interest payments made where a securitisation vehicle owns or manages "specified mortgages".

Specified "mortgages" are defined as:

- (a) loans which are secured on and which derive their value or greater part of their value (directly or indirectly) from Irish land and buildings;
- (b) swaps or similar derivatives which derive their value or the greater part of their value (directly or indirectly) from Irish land and buildings or a loan to which (a) applies (other than such investments which derive the greater part of their value from certain types of excluded securitisation vehicle transactions);
- (c) units in an Irish Real Estate Fund (IREF);
- (d) profit-dependent loans (or part thereof) issued by another securitisation vehicle which fund, and are attributable to, its “specified property business”.

Where a securitisation vehicle is subject to the new rules, the general securitisation vehicle rules (under the provisions of Section 110, TCA 1997) will continue to apply to this specified property business. However, interest deductions in respect of profit-dependent interest payments on loans will be restricted to the amount of interest that would have been payable on that loan had it been a non profit-dependent loan entered into by way of a bargain made at arm’s length.

#### **14.2.5 Irish Stamp Duty**

No stamp, issue, registration or similar duty or tax is imposed in Ireland on the issue, transfer by delivery or redemption of the Notes.

If Notes are transferred by instrument, no Irish stamp duty is payable on such an instrument on the basis that the Issuer is a Qualifying Company and that the moneys raised by the Notes are used in the course of the Issuer’s business by virtue of an exemption from stamp duty under Section 85(2) (c) of the Stamp Duties Consolidation Act, 1999.

#### **14.2.6 Capital Gains Tax**

A Noteholder will not be subject to Irish taxes on capital gains provided that the Noteholder is neither resident nor ordinarily resident in Ireland and such Noteholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Notes are attributable. Furthermore, a Noteholder who is neither resident nor ordinarily resident in Ireland for Irish tax purposes is not subject to Irish capital gains tax unless the Notes derive their value or greater part of their value from land, mineral rights or exploration rights in Ireland.

#### **14.2.7 Encashment Tax**

In certain circumstances, Irish encashment tax may be required to be withheld at the standard rate of Irish income tax (currently 20%) from Interest on the Notes, where such Interest is collected by a person in Ireland on behalf of any holder of the Notes. However, a non-Irish paying agent should not be obliged to deduct Irish encashment tax. If a Noteholder appoints an Irish collecting agent, then an exemption from Irish encashment tax will be available where the beneficial owner of the Interest is not tax resident in Ireland and has made a declaration to this effect in the prescribed form to the collecting agent.

#### **14.2.8 Capital Acquisitions Tax**

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

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

#### 14.2.9 Common Reporting Standard

The Council of the EU has recently adopted Directive 2014/107/EU, which amends Directive 2011/16/EU on administrative cooperation in the field of taxation. This 2014 directive provides for the implementation within the EU of the regime known as the “Common Reporting Standard”, the global standard proposed by the OECD which will, once enacted into national law, generalise the automatic exchange of information within the European Union as of 1 January 2016. Ireland signed a Multilateral Competent Authority Agreement on 29 October 2014, which will activate the automatic exchange of information under the Common Reporting Standard, based on the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The Common Reporting Standard took effect in Ireland (and other early adopter jurisdictions) from 1 January 2016, with first reporting to take place in 2017. Under these measures, the Issuer may be required to report information relating to Noteholders, including the identity and residence of Noteholders, and income, sale or redemption proceeds received by Noteholders in respect of the Notes. This information may be shared with tax authorities in other EU member states and jurisdictions which implement the OECD Common Reporting Standard.

#### 14.2.10 Irish Double Tax Agreements

The current list of countries covered by double tax agreements having the force of law in Ireland under Section 826 (1) TCA 1997 is shown in the table below. Ireland is currently in the process of negotiating double tax agreements with a number of additional countries.

Albania	Czech Republic	Italy	New Zealand	Spain
Armenia	Denmark	Japan	Norway	Sweden
Australia	Egypt	Korea (Rep of.)	Pakistan	Switzerland
Austria	Estonia	Kuwait	Panama	Thailand
Bahrain	Ethiopia	Latvia	Poland	Turkey
Belarus	Finland	Lithuania	Portugal	UAE
Belgium	France	Luxembourg	Qatar	Ukraine
Bosnia & Herzegovina	Georgia	Macedonia	Romania	United Kingdom
Botswana	Germany	Malaysia	Russia	United States
Bulgaria	Greece	Malta	Saudi Arabia	Uzbekistan
Canada	Hong Kong	Mexico	Serbia	Vietnam
Chile	Hungary	Moldova	Singapore	Zambia
China	Iceland	Montenegro	Slovak Republic	
Croatia	India	Morocco	Slovenia	
Cyprus	Israel	Netherlands	South Africa	

There are also a number of other treaties which have been signed by Ireland but are not yet in force.

#### 14.2.11 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 [Statutory Instrument No. 292 of 2014 Financial Accounts Reporting \(United States of America\) Regulations 2014](#), as amended by [S.I. No. 501 of 2015 Financial Accounts Reporting \(United States of America\) \(Amendment\) Regulations 2015](#)), having regard to guidance notes issued by the Irish Revenue Commissioners. On the basis that the Issuer is an Investment Entity, debt interests resulting from the Notes are not subject to FATCA due diligence procedures because all Notes are listed on the Irish Stock Exchange, which is an "established securities market". Neither the Issuer nor Prodigy Finance 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. 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.

## 14.3 MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

### 14.3.1 General

The following discussion sets forth the material U.S. federal income tax considerations generally applicable to Noteholders who purchase Notes at the original issuance. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated thereunder ("Treasury Regulations"), administrative pronouncements of the U.S. Internal Revenue Service ("IRS") and judicial decisions, all as currently in effect and all of which are subject to change and to different interpretations. Changes to any of the foregoing authorities could apply on a retroactive basis and, thus, could affect the U.S. federal income tax consequences described below.

This discussion specifically does not address all of the U.S. federal income tax considerations that may be relevant to a particular Noteholder's circumstances, and does not discuss any aspect of U.S. federal tax law other than income taxation or any state, local or non-U.S. tax consequences of the purchase, ownership and disposition of the Notes. This discussion applies only to Noteholders who hold the Notes as capital assets within the meaning of the Code (generally, property held for investment). If a Noteholder purchases the Notes at a price other than the offering price, amortisable debt security premium or market discount rules may apply also, and the Noteholders should consult the Noteholder's own tax advisor regarding this possibility. This discussion does not address U.S. federal income tax considerations applicable to Noteholders that may be subject to special tax rules, for example, such as:

- securities dealers or brokers, or traders in securities electing mark-to-market treatment;
- banks, thrifts or other financial institutions;
- insurance companies;
- regulated investment companies or real estate investment trusts;
- tax-exempt organizations;
- persons holding notes as part of a "straddle," "hedge," "synthetic security" or "conversion transaction" for U.S. federal income tax purposes, or as part of some other integrated investment;
- partnerships or other pass-through entities;
- persons subject to the alternative minimum tax;
- certain former citizens or residents of the United States;
- non-U.S. Holders (as defined below); or
- "U.S. Holders" (as defined below) whose functional currency is not the U.S. dollar.

As used herein, a "U.S. Holder" is a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust if (A) a United States court has the authority to exercise primary supervision over the administration of the trust and one or more U.S. persons (as defined under the Code) are authorized to control all substantial decisions of the trust, or (B) it has a valid election in place to be treated as a U.S. person. A "Non-U.S. Holder" is any beneficial owner of a Note that, for U.S. federal income tax purposes, is not a U.S. Holder and that is not a partnership (or other entity treated as a partnership for U.S. federal income tax purposes).



If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds Notes, the U.S. federal income tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. A partnership which holds Notes, and partners in such a partnership, should consult their own tax advisors with regard to the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes by the partnership.

THIS DISCUSSION OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR PERSON. ACCORDINGLY, ALL PROSPECTIVE NOTEHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES BASED ON THEIR PARTICULAR CIRCUMSTANCES.

### **14.3.2 Classification of the Notes**

#### ***In General***

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. In form, the Notes will be obligations of MBA Community Loans plc (the "Issuer"). Accordingly, although the matter is not free from doubt, the Issuer intends to treat the Notes as its indebtedness which has original issue discount ("OID") for U.S. federal income tax purposes.

The IRS may take contrary positions as it is not bound by the Issuer's characterization of the Notes. The IRS or a court may take a different position with respect to the Notes' proper characterization. Any different characterization could significantly affect the amount, timing, and character of income, gain or loss recognized in respect of a Note. For example, because each series of Notes will correspond to Student Loans and the Issuer has no obligation to make any payments on the Notes unless, and then only to the extent that, it has received payments on the corresponding Student Loans, the IRS could determine that, in substance, each Noteholder owns a proportionate interest in the Student Loans for U.S. federal income tax purposes. If the IRS took such a position, the tax treatment of the Notes may differ materially, including, but not limited to, the fact that the Notes would no longer be considered to have OID. Alternatively, the IRS could instead treat the Notes as a different type of financial instrument (including an equity interest or a derivative financial instrument). If the Notes are treated as equity of the Issuer, the tax treatment of the Notes may also differ materially, including, but not limited to, the fact that part or all of the payments on the Notes may be treated by the holder for U.S. federal income tax purposes as dividends (that may be ineligible for reduced rates of U.S. federal income taxation or the dividends-received deduction).

*You are strongly advised to consult your own tax advisor regarding the U.S. federal, state, local and non-U.S. tax consequences of the purchase, ownership, and disposition of the Notes (including any possible differing tax treatments of the Notes).*

The following discussion is based upon the assumption that the Notes will be treated as debt instruments of the Issuer that have OID for U.S. federal income tax purposes. Unless otherwise specified, the following discussion also assumes that the Notes will not be subject to the rules governing contingent payment debt instruments (see discussion below).

### **14.3.3 Taxation of Payments on the Notes**

The Notes will have original issue discount, or OID, for U.S. federal income tax purposes, because the interest on the Notes is not unconditionally payable by the Issuer, but rather payments are made to the Noteholders to the extent payments are received by the Issuer on the Student Loans. A U.S. Holder of a Note will be required to include such OID in income as ordinary interest income for U.S. federal income tax purposes, regardless of his/her regular method of tax accounting. A U.S. Holder will be required to accrue OID income as ordinary interest income under a "constant yield method". Under this methodology, if a payment on a Note is not made in accordance with the payment schedule in respect of the Student Loans (for example, because of a late payment on the Student Loans), a U.S. Holder will be required to include an amount of OID in taxable income as interest even though such interest has

not been paid.

The Treasury Regulations governing OID provide special rules for determining the amount and accrual of OID for debt instruments that provide for one or more alternative payment schedules applicable upon the occurrence of contingencies. If the timing and amounts of the payments that comprise each payment schedule are known as of the issue date, and based on all the facts and circumstances as of the issue date, a single payment schedule for a debt instrument, including the stated payment schedule, is significantly more likely than not to occur, the amount and accrual of OID is determined based on that payment schedule. In addition, under the applicable Treasury Regulations, remote and/or incidental contingencies generally may be ignored. A contingency relating to the amount of a payment is incidental if, under all reasonably expected market conditions, the potential amount of the payment is insignificant relative to the total expected amount of the remaining payments on the debt instrument. A contingency relating to the timing of a payment is incidental if, under all reasonably expected market conditions, the potential difference in the timing of the payment is insignificant. The determination of whether a single payment schedule is significantly more likely than not to occur, or whether a contingency is remote or incidental, is made for each Note.

Each Note provides for one or more alternative payment schedules because the Issuer is obligated to make payments on a Note only to the extent that it receives payments on the Student Loans, less the discharge of certain fees and expenses. The payment schedule for each Note provides for payments of principal and the payment of interest on the Note up to the Accrued Interest Balance. Each Note is expected to provide a return at the Target Interest Rate, which is a fixed margin above a variable rate of return, to the Noteholders. The terms of the Note will specify Payment Dates pursuant to 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 Student Loans. Interest will be payable following the payment of certain fees and expenses and will be payable up to the Accrued Interest Balance. Notwithstanding such contingencies, the Issuer intends to use the payment schedule of a Note to determine the amount and accrual of OID on the Note because it believes that a Note is significantly more likely than not to be paid in accordance with such payment schedule and/or the likelihood of non-payment, additional early repayment or late payment on the Student Loans corresponding to such Notes will be remote or incidental. If in the future, based on the experience of the Issuer or for any other reason, the Issuer determines that the previous sentences do not apply to a Note, the Issuer anticipates that it will be required to determine the amount and accrual of OID for such Note pursuant to the rules applicable to contingent payment debt instruments, which are described below, and the Noteholders will be notified.

OID on a Note will equal the excess of the Note's "stated redemption price at maturity" over its "issue price." The stated redemption price at maturity of a Note includes all payments of principal and stated interest on the Note under the payment schedule of the Note. The issue price of a Note will generally equal the principal amount of a Note.

The amount of OID includible in a U.S. Holder's income for a taxable year is the sum of the "daily portions" of OID with respect to the Note for each day during the taxable year in which the Noteholder held the Note. The daily portion of OID is determined by allocating to each day of any accrual period within a taxable year a pro rata portion of an amount equal to the product of such Note's adjusted issue price at the beginning of the accrual period and its yield to maturity (properly adjusted for the length of the period). The adjusted issue price of a Note at the beginning of any accrual period should be its issue price, increased by the aggregate amount of OID previously accrued with respect to the Note, and decreased by any payments of principal and interest previously made on the Note. A Note's yield to maturity should be the discount rate that, when used to compute the present value of all payments of principal and interest to be made on the Note under the payment schedule of the Note, produces an amount equal to the issue price of such Note.

Cash payments of interest and principal under the payment schedule on the Notes will not be separately included in income, but rather will be treated first as payments of previously accrued but unpaid OID and then as payments of the Note's principal.

#### **14.3.4 Sale, Retirement or Other Taxable 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. In general, the U.S. Holder's adjusted tax basis in the Note will equal the cost for the Note, increased by any OID and market discount previously included in gross income by the U.S. Holder, as discussed below, and reduced by any payments previously received by the U.S. Holder in respect of the Note.

Except with respect to a contingent payment debt instrument, generally, a U.S. Holder's gain or loss on the taxable disposition of the Note will be long-term capital gain or loss if the Note has been held for more than one year. The deductibility of capital losses is subject to limitations under the Code. Certain U.S. Holders who are individuals, estates or trusts may be required to pay an additional 3.8% net investment income tax on, among other things, interest on and capital gains from the sale or taxable disposition of the Notes. If you are a US Holder that is an individual, estate or trust, you are urged to consult your tax advisers regarding the applicability of the net investment income tax to your income and gains in respect of the Notes.

#### **14.3.5 Early repayments**

If the Issuer prepays a Note in full, the Note will be treated as retired and, as described above, the Noteholder generally will have gain or loss equal to the difference, if any, between the amount realized upon the retirement of the Note and the Noteholder's adjusted tax basis in the Note. If a Noteholder is prepaid in part, a portion of the Note will be treated as retired. Generally, for purposes of determining (i) the Noteholder's gain or loss attributable to the portion of the Note retired, and (ii) the Noteholder's OID accruals on the portion of the Note remaining outstanding, the adjusted issue price, the adjusted tax basis, and the accrued but unpaid OID of the Note, determined immediately before the early repayment, will be allocated between the two portions of the Note based on the portion of the Note that is treated as retired. The yield to maturity of a Note is not affected by a partial early repayment.

#### **14.3.6 Nonpayment of Loans Corresponding to the Notes**

In the event that the Issuer does not make scheduled payments on a Note as a result of non-payment on the Student Loan corresponding to the Note, the Noteholder must continue to accrue and include OID on a Note in taxable income until the initial maturity date, except as described below. Solely for purposes of the OID rules, the Note may be treated as retired and reissued on the scheduled payment date for an amount equal to the Note's adjusted issue price on that date. As a result of such reissuance, the amount and accrual of OID on the Note may change. At the time of the deemed reissuance, due to non-payment on the Student Loans, the Issuer may not be able to conclude that it is significantly more likely than not that the Note will be paid in accordance with one payment schedule and/or that the likelihood of future non-payment, early repayment, or late payment on the Student Loans corresponding to such Note will be remote or incidental. Accordingly, the Note may become subject to the contingent payment debt instrument rules (which are discussed in more detail below) even if the Note was not subject to these rules at the time of original issue. If the Issuer determines that a Note is subject to the contingent payment debt instrument rules as a result of such a reissuance, the Issuer will notify the Noteholders and provide the projected payment schedule and comparable yield.

If collection on a Note becomes doubtful, a Noteholder may be able to stop accruing OID on the Note. Under current IRS guidance, it is not clear whether a U.S. Holder may stop accruing OID if scheduled payments on a Note are not made. A Noteholder should consult his/her own tax advisor regarding the accrual and inclusion of OID in income when collection on a Note becomes doubtful.

#### **14.3.7 Losses as a Result of Worthlessness**

In the event that a Note becomes wholly worthless, if a Noteholder is an individual, and he/she did not acquire the Note as part of his/her trade or business, the Noteholder generally should be entitled to deduct his/her loss on the Note as a short-term capital loss in the taxable year the Note becomes wholly worthless. The portion of the loss attributable to accrued but unpaid OID may be deductible as an ordinary loss, although such treatment is not entirely free from doubt. Under Section 166 of the Code, if the Noteholder is a corporation, or if the Noteholder is an individual and he/she acquired the Notes as part of a trade or business, the Noteholder should be entitled generally to deduct any loss sustained during the taxable year on account of a Note becoming wholly or partially worthless as an ordinary loss.

A Noteholder should consult his/her own tax advisor regarding the character and timing of losses attributable to Notes that become worthless in whole or in part.

#### **14.3.8 Potential Characterization as Contingent Payment Debt Instruments**

As discussed above, to the extent the Issuer determines that a Note is not subject to the contingent payment debt instrument rules, such determination is not binding on the IRS or a court of competent jurisdiction and it cannot be predicted what the IRS or a court would decide ultimately with respect to the proper U.S. federal income tax treatment of a Note. Accordingly, there exists a risk that the IRS or a court could determine that the Notes constitute “contingent payment debt instruments” because payments on the Notes are linked to performance on the Student Loans.

To the extent a Note is characterized as a contingent payment debt instrument, or in the future, the Issuer concludes that a Note is subject to the contingent payment debt instrument rules, the Note would be subject to the special rules applicable to contingent payment debt instruments. If these rules were to apply, the Noteholder would generally be required to accrue interest income under the non-contingent bond method. Under this method, interest would be taken into account whether or not the amount of any payment is fixed or determinable in the taxable year. The amount of interest that would be taken into account generally would be determined by constructing a hypothetical non-contingent bond, which is based on a “comparable yield” (generally, a hypothetical yield to be applied to determine interest accruals with respect to the Note, and which can be no less than the applicable federal rate) and a “projected payment schedule” (generally, a series of projected payments, the amount and timing of which would produce a yield to maturity on that Note equal to the comparable yield). Based on the comparable yield and the projected payment schedule, the Noteholder will be required to accrue as OID the sum of the daily portions of interest for each day in the taxable year that the Noteholder held the Note, adjusted to reflect the difference, if any, between the actual and projected amount of any contingent payments on the Note. The daily portions of interest are determined by allocating to each day in an accrual period the rateable portion of interest that accrues in such accrual period. The amount of interest the Noteholder may accrue under this method could be higher or lower than the stated interest rate on the Note. In addition, any gain recognized on the sale, exchange or retirement of the Note generally will be treated as ordinary interest income, and any loss will be treated as ordinary loss to the extent of prior OID inclusions, and as capital loss thereafter.

#### **14.3.9 Backup Withholding and Information Reporting**

##### ***Payments of Principal and Interest***

If you are a non-corporate U.S. Holder, information reporting requirements (on Internal Revenue Service Form 1099) generally will apply to payment of principal and interest (including OID) on the Notes within the United States (including payments made by wire transfer from outside the United States to an account you maintain in the United States).

Additionally, “backup withholding” will apply to such payments if you are a non-corporate U.S. Holder that (i) fails to provide an accurate taxpayer identification number (ii) is notified by the Internal Revenue Service that you have failed to report all interest and dividends required to be shown on your federal income tax returns, or (iii) in certain circumstances, fails to comply with applicable certification requirements (currently at a 28% rate) on such payments if the U.S. Holder (a) does not furnish or fails to provide his/her correct taxpayer identification number, (b) the Issuer has been instructed by the IRS to backup withhold because of underreporting (generally meaning that the IRS has determined and notified the Noteholder that the Noteholder has failed to report any reportable dividend and interest payments required to be shown on a tax return for a taxable year), or (c) in certain circumstances, the Noteholder has failed to comply with applicable certification requirements or otherwise establish an exemption from backup withholding.

##### ***Proceeds from the Sale of a Note***

Payment of the proceeds of the sale of a Note at an office of a United States person or at the Office of a non-United States person within the United States generally will be subject to information reporting and, if applicable, backup withholding.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability provided the required information is furnished to the IRS on a timely basis. A U.S. Holder should consult his/her tax advisor regarding the application of information reporting and backup withholding rules in his/her particular situation, the availability of an exemption, and the procedure for obtaining such an exemption, if applicable.

#### **14.3.10 U.S. State and Local Income and other Tax Considerations**

In addition to the U.S. federal income tax consequences described above, prospective U.S. Holders of the Notes should consider the U.S. state and local income tax consequences of the acquisition, ownership and disposition of the Notes. State and local income tax law may differ substantially from the corresponding federal tax law, and this Base Prospectus does not purport to describe any aspect of the income tax laws of any U.S. state or municipality. It also does not address any non-income tax considerations such as estate tax. Therefore, prospective U.S. Holders of the Notes should consult their own tax advisors with respect to the various tax consequences of investments in the Notes.

**The above summary does not discuss all aspects of United States federal income taxation that may be relevant to a U.S. Holder in light of that U.S. Holder's particular circumstances and income tax situation. Before purchasing the Notes, you should consult with your own tax advisor as to the specific tax consequences that would result from your ownership and disposition of the Notes, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in federal or other tax laws.**



## 15 SUBSCRIPTION, SALE AND TRANSFER RESTRICTIONS

### 15.1 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.*

#### **Public Offer Selling Restrictions under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), neither the Issuer nor any entity acting on its behalf has made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State, other than:

- 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 3(2) of the Prospectus Directive in that Relevant Member State (a Public Offer), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of the Public Offer;
- b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Issuer for such offer; or
- d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

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

### 15.2 United Kingdom

Each of the Issuer and any entity acting on its behalf agree that:

- (i) 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;

- (ii) 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
- (iii) 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.

### **15.3 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 SEC 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 investor in the Notes will not be entitled to the benefits of that Act. It is contemplated that any U.S. Person 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 State “Blue Sky” laws. It is further contemplated that all purchases of Notes shall be made by an eligible U.S. investor through a registered U.S. broker dealer which will, in the case of a Rule 506(c) offering, 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 SEC 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 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 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 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 a net worth at the time of subscription 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 (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; and (v) a corporation, business trust or partnership not formed for the purpose of making the investment in the Notes (x) which has total assets in excess of \$5,000,000 USD, or (y) in which all of the equity owners are qualified 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, including plans established by a state or its political

subdivisions or any agency or instrumentality of a state or its political subdivisions for the benefit of employees, 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 investing in the Notes will be required to confirm to the Issuer and 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 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 a 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 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 US State regulatory authority that may be required in connection with the sales of Notes to US 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 be deemed to 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, 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” 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 the Irish Stock Exchange, and (ii) for the offer and sale of the Notes in the United States to U.S. Persons 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 except as permitted by and in accordance with the provisions of SEC 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 SEC 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.]

### **15.4 General**

Save as described under “*Public Offer Restrictions under the Prospectus Directive*” above, 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 FINANCIAL GUARANTEE

Series of Notes may benefit from a partial financial guarantee in respect of the underlying Student Loans backing that Series from either an Eligible Institution in respect of that Series or an entity related to such an Eligible Institution.

The Final Terms for each Series will specify whether a financial guarantee applies in respect of that Series and, if it does, the Eligible Institution or entity related to the Eligible Institution that is the financial guarantor (the "**Financial Guarantor**")

The total amount payable by the Financial Guarantor will be limited to an amount specified in the Final Terms of any Series that benefits from a financial guarantee as the "Guaranteed Amount" (the "**Guaranteed Amount**"). This Guaranteed Amount will be the aggregate amount that the Issuer may require the Financial Guarantor to pay by making demands (when permitted) on the financial guarantee.

The terms of the financial guarantee may restrict the entitlements of the Issuer to make a demand on the Financial Guarantor (each, a "**Demand Restriction**") as follows:

**"Amounts Due"** restriction: The Issuer may only demand payment of amounts due for payment and unpaid by Borrowers on Student Loans that secure the Series at the time the demand is made.

**"All Defaulted Amounts"** restriction: The Issuer may only demand payment of amounts on Student Loans that secure the Series that are more than 270 days overdue for payment at the time that the demand is made ("**Defaulted Amounts**").

**"Defaulted Amounts over agreed default tolerance"** restriction: The Issuer may only demand the amount by which all Defaulted Amounts exceed a specified percentage of the total amount advanced to Borrowers in respect of Student Loans that secure the Series at the time that the demand is made.

The Final Terms for the Series will specify the Demand Restriction that may apply if the Series benefits from a financial guarantee. If the Demand Restriction applies until all Defaulted Amounts exceed an agreed default tolerance, the Final Terms will specify a percentage amount of all amounts advanced to Borrowers on Student Loans that secure the Series that may become Defaulted Amounts without a liability resulting for the Financial Guarantor under the financial guarantee. Where demands on an applicable financial guarantee are restricted in this way, the Financial Guarantor can only ever be liable to pay Defaulted Amounts in excess of this specified percentage of advanced amounts.

The terms of the financial guarantee may stipulate that there will only be recourse to the Financial Guarantor to the extent of specified assets of the Financial Guarantor. In particular, where the Financial Guarantor will invest as a noteholder in the Series guaranteed by the Financial Guarantor or another Series in respect of which the Financial Guarantor is either an Eligible Institution or a related entity of an Eligible Institution, the terms of the Financial Guarantee may limit recourse to the Financial Guarantor to all or part of the interest and/or principal payments received by the Financial Guarantor on its investment in the Series in which the Financial Guarantor has invested. If the Financial Guarantor benefits from a recourse limitation, the Final Terms for the Series guaranteed by the Financial Guarantor will specify that fact and describe the recourse limitation.

## 17 FORM OF FINAL TERMS

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 ([www.ise.ie](http://www.ise.ie)).

### MBA COMMUNITY LOANS PLC

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

## €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 Conditions set forth in the Base Prospectus dated 14 August 2017 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein. These Final Terms have been prepared for the purposes of Article 5(4) of the Prospectus Directive and must be read in conjunction with the Base Prospectus [together with the supplement to the Base Prospectus 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 Prospectus. The Base Prospectus is available for viewing at the offices of Prodigy Finance Limited during normal office hours. The Base Prospectus is also published on the website of the Irish Stock Exchange ([www.ise.ie](http://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 Conditions (the **Conditions**) set forth in the Base Prospectus dated [5 September 2014]/ [12 August 2015]/[29 July 2016]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus dated 14 August 2017 save in respect of the Conditions which are extracted from the Base Prospectus dated [5 September 2014]/[12 August 2015]/[29 July 2016]. 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 14 August 2017 and [5 September 2014]/[12 August 2015]/[29 July 2016]. Copies of such Base Prospectuses are available for viewing at the offices of Prodigy Finance Limited during normal office hours. The Base Prospectus is also published on the website of the Irish Stock Exchange ([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.]*

*[When adding any other information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

- |    |                     |                         |
|----|---------------------|-------------------------|
| 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 Notional Amount: [●] 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 ISE (www.ise.ie) after the expiration of the Offer Period.]
- Series: [●] [As above]
- [Tranche:
5. Issue Date: [●] or such other date as will be specified in an announcement to be published on the website of the ISE (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. In Specie Subscription: [Applicable/Not Applicable]
11. Method of distribution: Directly to investors
12. Governing law: Irish

#### PROVISIONS RELATING TO INTEREST PAYABLE

13. 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).

14. Payment Date(s):
15. Calculation Date(s): As described in Condition 1
16. Base Rate: [[ ] [day/week/month] [EURIBOR / USD LIBOR / LIBOR] / [US Prime Lending Rate] / [Bank of England Base Rate]
17. Target Interest Rate: [●% above the Base Rate or ●% where the Base Rate has a negative value]
18. Interest Periods: As described in Condition 1
19. Target Day Count Fraction: As described in Condition 1
20. Target Interest Rate Determination Date(s): As described in Condition 1
21. Target Interest Rate Determination Basis: As described in Condition 1

**PROVISIONS RELATING TO PRINCIPAL PAYMENTS / PARTIAL REDEMPTION**

22. 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 4.2.

**PROVISIONS RELATING TO FINAL REDEMPTION**

23. Issuer's Option to Extend Maturity (Condition 7.4): [Yes/No]

**GENERAL PROVISIONS APPLICABLE**

24. Form of Notes: Registered
- Certificate: [Permanent Global Certificate exchangeable for Certificates on [●] days' notice/at any time/in the circumstances specified in the permanent Global Certificate] / [Individual Certificates]

**PROVISIONS RELATING TO FINANCIAL GUARANTEE**

25. Financial Guarantee: [Applicable/Not Applicable]
26. Financial Guarantor [Specify]/[Not Applicable]
27. Demand Restriction [Not Applicable] / [Amounts Due]/[All Defaulted Amounts]/[Defaulted Amounts over ●%]
28. Guaranteed Amount: [Not Applicable] / [Specify]

29. Recourse Limitation: [Not Applicable]/[Applicable, recourse to the Financial Guarantor's assets is limited to [Specify]]

#### PROVISIONS RELATING TO STUDENT LOANS

30. Eligible Institutions: [Specify] / [one, some or all of the institutions specified as "Eligible Institutions" in the "Eligible Institutions and Courses" section of Section 5 "Loan Origination Process" of the Base Prospectus.

31. Eligible Courses: [Specify]

32. Acquisition Period: The period beginning on the Issue Date and ending [●].

33. Overcapitalisation Level: [Specify percentage figure]/ [not applicable]

34. Borrower life cover requirements: [Not Applicable]/[Group life cover policy underwritten by Sagacor Life]/ [Specify]

35. Permitted loan purposes: [Payment of tuition fees only] [Payment of tuition fees and living and related expenses] [Payment of tuition fees or refinancing loan borrowed to pay tuition fees] [Payment of tuition fees and living and related expenses and/or refinancing loan borrowed for any such purpose.]

36. Loan advance arrangements: [Tuition fees to be paid to Eligible Institution]/[Tuition fees and living and related expenses to be paid to Eligible Institution]/[Tuition fees to be paid to Eligible Institution and living and related expenses to be paid to Borrower]/[ Amount of the Student Loan that repays a student loan made to the Borrower to be paid to the third party lender of that student loan]

37. Refinancing of student loan [Applicable]/[Not Applicable]

38. Student Geographic Concentration: [Not expected]/ [Students expected to be from [specify geographic area]].

#### PROVISIONS RELATING TO FEES AND EXPENSES

39. Placing Agency Fee: [●]

40. Origination Fee: [●]

41. Servicing and Management Fee: [●]

#### [PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to trading on [Main Securities Market of the Irish Stock Exchange]] 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[es] [and the Supplemental 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] [Austria], [Belgium], [Bulgaria], [Cyprus], [Denmark], [Estonia], [Finland], [France], [Germany], [Greece], [Hungary], [Italy], [Latvia], [Lithuania], [Luxembourg], [Malta], [Norway], [Poland], [Portugal], [Romania], [Slovenia], [Slovak Republic], [Spain], [Sweden], [the Czech Republic], [the Netherlands] and [the United Kingdom] with effect from [●]]/ [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] 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 Main Securities Market of the Irish Stock Exchange] with effect from [●].] / [Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [Main Securities Market of the Irish Stock Exchange] with effect from [●].]

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

### 2. NOTIFICATION

[The Central Bank of Ireland [has been requested to provide/has provided the [names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.] [Not Applicable]

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

[Save for any fees payable to the Loan Originator, the Loan 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)*

### 4. 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”.)*

## 5. HISTORIC INTEREST RATES *(Floating Rate Notes only)*

Details of historic [Base Rate] rates can be obtained from [●].

## 6. 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: Capita Trust Company Limited.

## 7. DISTRIBUTION

- (i) Public Offer: [Not Applicable] [An offer of the Notes may be made by the Placing Agent and the other Authorised Offerors identified in paragraph (ii) below other than pursuant to Article 3(2) of the Prospectus Directive 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] (**Public Offer Jurisdictions**) during the Offer Period. See further Paragraph 8 of Part B below.

*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Public Offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified/passported.)*

(ii) Authorised Offerors

The financial intermediaries specified below and any additional financial intermediaries who obtain the Issuer's consent to use the Base Prospectus in connection with the Public Offer and which are identified on the website of Prodigy Finance (<http://s3.prodigyfinance.com/authorised>).

**Specified Financial Intermediaries**

[Specify / Not Applicable]



## 8. TERMS AND CONDITIONS OF THE OFFER

[Offer Price:]	[Issue Price][ <i>specify</i> ]
[Conditions to which the offer is subject:]	[Not Applicable/ <i>give details</i> ]
[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 ISE ( <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> ]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not Applicable/ <i>give details</i> ]
[Whether tranche(s) have been reserved for certain countries:]	[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> ]

## 18 ADDITIONAL DEFINITIONS

*Set out below are terms which are used and defined within the Base Prospectus but not defined in the Conditions.*

<b>“Account Bank”</b>	has the meaning given to it in Section 5 <b>“Loan Origination and Sale Process”</b> of this Base Prospectus in the sub-section entitled "Overview of Origination and Sale Process".
<b>“Grace Period”</b>	has the meaning given to it in Section 2 <b>“Risks”</b> of this Base Prospectus in the sub-section entitled “Credit Risk”.
<b>“Letter of Interest”</b>	means the form of the letter of interest entered into by a prospective investor in respect of the Notes.
<b>“Public Offer Jurisdiction”</b>	means each jurisdiction in which a Public Offer of Notes of each Series may be made as specified in the relevant Final Terms.
<b>“Repayment Period”</b>	has the meaning given to it in Section 3 <b>“Investor Return”</b>
<b>“Series Account”</b>	has the meaning given to it in Section 5 <b>“Loan Origination and Sale Process”</b> of this Base Prospectus in the sub-section entitled <b>“Overview of Origination and Sale Process”</b> .

## 19 GENERAL INFORMATION

### General

Audited financial statements for the period, for the financial years ended 7 July 2015 (prepared in accordance with Irish GAAP) and 7 July 2016 (prepared in accordance with IFRS) and unaudited financial statements for the six month periods ended 7 January 2016 and 7 January 2017 (in each case, prepared in accordance with IFRS) have been approved by the Board of Directors and are incorporated herein. As the Issuer has changed the accounting principles used in preparation of its financial statements from Irish GAAP to IFRS with effect from 8 July 2015, IFRS comparative information (provided on an unaudited basis) for the financial year ended 7 July 2015 is also 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 was duly authorised by a resolution of the Board of Directors of the Issuer dated 2 August 2017.

### Listing of Notes on the Irish Stock Exchange

It is expected that each Series of Notes which is to be admitted to the Official List of the Irish Stock Exchange will be admitted separately as and when issued, subject only to the issue of the Certificate initially representing the Notes of such Tranche. The listing of the Programme in respect of Notes is expected to be granted on or around 14 August 2017. 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 €4,000.

### Significant or Material Change

There has been no significant change in the financial position of the Issuer since the date of the latest unaudited financial statements incorporated herein and no material adverse change in the financial position or prospects of the Issuer since that date. 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 Memorandum and Articles of Association of the Issuer;
- (b) the 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 Company dated 29 March 2011, 15 May 2012, 15 January 2013, 28 January 2014, 5 September 2014, 12 August 2015 and 29 July 2016.
- (e) the Agency Agreement;
- (f) any Financial Guarantee applicable to outstanding Notes.
- (g) any future prospectuses, offering circulars, information memoranda and supplements including Final Terms to this Base Prospectus;
- (h) audited financial statements for the period, for the financial years ended 7 July 2015 (prepared in accordance with Irish GAAP) and 7 July 2016 (prepared in accordance with IFRS) and the latest annual report of the Issuer (when published) in each case;
- (i) unaudited financial statements for the six month periods ended 7 January 2016 and 7 January 2017 (in each case, prepared in accordance with IFRS) and the latest interim report of the Issuer (when published); and
- (j) a set of the financial statements referenced at paragraph (h) for the financial year ended 7 July 2015 with a column setting out unaudited IFRS figures for comparative purposes.

#### Documents incorporated by reference

The following documents are incorporated by reference herein:

- (i) the base prospectuses of the Company dated 29 March 2011, 15 May 2012, 15 January 2013, 28 January 2014, 5 September 2014, 12 August 2015 and 29 July 2016 which are available on the website of the Irish Stock Exchange at  
<http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=449&FIELDSORT=fileDate>
- (ii) the audited financial statements for the financial year ended 7 July 2015 (prepared in accordance with Irish GAAP) and the latest annual reports of the Issuer (when published), together with a second unsigned copy of those accounts that includes a column setting out unaudited figures for that financial year end resulting from applying IFRS for comparative purposes, which are available on the website of Prodigy Finance [https://prodigy-files.s3.amazonaws.com/files/v2oRsbx5EXnE3XWajY\\_jlw/MBACL\\_financial\\_statements\\_7\\_July\\_2015\\_\\_audited\\_.pdf](https://prodigy-files.s3.amazonaws.com/files/v2oRsbx5EXnE3XWajY_jlw/MBACL_financial_statements_7_July_2015__audited_.pdf);
- (iii) the unaudited financial statements for the six month period ended 7 January 2016 (prepared in accordance with IFRS) and the interim report of the Issuer on that six month period, which are available on the website of Prodigy Finance [https://prodigy-files.s3.amazonaws.com/files/9LX6mMDrG1SiLsKUuf0AYg/MBACL\\_financial\\_statements\\_7\\_January\\_2016\\_\\_unaudited\\_.pdf](https://prodigy-files.s3.amazonaws.com/files/9LX6mMDrG1SiLsKUuf0AYg/MBACL_financial_statements_7_January_2016__unaudited_.pdf);
- (iv) the audited financial statements for the financial year ended 7 July 2016 (prepared in accordance with IFRS) and the annual report of the Issuer with respect to that financial year, which are available on the website of Prodigy Finance <https://prodigy->

[files.s3.amazonaws.com/files/ix5tycroy2aM6\\_HOa3zXQg/MBACL\\_financial\\_statements\\_7\\_July\\_2016\\_\\_audited\\_.pdf](https://prodigy-files.s3.amazonaws.com/files/ix5tycroy2aM6_HOa3zXQg/MBACL_financial_statements_7_July_2016__audited_.pdf);

- (v) The unaudited financial statement for the six month period ended 7 January 2017 (prepared in accordance with IFRS) and the latest interim report of the Issuer (when published), which are available on the website of Prodigy Finance [https://prodigy-files.s3.amazonaws.com/files/1kJ5vEbKwQqJshvSKclbg/MBACL\\_financial\\_statements\\_7\\_January\\_2017\\_\\_unaudited\\_.pdf](https://prodigy-files.s3.amazonaws.com/files/1kJ5vEbKwQqJshvSKclbg/MBACL_financial_statements_7_January_2017__unaudited_.pdf).

### 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 have been accepted for clearance through Euroclear and Clearstream (which are the entities responsible for keeping the records in respect of any Bearer Notes). 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 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 Public Offer 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.***



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