

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult your accountant, legal, professional or financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000.

A copy of this Prospectus, which comprises a prospectus relating to Funding Circle SME Income Fund Limited (the “Company”) in connection with the issue of Ordinary Shares and/or C Shares (the “Shares”) in the Company pursuant to the Share Issuance Programme, prepared in accordance with the Prospectus Rules of the FCA made pursuant to section 73A of the FSMA, has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

The Shares are only suitable for investors: (i) who understand and are willing to assume the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. It should be remembered that the price of the Shares and the income from them can go down as well as up.

Applications will be made for any Ordinary Shares and/or C Shares issued pursuant to the Share Issuance Programme to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. It is expected that any Admissions pursuant to the Share Issuance Programme will become effective and dealings will commence between 6 February 2017 and 5 February 2018.

The Company and the Directors accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.



Funding Circle SME Income Fund Limited

*(A company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended,
with registered no.60680)*

SHARE ISSUANCE PROGRAMME OF UP TO 500 MILLION ORDINARY SHARES AND/OR C SHARES IN AGGREGATE

Sole Global Co-ordinator, Bookrunner and Sponsor

NUMIS SECURITIES LIMITED

The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2015 issued by the Guernsey Financial Services Commission (“GFSC”).

Neither the GFSC nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Numis Securities Limited (“Numis”), which is authorised and regulated in the United Kingdom by the FCA, is acting as Sole Global Co-ordinator and Sponsor and is acting exclusively for the Company in connection with the Share Issuance Programme and other arrangements as described in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis or for advising any such person in connection with the Share Issuance Programme and other arrangements as described in this Prospectus. This does not limit or exclude any responsibilities which Numis and any other bookrunner appointed by the Company in connection with the Share Issuance Programme and other arrangements as described in this Prospectus may have under FSMA or the regulatory regime established thereunder.

In connection with the Share Issuance Programme, Numis and any of its Affiliates acting as an investor for its or their own account(s), may subscribe for the Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with

Share Issuance Programme or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Numis and any of its Affiliates acting as an investor for its or their own account(s). Numis does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements or undue burden on the Company, Funding Circle or Numis, and in particular, this Prospectus may not be published, distributed or transmitted by any means or media, directly or indirectly in whole or in part, in or into Australia, Canada, Japan, the Republic of South Africa or the United States.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “*US Securities Act*”), or with any securities regulatory authority of any State or other jurisdiction of the United States and the Shares may not at any time be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act). The Shares are being offered and sold solely outside the United States to non-US Persons in reliance on Regulation S under the US Securities Act. The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “*US Investment Company Act*”), and investors will not be entitled to the benefits of the US Investment Company Act.

The attention of potential investors is drawn to the Risk Factors set out on pages 22 to 47 of this Prospectus.

This Prospectus is dated 6 February 2017.

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SUMMARY

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

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

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

Section A – Introduction and warnings		
Element	Disclosure Requirement	Disclosure
A.1	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the Shares should be based on consideration of this Prospectus as a whole by prospective investors. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary (including any translation thereof), but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Use of prospectus by financial intermediaries	Not applicable. The Company has not given consent to the use of this document for subsequent re-sale or final placement of the Shares by financial intermediaries.
Section B – Issuer		
Element	Disclosure Requirement	Disclosure
B.1	Legal and Commercial Name	The issuer's legal and commercial name is Funding Circle SME Income Fund Limited.
B.2	Domicile /Legal Form / Legislation / Country of Incorporation	The Company was incorporated with liability limited by shares in Guernsey under the Companies Law, on 22 July 2015 with registration number 60680 and is a Registered Closed-ended Collective Investment Scheme declared pursuant to the POI Law and the Rules issued by the GFSC.
B.5	Company structure	Not applicable. The Company is not part of a group.

B.6	Major shareholders	Insofar as the Company has been notified under the DGTRs of the FCA, as at 31 December 2016, the names of each person who directly or indirectly has an interest in 5.0 per cent. or more of the Company's issued share capital, and the amount of such person's interests are as follows: <table> <tr> <th>Name</th><th>Number of Shares held</th><th>% of Shares held</th></tr> <tr> <td>Invesco Asset Management</td><td>48,131,639</td><td>29.28</td></tr> <tr> <td>Railways Pension Investment Limited</td><td>32,739,239</td><td>19.92</td></tr> <tr> <td>SG Hambros Bank</td><td>14,831,317</td><td>9.02</td></tr> <tr> <td>Blackrock Investment Mgt (UK).....</td><td>13,115,976</td><td>7.98</td></tr> <tr> <td>Aberdeen Asset Management</td><td>11,363,124</td><td>6.91</td></tr> </table> All shareholders have the same voting rights. As at the date of this Prospectus, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.	Name	Number of Shares held	% of Shares held	Invesco Asset Management	48,131,639	29.28	Railways Pension Investment Limited	32,739,239	19.92	SG Hambros Bank	14,831,317	9.02	Blackrock Investment Mgt (UK).....	13,115,976	7.98	Aberdeen Asset Management	11,363,124	6.91									
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B.7	Historical financial information	Selected historical financial information regarding the Company which summarises the results of operations and the financial condition of the Company for the period from the Company's incorporation to the financial period ended 31 March 2016 as well as the half-yearly period for the six months ended 30 September 2016, which has been extracted without material adjustment from the audited financial statements of the Company for the financial period ended 31 March 2016 and the unaudited half-yearly financial statements of the Company for the six months ended 30 September 2016, is set out below. In accordance with IFRS, the Company reported to 31 March 2016 and 30 September 2016 (and expects to continue to report) on a basis which consolidated its financials with those of the UK IrishCo and the CE IrishCo. This treatment is deemed appropriate because the Company is exposed to, and has the rights to, variable returns from these entities and additionally is considered under IFRS 10 to exercise control over these entities as it has the ability to affect the variable returns. <table> <tr> <th></th><th>Annual Report and consolidated financial statements for period ended 31 March 2016 (£)</th><th>Six months ended 30 September 2016 (£)</th></tr> <tr> <td>Loans advanced</td><td>94,764,065</td><td>151,903,794</td></tr> <tr> <td>Total assets</td><td>152,354,560</td><td>167,821,176</td></tr> <tr> <td>Total liabilities</td><td>4,077,943</td><td>4,128,202</td></tr> <tr> <td>Net assets</td><td>148,276,617</td><td>163,692,974</td></tr> <tr> <td>Net asset value per Ordinary Share</td><td>98.85p</td><td>105.45p</td></tr> <tr> <td colspan="3">Earnings and Dividends</td></tr> <tr> <td>Earnings per Ordinary Share (pence).....</td><td>0.85</td><td>3.46</td></tr> <tr> <td>Dividends per Ordinary Share (pence).....</td><td>—</td><td>2.63</td></tr> </table>		Annual Report and consolidated financial statements for period ended 31 March 2016 (£)	Six months ended 30 September 2016 (£)	Loans advanced	94,764,065	151,903,794	Total assets	152,354,560	167,821,176	Total liabilities	4,077,943	4,128,202	Net assets	148,276,617	163,692,974	Net asset value per Ordinary Share	98.85p	105.45p	Earnings and Dividends			Earnings per Ordinary Share (pence).....	0.85	3.46	Dividends per Ordinary Share (pence).....	—	2.63
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		The following describes the significant changes to the Company's financial condition and operating results during and subsequent to the period covered by the historical financial information: • On 17 June 2016, the Company declared its maiden dividend of 1 pence per share. • On 20 July 2016, the Company announced the placing of 14,285,000 Ordinary Shares at a price of £1.0153, raising gross proceeds of £14,503,561. • On 14 September 2016, the Company declared a dividend of 1.625 pence per share and offered shareholders a choice to receive the dividend in cash or in shares via a scrip dividend. • On 31 October 2016, the Company announced that a further 75,698 Ordinary Shares were issued as a result of a scrip dividend alternative. • On 15 December 2016, the Company declared a dividend of 1.625 pence per share and offered shareholders a choice to receive the dividend in cash or in shares via a scrip dividend. • On 31 January 2017, the Company announced that a further 609,365 Ordinary Shares were issued as a result of a scrip dividend alternative.
B.8	<i>Pro forma</i> financial information	Not applicable, there is no <i>pro forma</i> financial information in this Prospectus.
B.9	Profit forecast	Not applicable, there are no profit forecasts included in this Prospectus.
B.10	Qualifications in the audit report	Not applicable, the audit report on the historical financial information, incorporated by reference in this Prospectus, does not contain any qualifications.
B.11	Working capital insufficiency	Not applicable, the Company is of the opinion that the working capital available to it is sufficient for the Company's present requirements, that is, for at least the next 12 months from the publication date of this Prospectus.
B.34	Investment policy	Investment Objective The Company's¹ Investment Objective is to provide Shareholders with a sustainable and attractive level of dividend income, primarily by way of investment in Credit Assets both directly through the Marketplaces and indirectly, in each case as contemplated by the Investment Policy. Investment Policy The Company endeavours to achieve its Investment Objective by investing in a diversified portfolio of Credit Assets, both directly and indirectly. The Company endeavours to hold Credit Assets through to maturity (subject to the making of indirect investments as described below). <i>Credit Assets</i> Credit Assets are loans, debt or credit instruments of any type originated through any of the Marketplaces. The type of loans or debt or credit instruments available through the Marketplaces may

¹ References to the Company in the context of the Investment Objective and Investment Policy include the indirect application thereof through the IrishCos.

		vary from time to time, and Funding Circle may in the future acquire, establish and/or operate Marketplaces in addition to its existing Marketplaces. In October 2015, Funding Circle acquired an operator of business lending marketplaces in Germany, Spain and the Netherlands. On 14 March 2016 the Company announced the commencement of the purchasing of loans originated by the CE Marketplaces, although Funding Circle announced on 18 January 2017 that it no longer intended to originate further loans through the Spanish Marketplace in order to focus its resources on Germany and the Netherlands. When Funding Circle determines that any new Marketplace may be suitable for receiving investments from the Company (for example, when any such Marketplace is operational and is able to facilitate investment in Credit Assets by the Company in a manner consistent with this Prospectus), then Funding Circle may propose to the Company the terms and documentation on which investments in Credit Assets originated through such Marketplace shall be made (subject always to the Allocation Limits, below). The determination as to whether to proceed with investment in Credit Assets originated through a Marketplace other than the existing Marketplaces will be made by the Board (subject to the working capital requirements of the Company), and may be subject to other requirements to the extent that the relevant origination and servicing arrangements constitute “related party transactions” for the purposes of the Listing Rules (it being noted that it is currently intended that the aggregate remuneration payable to Funding Circle (or other persons which are “related parties” of the Company for the purposes of the Listing Rules) will not exceed 5 per cent. of the Company’s NAV per annum, such that the modified requirements for smaller related party transactions will be applicable). <i>Direct Investment in Credit Assets</i> Pursuant to the Origination Agreements, the Company is obliged to acquire all Qualifying Credit Assets originated through the Marketplaces which are randomly allocated to the Company on each Business Day. <i>Indirect Investment in Credit Assets</i> In addition to direct investments in Credit Assets, the Company may, where the Board specifically determines and approves, invest indirectly in Credit Assets by means of the creation of, or participation in, securitisation or similar structures or instruments alongside third parties (which may include, without limitation, collective investment vehicles, special purpose vehicles, institutional investors, commercial banks or supra-national agencies and government institutions). The Board may determine to pursue indirect investment in Credit Assets for such reasons as it deems appropriate having regard to the Investment Objective. Indirect investment in Credit Assets may be undertaken by such means, and through investment in such instruments or securities, as the Board may approve. This may include (without limitation) the following techniques: • The acquisition, alongside one or more third parties, of debt or equity securities of whatever type or class (including in junior tranches, which may include the risk retention tranche in respect of a securitisation transaction) issued by special purpose vehicles or issuers established by any person (including Funding Circle and/or its Affiliates) in respect of the securitisation of underlying Credit Assets which have not previously been funded or held by the Company (or the IrishCos).
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		• The securitisation by the Company (or the IrishCos) of Credit Assets initially funded or held by the Company (or the IrishCos) through the formation of a bankruptcy remote SPV and the issuance by that entity of certain asset backed securities secured on the assets within that SPV. Those asset backed securities may be acquired by one or more third parties, as well as by the Company (or the IrishCos) which may acquire debt or equity securities of whatever type or class (including in junior tranches, which may include the risk retention tranche in respect of a securitisation transaction) so issued. In either of the above scenarios, the relevant SPV used for securitisation will be ring-fenced from other SPVs or entities investing in or holding Credit Assets, and there will be no cross-collateralisation between SPVs in which the Company invests. The Board (and, to the extent involving an IrishCo, the respective IrishCo Board) will only approve the making of any indirect investment, however structured, if it is first satisfied that the making of such indirect investment will not result at the time of making the investment in a breach, on a “look-through” basis, of the Investment Policy (including the Allocation Limits, the borrowing limitations and the other restrictions described herein) or any Portfolio Limits. Where indirect investment in Credit Assets is made alongside third party participants, such that the Company is not the sole (indirect) owner of the relevant Credit Assets, the Investment Policy and any Portfolio Limits will be applied to the relevant indirect investments on a <i>pro rata</i> basis, proportionate to the Company’s indirect interest in the underlying Credit Assets. Investment in indirect investments is also subject to the Company (or the relevant IrishCo, as the case may be) having sufficient Available Cash. As noted above, Funding Circle may (where it is lawfully able so to do) participate in the structuring, establishment and operation of vehicles established in connection with indirect investment in Credit Assets and may earn and retain remuneration or profits for performing any such role or service. It is anticipated that each relevant SPV will enter into service agreements with Funding Circle for the provision of services similar to those contemplated by the Servicing Agreements in the context of the Company’s portfolio of Credit Assets. Funding Circle does not currently arrange, advise on or manage any indirect investment in Credit Assets by the Company (or the relevant IrishCo) but the Board may agree (subject to applicable law and regulation at the time, and to any requirements of the Listing Rules including those governing related party transactions) to appoint Funding Circle to provide services in connection with indirect investments in future (where it is lawfully able to do so). <i>Allocation Limits</i> The Company invests in Credit Assets originated through the various Marketplaces (whether directly or indirectly) in each case subject to the Allocation Limits described below. The proportionate division between Credit Assets originated through the respective Marketplaces must fall within the ranges set out below. The actual proportion within the ranges is determined by Funding Circle UK (and communicated by Funding Circle UK to Funding Circle US, and other Funding Circle group entities, as appropriate) pursuant to the Services Agreement.
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		The Allocation Limits are set by Funding Circle UK within the following parameters: • <i>Credit Assets originated through the UK Marketplace:</i> Between 50 per cent. and 100 per cent. of GAV. • <i>Credit Assets originated through the US Marketplace:</i> Between 0 per cent. and 50 per cent. of GAV. • <i>Credit Assets originated through other Marketplaces:</i> Between 0 per cent. and 15 per cent. of GAV. The Board does not expect the weighting of Assets originated through the CE Marketplace to exceed 5 per cent. in the 12 months following publication of this Prospectus. In respect of both direct and indirect investments, Funding Circle allocates Credit Assets to the Company with regard to the Allocation Limits. <i>Transaction with European Investment Bank</i> In exercise of the Company's powers to make indirect investments, on 16 June 2016, the Company agreed to participate in a £125,000,000 structured finance transaction with the EIB. The Company participated as a junior noteholder in a new structure into which EIB provided senior finance. EIB advanced a senior, floating rate loan of £100,000,000 to the EIB Transaction IrishCo. Subject to there being no prior event of default or acceleration or enforcement event, the EIB Senior Loan may be drawn down over a period of 18 months. Interest accrues on the EIB Senior Loan at a floating rate equal to LIBOR (as defined in the EIB Finance Agreement) plus a spread per annum, and is payable monthly (during the drawdown period under the EIB Senior Loan) and quarterly (following the Availability Period) in accordance with the terms of the EIB Transaction Documents. As at the Latest Practicable Date, the EIB Transaction IrishCo has not entered into any interest rate swap or other hedging transaction in relation to the EIB Senior Loan (although both EIB and the Company have provided their consent to put in place an interest cap arrangement). Advances made under the EIB Senior Loan, to the extent not already pre-paid or repaid under the EIB Finance Agreement, shall be repaid in full on 16 June 2023. Any amounts drawn down under the EIB Senior Loan but not applied to fund Credit Assets (as described below) within 18 months after entering into the EIB Senior Loan (or, if earlier, the occurrence of an Acceleration Event or the breach of certain SME loan delinquency triggers) shall be repaid on the following payment date. The Company has subscribed for the Class B Notes. Interest shall accrue on the Class B Notes at a fixed rate of 20 per cent. per annum and is payable monthly during the Availability Period and thereafter on a quarterly basis in accordance with the terms of the EIB Transaction Documents. Unless previously redeemed, purchased or cancelled, the Class B Notes shall be redeemed in full at their principal amount on 16 June 2023. The EIB Transaction IrishCo was incorporated in the Republic of Ireland as a designated activity company limited by shares for the purpose of acquiring and investing in Credit Assets as described below. It is not an Affiliate of the Company. Advances under the EIB Senior Loan and the proceeds of the issue of the Class B Notes will be used by the EIB Transaction IrishCo to fund Credit Assets originated through the UK Marketplace that
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		satisfy certain concentration limits and eligibility criteria (including a prohibition on the EIB Transaction IrishCo from originating or acquiring Credit Assets relating to real property). As contemplated in this Prospectus, in respect of indirect investment in Credit Assets more generally, the Company and EIB Transaction IrishCo have respectively agreed, through the EIB Transaction, to invest in Credit Assets initially funded or held by the UK IrishCo (and subsequently transferred to the EIB Transaction IrishCo). Accordingly, at the initial closing of the transaction, in consideration of the Company's subscription for the Class B Notes, the UK IrishCo transferred certain sterling denominated Credit Assets which satisfied the concentration limits and eligibility criteria referred to above, with a value (based on the aggregate outstanding amount of principal and accrued but unpaid interest in respect of such Credit Assets), and taken together with a small balance of cash transferred by the Company to the EIB Transaction IrishCo, of £25,000,000. In approving the Company's and the UK IrishCo's participation in this indirect investment, the Board and the UK IrishCo Board have respectively satisfied themselves that the terms of the EIB Transaction were such that this indirect investment would not result in a breach, on a "look-through" basis, of the Investment Policy or any Portfolio Limits. Accordingly, as this indirect investment in Credit Assets was to be made alongside a third party participant (EIB), the Investment Policy and any Portfolio Limits will be applied to the relevant indirect investments on a <i>pro rata</i> basis, proportionate to the Company's indirect interest in the underlying Credit Assets. Whilst the borrowing or leverage by the EIB Transaction IrishCo does not count towards the borrowing limits applicable to the Company (as the EIB Transaction IrishCo is neither an Affiliate nor a Near Affiliate of the Company), the Board has required that such borrowing or leverage limits are applied indirectly, so that the Company will only hold such principal amount of Class B Notes so as to maintain the aggregate borrowing or leverage of the Company on a "look-through" basis at 50 per cent. or below. The risk and return profile of the Company's investment in (unlevered) Credit Assets differs from that of the investment in the Class B Notes, which are highly levered. In addition, the maximum aggregate percentage (by number) of Credit Assets originated on the UK Marketplace which can be randomly allocated to the Company (in respect of the Ordinary Shares and any future C Share issue) and to the EIB Transaction IrishCo, when measured over each calendar quarter, are less than 49 per cent. At 31 December 2016, £82 million had been drawn down pursuant to the EIB Transaction Documents, amounting to "look-through" fund leverage of 49.98 per cent. of the current NAV. <i>Uninvested Cash</i> The Company may invest cash held for working capital purposes and pending investment or distribution in cash or cash equivalents, government or public securities (as defined in the rules of the FCA), money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a "BBB" (or equivalent) or higher credit rating as determined by any internationally recognised rating agency selected by the Board (which may or may not be registered in the EU).
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B.35	Borrowing limits	In pursuit of the Investment Objective, the Company may borrow or use leverage, and may guarantee the borrowings of its Affiliates and Near Affiliates. Such borrowings or leverage are used for the acquisition (directly or indirectly) of Credit Assets in accordance with the Investment Policy, or for the re-financing of Credit Assets previously acquired (such that the Company would thereafter have an indirect exposure to such Credit Assets). Borrowing may be effected at the level of the Company or any of its Affiliates or Near Affiliates. In this regard, it should be noted that the Company may establish SPVs, whether as Affiliates, Near Affiliates or otherwise in connection with obtaining leverage against any of its assets or in connection with the securitisation of its Credit Assets. Such SPVs may be retained as Affiliates, but independently owned SPVs which are not Affiliates of the Company may be used to seek to protect the levered portfolio from group level bankruptcy or financing risks. The aggregate leverage or borrowings of the Company, its Affiliates and any Near Affiliates (including the IrishCos) and guarantees of such borrowing or leverage by such person(s), may not exceed (at the time the relevant indebtedness is incurred or guarantee given) 0.25 times the then-current NAV, or up to 0.5 times the then-current NAV without the specific further approval of the Board. The approval of the Board has been obtained to increase the aggregate permitted leverage of the Company to 0.5 times the then-current NAV. Notwithstanding the foregoing, no borrowing or debt financing arrangements made between or among any of the Company, any Affiliate of the Company or any Near Affiliate (including, without limitation, the borrowings of the relevant IrishCo under the Notes) shall count as borrowings, leverage or guarantees by any such person for the purposes of the foregoing limit. In respect of the EIB Transaction, whilst the borrowing or leverage by the EIB Transaction IrishCo does not count towards the borrowing limits applicable to the Company (as the EIB Transaction IrishCo is neither an Affiliate nor a Near Affiliate of the Company), the Board has required that such borrowing or leverage limits are applied indirectly, so that the Company will only hold such principal amount of Class B Notes so as to maintain the aggregate borrowing or leverage of the Company on a “look-through” basis at 50 per cent. or below. As at 31 December 2016, the leverage of the Company on a look-through basis was 49.98 per cent of the current NAV. There is no obligation to alter the Company’s (or any other relevant person’s) borrowing or guarantee arrangements as a result of any subsequent variation in NAV. The Company may also, in connection with seeking such leverage or securitising Credit Assets, seek to assign existing assets to one or more SPVs and/or seek to acquire loans using an SPV. The Company, its Affiliates and/or its Near Affiliates may employ leverage by borrowing funds from brokerage firms, banks and other financial institutions and/or through the use of derivatives and other non-fully funded instruments. Leverage obtained through borrowing is obtained from the relevant lender. Leverage obtained through the use of derivatives and other non-fully funded instruments is obtained from the relevant counterparty. While the borrowings of SPVs such as the EIB Transaction IrishCo (which are neither Affiliates nor Near Affiliates of the Company) do not count towards the borrowing limits applicable to the Company, the Board has required that such borrowing limits are applied indirectly.
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		The Company does not currently grant any guarantee under any leveraging arrangement. The grant of any such guarantee will be disclosed to Shareholders in accordance with the AIFM Directive. Save as described above, there are no restrictions on the use of leverage by the Company except for those imposed by applicable law, rules and/or regulations. Funding Circle UK negotiates and implements (to the extent it may lawfully do so) all borrowing on behalf of the Company, as contemplated by the Services Agreement (subject to the requirement for the specific approval of the Board in respect of borrowings in excess of 0.25 times the then-current NAV, and the restrictions and requirements in respect of indirect investments as described above).
B.36	Regulatory status	The Company is a Registered Closed-ended Collective Investment Scheme declared pursuant to the POI Law and the Rules issued by the GFSC. Registered schemes are supervised by the Commission insofar as they are required to comply with the requirements of the Rules, including requirements to notify the Commission of certain events and the disclosure requirements of the Commission's Prospectus Rules 2008. The Company is not regulated by the FCA. The Company operates as a self-managed, non-EU AIF.
B.37	Typical investor	The Share Issuance Programme is designed to be suitable for institutional investors and professionally-advised or financially sophisticated non-advised private investors, including retail investors seeking exposure to alternative finance investments and related instruments, who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment (which may equal the whole amount invested). Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in any such Shares.
B.38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. The Company will not invest more than 20 per cent. of its Gross Asset Value in a single underlying asset or in one or more collective investment undertakings which may in turn invest more than 20 per cent. of Gross Asset Value in other collective investment undertakings.
B.39	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable. The Company will not invest more than 40 per cent. of its Gross Asset Value in a single underlying asset or in one or more collective investment undertakings which may in turn invest more than 40 per cent. of Gross Asset Value in other collective investment undertakings.
B.40	Service providers	<i>Funding Circle UK; Funding Circle US; Each Funding Circle CE Platform Company</i> Funding Circle UK was appointed pursuant to the UK Origination Agreement and the UK Servicing Agreement. Funding Circle US was appointed pursuant to the US Origination Agreement and the US Servicing Agreement. Each Funding Circle CE Platform Company has been appointed pursuant to the applicable German, Spanish and Netherlands Origination and Servicing Agreements in respect of Germany, Spain and the Netherlands, respectively, and each of the Funding

		Circle CE Platform Companies has delegated to Funding Circle CE certain activities under the applicable Origination Agreement and Servicing Agreement. Funding Circle randomly allocates a percentage of all Qualifying Assets originated through the Marketplaces to the Company for investment by the Company. The random allocation process is carried out by Funding Circle, after application of any eligibility criteria or portfolio limits, if any, without reference to loan value, risk rating, geography, sector or any other factor, and is a purely numerical exercise. In each case such allocation will operate so that the allocation of Credit Assets to the Company is effected on a random basis across the universe of Qualifying Assets available on that Marketplace. Funding Circle UK provides (or procures the provision of) servicing, loan administration and collection services to the UK IrishCo and EIB Transaction IrishCo in respect of the Credit Assets originated through the UK Marketplace. Funding Circle US provides payment processing and loan collection services to the Company in respect of the Company's portfolio of Credit Assets originated through the US Marketplace. Each of the Funding Circle CE Platform Companies provide (or will procure the provision of) servicing, loan administration and collection services to the CE IrishCo in respect of the Credit Assets originated through each of the German, Spanish and Netherlands Marketplaces, and each of the Funding Circle Platform Companies has delegated to Funding Circle CE certain activities under the applicable Origination Agreement and Servicing Agreement. <i>Administrator</i> Sanne Group (Guernsey) Limited is the Administrator to the Company pursuant to the Administration Agreement. The Administrator is responsible for the production of the Company's accounts, regulatory compliance, providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, and for dealing with investor reporting. In addition, the Administrator is responsible for the day to day administration of the Company (including but not limited to the calculation of the Net Asset Value) and for general secretarial functions required by the Companies Law (including but not limited to the maintenance of the Company's accounting and statutory records). Under the terms of the Administration Agreement, the Administrator is entitled to an annual fee calculated on a sliding scale based on Net Asset Value subject to a minimum annual payment of £85,000. The Administrator is, in addition, entitled to recover expenses and disbursements.
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		Registrar and transfer agent The Registrar is entitled to an annual maintenance fee per Shareholder, subject to a minimum charge of £4,500 per annum. Other registrar activity is charged for in accordance with the Registrar's normal tariff as published from time to time. Under the Registrar Services Agreement (further details of which are set out in Part 7 of this Prospectus) Capita Registrars (Guernsey) Limited has been appointed as the Company's Registrar. Capita Registrars Limited (trading as Capita Asset Services) will act as transfer agent. Receiving Agent Capita Registrars Limited (trading as Capita Asset Services) has been appointed as the Company's Receiving Agent pursuant to the Receiving Agent Services Agreement. The Receiving Agent is entitled to receive various fees for services provided, including a minimum aggregate advisory fee of £2,300 (excluding VAT and disbursements) and a minimum aggregate processing fee of £5,000.
B.41	Regulatory status of Funding Circle	The Directors have appointed Funding Circle UK, Funding Circle US and the Funding Circle CE Platform Companies to originate and service the Company's investment in Credit Assets. Such delegation does not affect the status of the Company as a self-managed AIF. Funding Circle UK is regulated under an interim permission by the FCA. Funding Circle UK filed its application to the FCA for full authorisation on 16 October 2015. Funding Circle US holds certain state lending licences but is not otherwise regulated or authorised in relation to lending activities. Funding Circle Germany holds a permission by the German Trading Office to broker loans and financial assets, pursuant to sections 34c and f of the Gewerbeordnung (the German industrial code). In the context of public offers, such as on the Funding Circle Germany retail platform, Funding Circle Germany is subject to the Financial Asset Act (Vermögensanlagegesetz). Due to the fact that Funding Circle Germany does not offer parts of the same financial asset exceeding EUR 100,000 within 12 months, there is no obligation to provide a prospectus or other information material under this act. In relation to institutional investors, such as the Company, the Financial Asset Act (Vermögensanlagegesetz) does not apply. On 18 January 2017, Funding Circle announced that it no longer intended to originate further loans through the Spanish Marketplace in order to focus its resources on Germany and the Netherlands. Funding Circle Netherlands was issued a formal exemption from the banking licence in accordance with article 4:3 of Wet op het financieel toezicht (Financial Supervision Law) by the Dutch regulator, the Autoriteit Financiële Markten ("AFM"). The AFM has issued a number of rules that Funding Circle Netherlands is obliged to comply with, including the requirement to carry out extensive checks regarding the suitability of Funding Circle Netherlands's managers. In addition, Funding Circle Netherlands has to comply with certain investment limits for retail investors and retail investor suitability tests.
B.42	Calculation of Net Asset Value	The unaudited Net Asset Value and the Net Asset Value per Ordinary Share and (if applicable) the unaudited Net Asset Value per class of C Shares and the Net Asset Value for each C Share are

		calculated by the Administrator (on the basis of information provided by Funding Circle) on a monthly basis. The NAV is published on a cum-income basis through a Regulatory Information Service and is expected to be available through the Company's website within ten business days of each month end.
B.43	Cross liability	Not applicable, the Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes of investment in another collective investment undertaking.
B.44	No financial statements have been made up	Not applicable, the Company has commenced operations and historical financial information is included within this Prospectus. Please see the key financial information at B.7.
B.45	Portfolio	As at 31 December 2016, the Company's portfolio comprised 8% cash, 18% US loans, 72% UK loans and 2% CE loans (inclusive of EIB Transaction IrishCo assets). The Company's indirect investment in Credit Assets, made within the EIB Transaction IrishCo, is incorporated in the above data on a "look-through" basis.
B.46	Net Asset Value	The latest published unaudited NAV per Ordinary Share prior to the Latest Practicable Date was 99.82 pence per Ordinary Share.
Section C – Securities		
Element	Disclosure Requirement	Disclosure
C.1	Type and class of securities being offered	The Company intends to issue Ordinary Shares and/or C Shares of no par value pursuant to the Share Issuance Programme. The ISIN number of the Ordinary Shares is GG00BYYJCZ96 and the SEDOL code is BYYJCZ9. The ISIN number of the C Shares is GG00BYNV2672 and the SEDOL code is BYNV267.
C.2	Currency of the securities issue	Any Shares issued pursuant to the Share Issuance Programme will be denominated in Sterling.
C.3	Number of securities issued	As at the Latest Practicable Date, the Company has 164,970,063 fully paid Ordinary Shares of no par value in issue. The Company has no partly paid Ordinary Shares in issue. No Ordinary Shares are held in treasury.
C.4	Description of the rights attaching to the securities	The Ordinary Shares carry the right to receive all income of the Company attributable to the Ordinary Shares and to participate in any distribution of such income. Each class of C Shares shall carry the right to receive all income of the Company attributable to that class of C Shares and to participate in any distribution of such income. Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company.

		Shareholders are entitled to attend and vote at all general meetings of the Company, subject to the Articles. On a show of hands, every Shareholder shall have one vote and, on a poll, every Shareholder shall have one vote for each share held by them, subject in each case to any special voting powers or restrictions.
C.5	Restrictions on the free transferability of the securities	There are no restrictions on the transferability of the Ordinary Shares or the C Shares, subject to compliance with applicable securities laws.
C.6	Admission	Applications will be made to each of the FCA and the London Stock Exchange for all the Shares that are issued pursuant to the Share Issuance Programme to be admitted to listing and trading on the premium segment of the Official List and the London Stock Exchange's main market for listed securities respectively. No application will be made for the Shares to be listed or dealt in on any other stock exchange or investment exchange.
C.7	Dividend policy	The Company is targeting an annual dividend of between 6 pence and 7 pence per Ordinary Share. The Company expects to pay dividends on a quarterly basis, with dividends declared in March, June, September and December, and paid in January, April, July and October. The Company currently expects to pay dividends at a rate of 1.5 pence to 1.75 pence per Ordinary Share in respect of each quarter. The Company intends to target a total return on its Ordinary Shares of between 8 per cent. and 9 per cent. per annum once fully deployed and leverage is in place. There are no assurances that these dividends will be paid or that the Company will pay any dividends. These are targets only and not forecasts. There can be no assurance that these targets can or will be met, and it should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not place any reliance on these targets in deciding whether to invest in the Ordinary Shares, or assume that the Company will make any distributions at all. Each class of C Shares shall carry the right to receive all income of the Company attributable to that class of C Shares and to participate in any distribution of such income. On 17 June 2016, the Company declared its maiden dividend of 1.00 pence per share. This payment exceeded the 0.75 pence expected at IPO, due to the strong cash flows from the Company's portfolio of Credit Assets. On each of 14 September 2016 and 15 December 2016, the Company declared a dividend of 1.625 pence per Ordinary Share. The Board gave shareholders a choice to receive each of such dividends in cash or in shares via scrip dividend.
Section D – Risks		
Element	Disclosure Requirement	Disclosure
D.1	Key information on the key risks that are specific to the issuer and its industry	<i>The failure by the underlying borrowers to make repayments under the terms of a Credit Asset will have an adverse effect on the Company's performance</i> The ability of the Company to earn revenue is almost completely dependent upon payments being made by borrowers in a timely and complete manner. The Company will receive payments under a

		Credit Asset only if the underlying borrower, sourced through the Marketplaces, makes payment on the relevant Credit Asset or, where the borrower defaults, the Company otherwise achieves recovery of that Credit Asset. Qualifying Assets for direct investment which comply with the Investment Policy and any Portfolio Limits are randomly allocated to the Company. The Company has no ability to independently determine the creditworthiness of a potential borrower or discretion to reject a Credit Asset randomly allocated to it (if it is within the scope of the Investment Policy and any Portfolio Limits, and there is sufficient Available Cash). The Company is therefore entirely reliant upon Funding Circle to: (i) apply its credit processes to identify suitable prospective borrowers and categorise their credit risk; (ii) service Credit Assets where required; and (iii) seek recovery in respect of Credit Assets where an underlying borrower defaults. Funding Circle and its collection agencies may be limited in their ability to recover on Credit Assets on a default by the borrower, in particular, where security granted (if any) in respect of the Credit Asset is insufficient to cover the outstanding payments or where the Credit Asset is unsecured and there are insufficient funds to repay the liability in full. Additionally, Funding Circle may retain some or all of the funds received from a borrower which would be otherwise available for payment to the Company, to cover legal or collection fees imposed in connection with such collection efforts. The Company will not be protected from any losses resulting from borrower default. Failure by borrowers to pay under Credit Assets, or failure by Funding Circle (or its collection agencies) to recover Credit Assets on non-payment, may have an adverse impact on the Company's performance and the Company's ability to pay the target dividend. <i>The Company may invest in Credit Assets the counterparties to which are small or less well established businesses</i> The borrowers under Credit Assets originated by the Marketplaces will predominantly consist of SMEs. These businesses, compared to businesses which are larger or have more significant balance sheets, may be more susceptible to market volatility and adverse changes in trading conditions. This in turn may impact their financial condition and may mean that they are unable to comply with their respective payment obligations. To the extent that a borrower is unable to meet its obligations, the value of the Company's investment in those Credit Assets will fall which may have an adverse impact on the Company's financial performance. <i>Funding Circle's credit scoring models may be inadequate</i> Funding Circle gives each borrower a risk rating classification at the time a loan request is processed. The risk rating assigned by Funding Circle is based on a number of factors, including credit data provided by third party credit reporting agencies, information from public records (including bankruptcy, liens or judgments), additional information provided by borrowers and, in most cases, verification of that information by Funding Circle. Credit data produced by third-party credit reporting agencies include credit balances, available credit, timeliness of payments, average payments, delinquencies and account duration. This credit data provided by credit reporting agencies, and the additional information provided by borrowers to Funding Circle, may be outdated, incomplete or inaccurate. Accordingly, a risk rating assigned to a borrower by Funding Circle may not reflect that borrower's actual
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		creditworthiness. Funding Circle will seek to verify the majority of the information obtained from most borrowers, but such verification may not be possible or may be inaccurate or incomplete. Additionally, it is possible that, following the date of any credit information received, a borrower may have defaulted on a pre-existing debt obligation, taken on additional debt or sustained other adverse financial or life events. Funding Circle's risk rating classifications are intended to be informative only and reflect Funding Circle's view of the relative creditworthiness of the borrower. There can be no guarantee of the creditworthiness of a borrower. While Funding Circle may update or amend at any time a borrower's information or the risk rating classification, it accepts no obligation to do so (including between when the loan request is first made and when it is entered into, and during the term of any loan). Because of these factors, the Company may invest (directly or indirectly) in Credit Assets originated on the Marketplaces based upon inaccurate borrower credit information. Additionally, the interest rate for a Credit Asset may not be reflective of its risk profile, which may result in lower returns than might be expected in relation to the actual credit risk which is borne by the Company. Consequently the Company may receive a lower or unpredictable level of income in respect of Credit Assets. <i>Reliance on Funding Circle's IT systems to originate Credit Assets and to facilitate and monitor Credit Assets once acquired</i> Funding Circle has developed its own bespoke software and infrastructure and also utilises third party products and service providers in connection with the provision, operation and maintenance of IT systems. The Company is reliant on the functionality of such systems and services, including in respect of the origination and allocation of Credit Assets. The Company is also reliant on Funding Circle's systems and services to determine whether Allocated Assets comply with the Company's Investment Policy and any Portfolio Limits and for the ongoing monitoring and servicing of the Company's portfolio of investments. Any failure of the IT systems and services developed, maintained or used by Funding Circle could have a material adverse effect on the ability of Funding Circle to perform these activities and therefore impact the Company's results (for example, by causing delays in the deployment of capital and investment returns or by acquiring Credit Assets in breach of the Investment Policy). In addition, certain of Funding Circle's operations interface with, or depend on, IT systems operated by third parties who are outside the control of the Company, and Funding Circle may not be in a position to provide absolute assurance regarding the risks or reliability of such third-party systems. The Company is reliant upon obtaining data feeds from Funding Circle. Any delays or failures could impact operational controls and the valuation of the Company's portfolio of Credit Assets. While Funding Circle monitors the performance of these IT systems, there can be no guarantee that issues will not arise, and any such issues may result in processing delays. To seek to mitigate this risk Funding Circle has defined processes in place to respond to disruption to IT services. Any programs or systems used by Funding Circle (or on which Funding Circle is otherwise reliant) may be subject to certain defects, failures or interruptions, including those caused by computer
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		“worms”, viruses and power failures. Such failures could adversely affect the origination and processing of Credit Assets to fail, lead to inaccurate accounting, recording or processing of transactions, and cause inaccurate reports, which may affect the Company’s ability to monitor its portfolio, as well as its ability to deploy capital. Any such defect or failure could cause the Company to suffer financial loss, the disruption of its business, regulatory intervention and/or reputational damage. <i>The Company has no employees and is reliant on the performance of third party service providers</i> The Company has no employees. Whilst the Company has taken steps to establish adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function. In particular, Funding Circle, the Administrator and the Registrar perform services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company. As noted above, the success of the Company will depend, <i>inter alia</i>, on the availability of suitable Credit Assets and of Funding Circle to operate the Marketplaces. This, in turn, will depend on the ability of Funding Circle to apply their processes in a way which is capable of originating suitable Credit Assets for the Company to invest in and to minimise the default rates of borrowers of such Credit Assets. There can be no assurance that Funding Circle will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or avoid investment losses. <i>Unpredictability of default rates</i> The default history for Credit Assets originated via marketplace lending platforms is limited and actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations. The methodology and assumptions used by Funding Circle to calculate the historical default experience may not be sufficiently accurate and accordingly may not accurately extrapolate the expected lifetime of loan defaults. As a result the Company might invest in Credit Assets which have a higher risk of default than expected, which may result in increased losses to the Company. <i>Insufficient Credit Assets originated by Funding Circle</i> The information regarding allocation of Credit Assets to the Company as described in this Prospectus does not indicate the guaranteed availability of Credit Assets for the Company. The Company is only able to acquire Credit Assets originated by the Marketplaces to the extent that a sufficient number of Credit Asset requests are received by the Marketplaces which satisfy the Marketplaces’ credit processes. The availability of suitable investment opportunities depends, in part, upon conditions in the lending market and the level of competition amongst lenders for Credit Assets. There can be no guarantee that the rapid growth experienced by marketplace lending platforms in recent periods will continue.
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		The markets in which Funding Circle operates are competitive and rapidly changing. It may face increasing competition for potential borrowers as the marketplace lending industry continues to evolve and, potentially, from other sources of alternative or traditional lending, including for example UK “challenger” banks and global direct lending funds. Other institutional sources of capital may enter the market in the UK, US or elsewhere. These competitors may have different risk tolerances or economic arrangements which may place them at an advantage over Funding Circle. There can be no assurances that Funding Circle will be able to compete effectively for the origination of Credit Assets with other platform operators or other lenders. In addition, other marketplace lending platforms may charge lower fees to potential borrowers, which may reduce the number of Credit Asset requests received by the Marketplaces. In addition, the flow of loan applications from Funding Circle’s indirect/ intermediary origination channels may change as Funding Circle’s intermediaries and strategic partners may change, reduce or cease the supply of loan applications to Funding Circle. Funding Circle relies on direct and indirect loan origination channels, the success of which in generating loan applications cannot be guaranteed. Accordingly there can be no assurance that: (i) sufficient applications for Credit Assets will be received by the Marketplaces that satisfy the Marketplaces’ credit processes; or (ii) Funding Circle will be able to compete effectively for the origination of Credit Assets with other lenders (whether traditional banks, challenger banks, alternative business lenders or other lending platforms). If there are insufficient applications made to the Marketplaces that satisfy their respective credit processes, the Company may be unable to deploy its capital in a timely or efficient manner. In such event, the Company may be forced to invest in cash or cash equivalents that are generally expected to offer lower returns than the Company’s target returns from investments in Credit Assets. <i>Taxation position of the IrishCos</i> Each of the IrishCos has elected to be a ‘qualifying company’ for the purposes of Section 110. As a result, it is anticipated that the IrishCos should be subject to Irish corporation tax only on its profit calculated under generally accepted accounting practice, after deducting all of its revenue expenses (including interest payable to the Company in respect of the Notes). If, for any reason, any of the IrishCos is not or ceases to be such a ‘qualifying company’ for the purposes of Section 110, the applicable IrishCo could be obliged to account for Irish tax in respect of profits for Irish tax purposes, which are in excess of profit calculated under generally accepted accounting practice. This could result in material tax being payable in the Republic of Ireland which has not been contemplated in the cash flows in respect of the Notes issued to the Company. In such circumstances, the Irish tax treatment of both the IrishCos and payments by the IrishCos in respect of the Notes could be adversely affected. In turn, this may have a material adverse effect on the amounts available for distribution to the Company and, in turn, to the Shareholders in respect of the Ordinary Shares. <i>Subordination of Class B Notes to the EIB Senior Loan</i> The Class B Notes are subordinate to the EIB Senior Loan in relation to payment of interest. Further, following the occurrence of an Acceleration Event or a Sequential Trigger Event which is
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		continuing, the Class B Notes will rank subordinate to all payments due in respect of the EIB Senior Loan. No assurance can be given in relation to the return on the Class B Notes. <i>The Class B Notes constitute limited recourse obligations of the EIB Transaction IrishCo</i> The Class B Notes constitute limited recourse obligations of the EIB Transaction IrishCo. Other than as described in this Prospectus, the EIB Transaction IrishCo is not expected to have any other funds available to it to meet its obligations under the Class B Notes. Upon enforcement of the security over the Charged Assets in favour of the Secured Parties, if certain circumstances exist then the Secured Parties shall have no further claim against the EIB Transaction IrishCo or its directors, shareholders, officers or successors in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be extinguished. The Company or any other holders of the Class B Notes shall not be entitled to proceed directly against the EIB Transaction IrishCo or any other party to enforce the performance of any of the terms and conditions of Class B Notes and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the EIB Transaction IrishCo other than in certain limited circumstances, including (whilst the EIB Senior Loan is still outstanding) with the consent of EIB or where certain insolvency events have occurred in respect of the EIB Transaction IrishCo. <i>Risks in relation to the disposal of the Class B Notes</i> There is a risk that the Company may be unable to dispose of the Class B Notes or the economic interests therein to third party investors. In particular, there is currently a limited secondary market for the Class B Notes and no assurance can be given that an active and liquid secondary market for the Class B Notes will develop. None of the Class B Notes have been, or will be, registered under the United States Securities Act of 1933 or any other applicable securities laws and they are subject to certain restrictions on the resale and other transfer thereof as set out in the EIB Transaction Documents. Certain terms of the Class B Notes (such as their denomination and the fact that the Class B Notes may not be compliant with EU or US risk retention rules) also limit the type of investor permitted to acquire the Class B Notes and therefore their liquidity. To the extent that a secondary market exists or develops, it may not continue for the life of the Class B Notes. <i>Rate risk</i> The EIB Transaction IrishCo is subject to the risk of a mismatch between the rate of interest payable in respect of the SME Loans and the rate of interest payable in respect of the EIB Senior Loan and the Class B Notes. As at the Latest Practicable Date, the EIB Transaction IrishCo had not entered into any interest rate swap or other hedging transaction in relation to SME Loans, and as a result as at the Latest Practicable Date there was no hedge in respect of the risk of any such mismatch which in turn may result in insufficient funds being made available to the EIB Transaction IrishCo for it to meet its obligations to pay interest to EIB under the EIB Senior Loan and/or the holders of the Class B Notes. The Company, the EIB Transaction IrishCo and EIB intend to implement an interest rate hedging strategy.
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D.3	Key information on the key risks specific to the securities	The market price of the Shares may fluctuate independently of their underlying net asset value and may trade at a discount or premium at different times, depending on factors including market conditions; investor perception of Funding Circle and the non-bank lending industry generally; the net asset value, share price and/or discount performance of other companies and funds deemed by the market to be comparatives relevant to its assessment of the Company; or to the extent investors undervalue the activities of the Company or discount the Company's valuation methodology and its judgments of value. There can be no guarantee that any discount control policy will be successful or capable of being implemented. It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Shares. Dividend payments on the Shares are not guaranteed. If the Directors decide to issue C Shares or further Ordinary Shares, the proportions of the voting rights held by Shareholders may be diluted.
Section E – Offer		
Element	Disclosure Requirement	Disclosure
E.1	Net proceeds and costs of the issue	The net proceeds of the Share Issuance Programme are dependent on the number of Shares issued and the relevant Issue Price(s). If the Share Issuance Programme is fully utilised and assuming the Shares are issued at a price of 104.375 pence (being the mid-market closing price per Ordinary Share at the Latest Practicable Date) during the life of the Share Issuance Programme, the gross proceeds of the Share Issuance Programme, would be approximately £522 million and the net proceeds of the Share Issuance Programme would be approximately £511 million. The expenses of each Issue under the Share Issuance Programme will be met out of the gross proceeds of the relevant Issue.
E.2a	Reasons for the Share Issuance Programme and use of proceeds	The Directors believe that the Share Issuance Programme should raise funds for the purpose of achieving the Investment Objective of the Company. The Net Proceeds, after providing for the costs of each Issue, will be used to purchase investments originated by Funding Circle in line with the Investment Objective and the Investment Policy, save to the extent that some of the Net Proceeds will be retained for working capital purposes, and subject to the availability of sufficient investment opportunities.

E.3	Terms and conditions of the Share Issuance Programme	Ordinary Shares and/or C Shares which may be made available under the Share Issuance Programme will be made available at the Share Issuance Programme Price. The Share Issuance Programme will open on 6 February 2017 and will close on 5 February 2018 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). Each Issue under the Share Issuance Programme is conditional, <i>inter alia</i>, on: • in respect of an issue of Ordinary Shares, the Issue Price being not less than the Net Asset Value per Ordinary Share nor at a discount of 10 per cent. or more to the middle market price of the Ordinary Shares at the relevant time without Shareholder approval; • in respect of an issue of C Shares, the Issue Price being £1 per C Share • Admission of those Shares by 8.00 a.m. on such date as the Company and Numis may agree from time to time in relation to that subsequent Admission; and • a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules and the Share Issuance Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.
E.4	Material interests	The Marketplaces are used by a number of different lenders including retail and accredited investors, government bodies and institutional investors. In this context, Interested Parties will likely be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company, and its investments. Interested Parties may provide services to the Company or other persons and entities acting as lenders on the Funding Circle platforms and may themselves act as lenders (whether as principal or agent) on the Funding Circle platforms (in accordance with their own or a client's investment criteria, as the case may be) and will not be liable to account to the Company for any profit earned from any such services. The Directors have satisfied themselves that Funding Circle has procedures in place to address potential conflicts of interest and that, where a conflict arises, Funding Circle will resolve such conflict on a fair and equitable basis in accordance with its conflicts of interest and investment allocation policies in effect at the time. The Directors are also satisfied that Funding Circle has procedures in place to address any conflicts of interest which may arise out of its various roles.
E.5	Name of person selling securities/ lock up agreements	Not applicable. No person or entity is offering to sell Shares as part of the Share Issuance Programme, and there are no lock-up agreements.
E.6	Dilution	As no Ordinary Shares will be issued under the Share Issuance Programme at a price which is less than the Net Asset Value per Ordinary Share, there will be no dilution in the Net Asset Value per Ordinary Share as a result of the issue of Ordinary Shares under the Share Issuance Programme.

		If 500 million Shares or C Shares (being the maximum number of Shares available under the Share Issuance Programme) were to be issued pursuant to the Share Issuance Programme, there would be a dilution of approximately 403 per cent. in Shareholders' voting control of the Company as at the date of this Prospectus. The potential issuance of additional Shares, at a premium to NAV, may create a dilutive effect on the Company's ability to meet its dividend and total return targets.
E.7	Expenses charged to the investor by the Company	The costs and expenses of the Share Issuance Programme will depend on subscriptions received but it is expected that these costs will be covered by issuing such Ordinary Shares at the Share Issuance Programme Price. The costs and expenses of any issue of C Shares under the Share Issuance Programme will be paid out of the gross proceeds of such Issue.

RISK FACTORS

Investment in the Shares carries a high degree of risk, including the risks in relation to the Company and the Shares referred to below, which could materially and adversely affect the Company's business, financial condition and results. An investment in the Shares should not be regarded as short-term in nature.

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

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and should be used as guidance only. Additional risks and uncertainties relating to the Company that are not currently known to the Company, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, prospects, results of operations and financial position and, if any such risk should occur, the price of the Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

The Shares are designed to be held over the long-term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment.

Any investment objectives of the Company are targets only and should not be treated as assurances or guarantees of performance.

1. RISKS RELATING TO THE COMPANY² AND ITS BUSINESS

Risks relating to the Company's lending activities generally

Insufficient Credit Assets originated by Funding Circle

The information regarding allocation of Credit Assets to the Company does not indicate the guaranteed availability of Credit Assets for the Company. The Company will only be able to acquire Credit Assets originated by the Marketplaces to the extent that a sufficient number of Credit Asset requests are received by the Marketplaces which satisfy the Marketplaces' credit processes.

The availability of suitable investment opportunities will depend, in part, upon conditions in the lending market and the level of competition amongst lenders for Credit Assets. There can be no guarantee that the rapid growth experienced by marketplace lending platforms in recent periods will continue.

The markets in which Funding Circle operates are competitive and rapidly changing. It may face increasing competition for potential borrowers as the marketplace lending industry continues to evolve and, potentially, from other sources of alternative or traditional lending, including for example UK "challenger" banks and global direct lending funds. Other institutional sources of capital may enter the market in the UK, US, CE or elsewhere. These competitors may have different risk tolerances or economic arrangements which may place them at an advantage over Funding Circle. There can be no assurances that Funding Circle will be able to compete effectively for the origination of Credit Assets with other platform operators or other lenders. In addition, other marketplace lending platforms may charge lower fees to potential borrowers, which may reduce the number of Credit Asset requests received by the Marketplaces.

In addition, the flow of loan applications from Funding Circle's indirect/intermediary origination channels may change as Funding Circle's intermediaries and strategic partners may change, reduce or cease the supply of loan applications to Funding Circle. Funding Circle relies on direct and indirect loan origination channels, the success of which in generating loan applications cannot be guaranteed.

2 Note that in this Prospectus, references to the "Company" will, where the context so requires (including in respect of references to the Company's indirect interest in Credit Assets originated through the UK Marketplace and CE Marketplace and acquired by the IrishCos, respectively) include the IrishCos. For further details of the relationship between the Company and IrishCos, please see under "Acquisition of Credit Assets" in Part 3 of this Prospectus.

Accordingly there can be no assurance that: (i) sufficient applications for Credit Assets will be received by the Marketplaces that satisfy the Marketplaces' credit processes; or (ii) Funding Circle will be able to compete effectively for the origination of Credit Assets with other lenders (whether traditional banks, challenger banks, alternative business lenders or other lending platforms).

If there are insufficient applications made to the Marketplaces that satisfy their respective credit processes, the Company may be unable to deploy its capital in a timely or efficient manner. In such event, the Company may be forced to invest in cash or cash equivalents that are generally expected to offer lower returns than the Company's target returns from investments in Credit Assets.

Impact of economic factors on borrower appetite for Credit Assets or ability to comply with payment obligations

General economic factors and conditions in the United Kingdom, the United States, Continental Europe or elsewhere, including the general interest rate environment, unemployment rates and residential home values, may affect borrower willingness to seek Credit Assets or their ability to comply with their payment obligations in respect of those Credit Assets. As the performance of the Company will depend on its ability to deploy its capital through the Marketplaces in making loans to such borrowers, a reduction in the volume of available Credit Assets, or a change in the type or quality of such Credit Assets being available as a result of fluctuations in general economic factors and conditions, may adversely affect the Company's business or prospects.

Reliance on Funding Circle's IT systems to originate Credit Assets and to facilitate and monitor Credit Assets once acquired

Funding Circle has developed its own bespoke software and infrastructure and also utilises third party products and service providers in connection with the provision, operation and maintenance of IT systems. The Company is reliant on the functionality of such systems and services, including in respect of the origination and allocation of Credit Assets. The Company is also reliant on Funding Circle's systems and services to determine whether Allocated Assets comply with the Company's Investment Policy and any Portfolio Limits and for the ongoing monitoring and servicing of the Company's portfolio of investments.

Any failure of the IT systems and services developed, maintained or used by Funding Circle could have a material adverse effect on the ability of Funding Circle to perform these activities and therefore impact the Company's results (for example, by causing delays in the deployment of capital and investment returns or by acquiring Credit Assets in breach of the Investment Policy). In addition, certain of Funding Circle's operations interface with, or depend on, IT systems operated by third parties who are outside the control of the Company, and Funding Circle may not be in a position to provide absolute assurance regarding the risks or reliability of such third-party systems.

The Company is reliant upon obtaining data feeds from Funding Circle. Any delays or failures could impact operational controls and the valuation of the Company's portfolio of Credit Assets. While Funding Circle monitors the performance of these IT systems, there can be no guarantee that issues will not arise, and any such issues may result in processing delays. To seek to mitigate this risk Funding Circle has defined processes in place to respond to disruption to IT services.

Any programs or systems used by Funding Circle (or on which Funding Circle is otherwise reliant) may be subject to certain defects, failures or interruptions, including those caused by computer "worms", viruses and power failures. Such failures could adversely affect the origination and processing of Credit Assets to fail, lead to inaccurate accounting, recording or processing of transactions, and cause inaccurate reports, which may affect the Company's ability to monitor its portfolio, as well as its ability to deploy capital.

Any such defect or failure could cause the Company to suffer financial loss, the disruption of its business, regulatory intervention or reputational damage.

Termination of the Services Agreement, Servicing Agreements and Origination Agreements may adversely affect the Company, including through the payment of significant fees by the Company to Funding Circle UK

The Services Agreement can be terminated by both the Company and Funding Circle UK in certain circumstances. In particular, Funding Circle UK may terminate the Services Agreement if any amendment is made to the Investment Objective or Investment Policy, or any other step is taken, the purpose or effect of which is to permit the Company to invest in Credit Assets (or investments of any kind similar, related or connected thereto) originated, sourced or managed other than through a Marketplace.

The Servicing Agreements may also be terminated by the Company in the event of the termination of the Services Agreement by Funding Circle UK for any reason.

In addition, the Origination Agreements may also be terminated by the Company and Funding Circle in certain circumstances, including failure to comply with or perform any material agreement or obligation under such Origination Agreements, an event that would or may reasonably be expected to prejudice the business or reputation of a party (or its financing parties) or if Funding Circle determines that the provision of services under such Origination Agreements would constitute a breach of applicable law or regulation.

Cross termination provisions exist such that termination of the Services Agreement, Servicing Agreements or the Origination Agreements (as the case may be) may result in termination (or give rise to a right to terminate) of other such agreements.

If the Origination Agreements or Services Agreement are terminated: (i) the Company will not have access to Credit Assets originated by the Marketplaces and the Company may therefore be unable to deploy its capital in a timely or efficient manner; and (ii) the Company may (in certain circumstances resulting in a termination of the Services Agreement) incur an obligation to make a payment to Funding Circle UK. Specifically: if the Services Agreement is terminated by the Company other than in accordance with the terms of the Services Agreement (for example consequent to the winding up of the Company following a discontinuation vote); or if it is terminated by Funding Circle UK (other than in circumstances arising as a direct consequence of Funding Circle UK's fraud, gross negligence or wilful default), then Funding Circle UK is entitled to receive (in addition to any accrued unpaid fees) a sum equal to twice the aggregate fees received by Funding Circle UK thereunder in the 12 months preceding termination of the Services Agreement.

If the appointment of any of the Funding Circle platform companies as servicer is terminated, for example, upon the occurrence of an insolvency event of such company, the Company will be reliant on a back-up servicer to service the Credit Assets or will be required to appoint a replacement servicer to service the Credit Assets. The ability of any entity acting as a back-up servicing and collection agent to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute back-up servicing and collection agent may affect payments on the Credit Assets and any IrishCo's ability to make payments when due on the Notes.

In respect of loans originated through the Funding Circle UK partial loan marketplace and in respect of whole loans with institutional investors that have not otherwise entered into bespoke back-up servicing arrangements, Funding Circle UK has entered into a back-up servicing arrangement to provide servicing and collection services should Funding Circle UK suffer an insolvency or similar event. Funding Circle UK has currently appointed Link Financial Outsourcing Limited in this capacity but has entered into an agreement to transition back-up servicing to Target Servicing Limited on or before 30 March 2017. Funding Circle CE intends to put in place a back-up servicing agreement in respect of the Funding Circle CE Platform Companies similar to that entered into by Funding Circle UK.

Both Funding Circle US and the Company have entered into a back-up servicing agreement with First Associates Loan Servicing, LLC, a loan servicing company that is willing and able to transition servicing responsibilities in the event that Funding Circle US is no longer able to service the US Assets.

The failure of a back-up servicing and collection agent to commence performance of the servicing and collection activities following the termination of the appointment of a Funding Circle platform company as servicer in accordance with the relevant servicing agreement could result in the failure or delay in collection of payments on the relevant Credit Assets and could adversely affect payments of interest and principal on the Notes. Similarly, if a back-up servicing and collection agent assumes performance of the servicing the Credit Assets, there can be no assurance that, if required, a replacement back-up servicing and collection agent could be found.

Incentives to offer Credit Assets to other lenders on the Marketplaces

Funding Circle allocates Credit Assets to investors other than the Company. The Company may face competition from these other investors (some of which may be substantially larger than the Company and/or have considerably greater financial, technical and marketing resources). Notwithstanding the random allocation to the Company of an Allocation Percentage based on the number of Credit Assets originated on the Marketplaces (as set out in Part 3 of this Prospectus), some investors may

have or may enter into origination agreements with Funding Circle which have materially different (including more preferential to Funding Circle) provisions as to fees or other terms. Accordingly, Funding Circle may be incentivised to allocate Credit Assets to investors other than the Company, or to offer those Credit Assets to other investors on more favourable terms. Consequently, it is possible that the allocations of Credit Assets to other investors by Funding Circle may result in the supply of Credit Assets to the Company being constrained or for the composition of the universe of Credit Assets otherwise available for allocation to the Company being different to that which might exist without such allocation to other investors. This constraint in supply or difference in available Credit Assets may adversely affect the Company's operations or performance.

The failure by the underlying borrowers to make repayments under the terms of a Credit Asset will have an adverse effect on the Company's performance

The ability of the Company to earn revenue is almost completely dependent upon payments being made by borrowers in a timely and complete manner. The Company will receive payments under a Credit Asset only if the underlying borrower, sourced through the Marketplaces, makes payment on the relevant Credit Asset or, where the borrower defaults, the Company otherwise achieves recovery of that Credit Asset.

Qualifying Assets which the Company has Available Cash to purchase and which comply with the Investment Policy and any Portfolio Limits are randomly allocated to the Company. The Company has no ability to independently determine the creditworthiness of a potential borrower or discretion to reject a Credit Asset randomly allocated to it (if it is within the scope of the Investment Policy and any Portfolio Limits, and there is sufficient Available Cash). The Company is therefore entirely reliant upon Funding Circle to: (i) apply its credit processes to identify suitable prospective borrowers and categorise their credit risk; (ii) service Credit Assets where required; and (iii) seek recovery in respect of Credit Assets where an underlying borrower defaults.

Funding Circle and its collection agencies may be limited in their ability to recover on Credit Assets on a default by the borrower, in particular, where security granted (if any) in respect of the Credit Asset is insufficient to cover the outstanding payments or where the Credit Asset is unsecured and there are insufficient funds to repay the liability in full. Additionally, Funding Circle may retain some or all of the funds received from a borrower which would be otherwise available for payment to the Company, to cover legal or collection fees imposed in connection with such collection efforts. The Company will not be protected from any losses resulting from borrower default.

Failure by borrowers to pay under Credit Assets, or failure by Funding Circle (or its collection agencies) to recover Credit Assets on non-payment, may have an adverse impact on the Company's performance and the Company's ability to pay the target dividend.

The Company may invest in Credit Assets the counterparties to which are small or less well established businesses

The borrowers under Credit Assets originated by the Marketplaces will predominantly consist of SMEs. These businesses, compared to businesses which are larger or have more significant balance sheets, may be more susceptible to market volatility and adverse changes in trading conditions. This in turn may impact their financial condition and may mean that they are unable to comply with their respective payment obligations. To the extent that a borrower is unable to meet its obligations, the value of the Company's investment in those Credit Assets will fall which may have an adverse impact on the Company's financial performance.

Funding Circle's credit scoring models may be inadequate

Funding Circle gives each borrower a risk rating classification at the time a loan request is processed. The risk rating assigned by Funding Circle is based on a number of factors, including credit data provided by third party credit reporting agencies, information from public records (including bankruptcy, liens or judgments), additional information provided by borrowers and, in most cases, verification of that information by Funding Circle. Credit data produced by third-party credit reporting agencies include credit balances, available credit, timeliness of payments, average payments, delinquencies and account duration. This credit data provided by credit reporting agencies, and the additional information provided by borrowers to Funding Circle, may be outdated, incomplete or inaccurate. Accordingly, a risk rating assigned to a borrower by Funding Circle may not reflect that borrower's actual creditworthiness. Funding Circle will seek to verify the majority of the information obtained from most borrowers, but such verification may not be possible or may be inaccurate or incomplete. Additionally, it is possible that, following the date of any credit information received, a

borrower may have defaulted on a pre-existing debt obligation, taken on additional debt or sustained other adverse financial or life events.

Funding Circle's risk rating classifications are intended to be informative only and reflect Funding Circle's view of the relative creditworthiness of the borrower. There can be no guarantee of the creditworthiness of a borrower.

While Funding Circle may update or amend at any time a borrower's information or the risk rating classification, it accepts no obligation to do so (including between when the loan request is first made and when it is entered into, and during the term of any loan).

Because of these factors, the Company may invest (directly or indirectly) in Credit Assets originated on the Marketplaces based upon inaccurate borrower credit information. Additionally, the interest rate for a Credit Asset may not be reflective of its risk profile, which may result in lower returns than might be expected in relation to the actual credit risk which is borne by the Company. Consequently the Company may receive a lower or unpredictable level of income in respect of Credit Assets.

Some Credit Assets may be unsecured

Under current practice, Credit Assets acquired by the Company are typically backed only by personal guarantees and not by security over physical assets or real estate. In the event of a default, such security may not be sufficient to cover amounts due. The policy of Funding Circle regarding the taking of security, or the form such security may take, may be varied at Funding Circle's discretion, and so the security position of the Company's portfolio of Credit Assets may change over time. Each of the Company and Funding Circle (and their agents or delegates) may be limited in their ability to collect on such Credit Assets and, if an underlying borrower defaults on its obligations, the ability of the Company to collect any portion of the Credit Asset is unlikely.

Risk of default even when Credit Assets are secured

In relation to any loans which the Company believes are secured by specific collateral, there can be no assurance that the liquidation of any such collateral would be sufficient to satisfy a borrower's obligation in the event of non-payment of a loan. In addition, in the event of bankruptcy or insolvency of a borrower, the Company could experience delays or limitations with respect to its ability to realise the benefits of the collateral. Moreover, the Company's security interests may be unperfected for reasons including the failure to make required filings and, as a result, the Company may rank behind other creditors.

The Company's rights may rank behind those of other creditors

All Credit Assets are credit obligations of SME borrowers and the lending terms restrict the borrower from incurring additional indebtedness above certain levels or granting additional security interests over any of its assets. If a borrower incurs additional debt (with or without Funding Circle's consent) after borrowing through the Marketplaces, that additional debt may adversely affect the borrower's creditworthiness generally, and could result in the financial distress, insolvency or bankruptcy of the borrower. This could ultimately impair the ability of that borrower to make payments on the Credit Asset originated by Funding Circle, which the Company expects to receive. To the extent borrowers incur other indebtedness that is secured, such as a mortgage, in priority to the borrowing via the Marketplaces the ability of the secured creditors to exercise remedies against the assets of that borrower may impair the borrower's ability to meet its obligations to the Company or it may impair Funding Circle's ability to collect payments.

A borrower's ability or willingness to repay the Company, or the Company's ability to recover from the borrower, could be adversely affected by unexpected business impacting events such as loss of key contracts, unexpected expenses or the sudden death or illness of the borrower (where a sole trader) or other key persons.

If a borrower files for bankruptcy, insolvency or analogous proceedings in any of the jurisdictions in which the Company may invest, a stay may go into effect that will automatically put any pending collection actions on hold and prevent further collection action absent court approval. It is possible that the borrower's personal liability will be discharged in bankruptcy. In most cases involving the bankruptcy of a borrower, creditors, including the Company, will receive only a proportion of any amount outstanding, if anything.

The Company is dependent on Funding Circle's resources and on the ability and judgement of the employees of Funding Circle and its professional advisers

The ability of the Company to achieve its Investment Objective depends upon the ability of Funding Circle, via the Marketplaces, to originate sufficient Credit Assets which are ultimately acquired by the Company and which offer the potential for satisfactory returns and to minimise the default rates of borrowers of Credit Assets.

Accordingly, the ability of the Company to achieve its Investment Objective depends heavily on the experience of the teams of Funding Circle and (on certain matters) its professional advisers, and more generally on the ability of Funding Circle to attract and retain suitable staff both to originate sufficient Credit Assets and to effectively implement Funding Circle's credit processes. While the Board monitors the performance of Funding Circle and its professional advisers, the performance of Funding Circle, or its professional advisers, cannot be guaranteed.

Investment in Credit Assets originated by Marketplaces outside the United Kingdom, the United States, Germany, Spain or the Netherlands may have a different risk profile

It is possible that a limited portion of the Company's funds may be invested through Marketplaces other than in the United Kingdom, the United States, Germany, Spain or the Netherlands. If such additional Marketplaces are established, Funding Circle will propose to the Company that it makes investments in Credit Assets originated by such additional Marketplaces (subject to the Company's Investment Policy, Board approval and (if necessary) Shareholder approval). General economic factors and conditions in the jurisdictions in which those Marketplaces operate may vary to that of the United Kingdom, the United States, Germany, Spain or the Netherlands including the general interest rate environment, unemployment rates and residential home values, but the Company will have regard to the overall target dividend rate in assessing such additional Marketplaces.

Accordingly, Credit Assets originated by any new Marketplace may have a different risk profile to Credit Assets originated by the UK, US, Germany, Spain or Netherlands Marketplaces and additional currency exposure may be introduced.

Investment in loans relating to, or secured on, real estate may have a different risk profile to other loans

The Company may invest in Credit Assets originated by Funding Circle that are secured on real estate. Such loans may be loans made to finance expansion or for other general purposes of the borrower, or may be loans made for the purposes of real estate development. Development or bridging finance loans secured with a first charge amount to approximately 10 per cent. by loan amount outstanding of all Credit Assets originated through the UK Marketplace as at 30 September 2016, but this may increase or decrease in any given period.

Loans secured on real estate may have a different risk profile to other Credit Assets. In addition to the credit risk of the borrower, the Company will also be exposed to risks affecting real estate assets generally, which may compromise the value of its security.

Loans relating to real estate development may also have a different risk profile to other loans, including risks relating to completion of development projects and successful sale or refinancing of such development projects upon completion. Reduced rental receipts, higher interest rates, or realised value upon sale which is substantially lower than the anticipated gross development value may affect borrowers' ability to repay their loans, which could increase default levels, non-payment, arrears and forbearance.

In either case, declining or unstable property values may make it difficult for the Company to accurately value the security to such loans, and for borrowers to recover the amount of loans extended. The value of any security ultimately realised by the Company will depend on the value that security is able to realise upon repossession, which may be different from the value at the time the loan was extended. If the value of the security declines significantly in the future, the Company could be required to record additional provisions and could experience lower than expected recovery levels on secured loans. Further, changes to laws or regulations may impair the value of such security. Any of the foregoing results could have a material adverse effect on the Company's performance and the Company's ability to pay the target dividend.

Random allocation of Credit Assets may have an adverse effect on portfolio composition

Credit Assets are randomly allocated to the Company. Whilst the Investment Policy (and any Portfolio Limits) may affect portfolio composition, the precise composition of the Company's portfolio cannot be guaranteed given the random nature of such allocations.

The Company will invest in Credit Assets which, although diversified by the nature of the Marketplace origination process and the implementation of the Investment Policy, have not been actively selected. Consequently, owing to the random nature of the allocation process, it is possible that Credit Assets allocated to the Company may be more concentrated in specific asset sub-categories than others, or comprise assets which are disproportionately poor-performing when compared to other cohorts of Credit Assets on the Marketplaces generally. This may result in increased default rates and losses to the Company.

The Company may otherwise from time to time have significant exposure to Credit Assets that have identical risk ratings, have similar maturity profiles or otherwise are referenced to certain asset class sub-categories (albeit exposures that are subject to the Investment Policy and any Portfolio Limits). Greater concentration of Credit Assets in any one asset class sub-category may result in greater volatility in the value of the Company's investments and consequently its NAV and may materially and adversely affect the performance of the Company and returns to its Shareholders.

Conflicts of interest may arise within the Company or with Interested Parties

Funding Circle, Numis and their respective Interested Parties may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments. Interested Parties may provide services to the Company or to other persons and entities acting as lenders on the Funding Circle platforms and may themselves act as lenders (whether as principal or agent) on the Funding Circle platforms (in accordance with their own or a client's investment criteria, as the case may be) and will not be liable to account to the Company for any profit earned from any such services or activities. An Interested Party may provide professional services to members of the Company (provided that no Interested Party will act as auditor to the Company) or hold Shares and buy, hold and deal in any investments for their own accounts, notwithstanding that similar investments may be held by the Company (directly or indirectly).

An Interested Party may contract or enter into any financial or other transaction with any member of the Company or with any Shareholder or any entity any of whose securities are held by or for the account of the Company, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it is contractually entitled in relation to any sale or purchase of any investments of the Company effected by it for the account of the Company, provided that in each case the terms are no less beneficial to the Company than a transaction involving a disinterested party and any commission is in line with market practice.

Risk relating to any future investment in smaller loans to UK sole traders and small partnerships

Funding Circle may in future list on the UK Marketplace loans to persons who would be considered to fall within the UK consumer credit regime. Should it decide to do so in the future, the Company and/or Funding Circle UK would be required to obtain authorisation from the FCA prior to doing so, which would result in costs being incurred and regulatory burdens being imposed on the Funding Circle UK and, possibly, the Company.

Funding Circle will allocate some of its resources to activities in which the Company is not engaged, which could have a negative impact on the Company's ability to achieve its Investment Objective

Funding Circle is not required to commit all of its resources to the Company's affairs. Insofar as Funding Circle devotes resources to its responsibilities to other business interests, its ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its Investment Objective, which could have a material adverse effect on the Company's profitability, Net Asset Value and share price.

Risks relating to indirect investment in Credit Assets

Indirect investments may give rise to different exposure

The Company has invested and may in the future invest indirectly in Credit Assets, including by purchasing equity or debt interests in, or issued by, securitisation SPVs or similar entities that, in turn, invest directly in Credit Assets. While the return or payment on such interests or debt depends on the performance of the relevant Credit Assets underlying such securitisation or other indirect investment, the exposure to the Company may be different than if the Company had invested in those Credit Assets directly. For example, equity interests in or the subordinated debt of a securitisation SPV or other similar entity may provide enhanced returns in relation to the relevant Credit Assets underlying such investment but may also provide greater default risk in relation to such

investment, which could in turn affect the performance of the Company. In addition, the timing of payment in relation to equity interests or the debt of a securitisation SPV or other similar entity holding Credit Assets may be different to the timing of payment if such Credit Assets were held directly.

Securitisation of the Company's interests in Credit Assets

If the Company (by decision of the Board) should seek to securitise any of its interest in Credit Assets, it is possible that it may not be able to do so on advantageous terms, or at all. Further, applicable law or regulation may impose requirements on the relevant SPV or the Company in respect of the retention of risk relating to any securitised assets or otherwise which may increase the costs of the securitisation or otherwise create risk for the Company. The precise nature of these costs or risks will be determined at the time of the relevant investment.

Leverage at the level of an investee entity or SPV

Where leverage is used at the level of an investee entity or SPV, the lender to that investee entity or SPV would typically have a priority to the assets of such entity/SPV which rank ahead of the Company.

Features of instruments used to effect indirect investments

Indirect investments in Credit Assets may be effected (where the Board so determines) through the acquisition by the Company or its Affiliates or the IrishCos of interests in equity or debt instruments issued by SPVs. Those offered interests may have features which expose the Company (or the relevant IrishCo) to material risk. Such features may include (without limitation):

- Restrictions relating to the transfer of such interest which reduces their liquidity and may make resale difficult or impossible.
- Limited control for the noteholders or investors over amendments, modifications and waivers to, and assignments of the documents pursuant to which the relevant debt or equity interest has been created or is governed.
- The relevant debt or equity interests, or the issuer thereof, may not be rated by any rating agency.
- Repayment of any lending by the Company, the satisfaction of interest obligations and the return of and on any invested capital, is likely to be limited to the assets of the issuing entity.
- The interests acquired by the Company (or the relevant IrishCo) in respect of a particular investment may be subordinated to other interests issued to third parties in respect of the same underlying Credit Assets, with the result that payments by the issuer of those interests are made first to investors holding superior interests, to the detriment of the Company.

Consequently, it is possible that in respect of an indirect investment, the Company may receive less payments than anticipated, or may receive payments later than anticipated, and may bear a greater risk of loss than if a direct interest had been held in the relevant Credit Asset (or if the Company had acquired or retained an interest having a higher priority than that actually held by the Company).

The Board will have regard to all of the above risks in making a determination whether or not to make an indirect investment in Credit Assets.

Risks relating to the EIB Transaction

Subordination of Class B Notes to the EIB Senior Loan

The Class B Notes are subordinate to the EIB Senior Loan in relation to payment of interest. Further, following the occurrence of an Acceleration Event or a Sequential Trigger Event (which is continuing), the Class B Notes will rank subordinate to all payments due in respect of the EIB Senior Loan. No assurance can therefore be given in relation to the return on the Class B Notes and a lower than anticipated return on the Class B Notes may have an adverse impact on the Company's performance and the Company's ability to pay the target dividend.

The Class B Notes constitute limited recourse obligations of the EIB Transaction IrishCo

The Class B Notes constitute limited recourse obligations of the EIB Transaction IrishCo. Other than as described in this Prospectus, the EIB Transaction IrishCo is not expected to have any other funds available to it to meet its obligations under the Class B Notes. Upon enforcement of the security over

the Charged Assets in favour of the Secured Parties, if certain circumstances exist then the Secured Parties shall have no further claim against the EIB Transaction IrishCo or its directors, shareholders, officers or successors in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be extinguished. Therefore in the event of a lower than anticipated return on the Class B Notes the Company will have limited recourse against the EIB Transaction IrishCo and therefore limited ability to mitigate any adverse impact on the Company's performance and the Company's ability to pay the target dividend.

Risks in relation to the disposal of the Class B Notes

As at 31 December 2016, the leverage of the Company on a look through basis was 49.98 per cent. of the current NAV. If the EIB Transaction IrishCo draws further loans from the EIB Senior Loan absent the Company raising sufficient capital pursuant to the Share Issuance Programme to mitigate the additional leverage, the Company will seek to promptly dispose of part of the Class B Notes or the economic interest therein to third party investors, so as to comply with the leverage limit.

There is a risk that the Company may be unable to dispose of the Class B Notes or the economic interests therein to third party investors, or that the price achieved through a disposal will be below the valuation attributed to the Class B Notes by the Company. In particular, there is currently a limited secondary market for the Class B Notes and no assurance can be given that an active and liquid secondary market for the Class B Notes will develop. None of the Class B Notes have been, or will be, registered under the United States Securities Act of 1933 or any other applicable securities laws and they are subject to certain restrictions on the resale and other transfer thereof as set out in the EIB Transaction Documents. Certain terms of the Class B Notes (such as their denomination and the fact that the Class B Notes are not compliant with EU or US risk retention rules) also limit the type of investor permitted to acquire the Class B Notes and therefore their liquidity. To the extent that a secondary market exists or develops, it may not continue for the life of the Class B Notes. In the event that the Company is unable to dispose of the Class B Notes or the economic interests therein to third party investors, then the effective leverage on the Ordinary Shares will be higher than that set out in the Company's leverage policy.

In the event that the price achieved through a disposal of the Class B Notes is below the valuation attributed to the Class B Notes, then there may be an adverse impact on the Company's performance.

Rate risk

The EIB Transaction IrishCo is subject to the risk of a mismatch between the rate of interest payable in respect of the SME Loans and the rate of interest payable in respect of the EIB Senior Loan and the Class B Notes. As at the Latest Practicable Date, the EIB Transaction IrishCo has not entered into any interest rate swap or other hedging transaction in relation to the EIB Senior Loan (although both EIB and the Company have provided their consent to put in place an interest rate cap arrangement), and as a result there is no hedge in respect of the risk of any such mismatch which in turn may result in insufficient funds being made available to the EIB Transaction IrishCo for it to meet its obligations to pay interest to EIB under the EIB Senior Loan and/or the holders of the Class B Notes.

The Company, the EIB Transaction IrishCo and EIB intend to implement an interest rate hedging strategy.

Risks relating to the Company and its business generally

The Company has a limited operating history on which to base expectations

The Company was incorporated on 22 July 2015 and accordingly has a limited operating history.

Investors therefore do not have an extensive basis on which to evaluate the Company's ability to meet its Investment Objective. The limited past performance of the investments originated by the Marketplaces is not a reliable indication of future performance of the investments held by the Company.

The Company may not meet its Investment Objective

The Company may not achieve its Investment Objective. Meeting that objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's Investment Objective includes the aim of providing Shareholders with dividend income. There is no guarantee that the target dividend rates referred to in this Prospectus will be met or that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Company's portfolio of investments. The past performance of Credit Assets originated through the Marketplaces cannot be relied upon as an indicator of the future performance of the Company. Investor returns will continue to be dependent upon the Company successfully pursuing its Investment Policy.

The Company has no employees and is reliant on the performance of third party service providers

The Company has no employees. Whilst the Company has taken steps to establish adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for its executive function. In particular, Funding Circle, the Administrator and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company.

As noted above, the success of the Company will depend, *inter alia*, on the availability of suitable Credit Assets and of Funding Circle to operate the Marketplaces. This, in turn, will depend on the ability of Funding Circle to apply their processes in a way which is capable of originating suitable Credit Assets for the Company to invest in and to minimise the default rates of borrowers of such Credit Assets. There can be no assurance that Funding Circle will be able to do so or that the Company will be able to invest its assets on attractive terms or generate any investment returns for Shareholders or avoid investment losses.

The Company may borrow in connection with its investment activities which may subject it to interest rate risk and additional losses if the value of investments fall

The Company's leverage policy permits the Company to borrow 0.25 times the then-current NAV, or up to 0.5 times the then-current NAV with the specific further approval of the Board, in each case assessed at the time the relevant indebtedness is incurred. The approval of the Board has been obtained to increase the aggregate permitted leverage of the Company to 0.5 times the then-current NAV. There will be no obligation to alter the Company's (or any other relevant person's) borrowing arrangements as a result of any subsequent variation in NAV. Borrowing may be effected at the level of the Company, any of its Affiliates, or the IrishCos (noting for these purposes that the borrowings of the IrishCos under the Notes shall not count towards this limit). In respect of the EIB Transaction, whilst the borrowing or leverage by the EIB Transaction IrishCo does not count towards the borrowing limits applicable to the Company (as the EIB Transaction IrishCo is neither an Affiliate nor a Near Affiliate of the Company), the Board has required that such borrowing or leverage limits are applied indirectly, so that the Company will only hold such principal amount of Class B Notes so as to maintain the aggregate borrowing or leverage of the Company on a "look-through" basis at 50 per cent. or below.

Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the Shares when the value of the Company's underlying assets is rising, it will, however, have the opposite effect where the underlying asset value is falling. In addition, in the event that the Company's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.

Any Company entity which incurs borrowings will pay interest. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates. Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate cash borrowings. In the event that interest rate movements lower the level of income receivable on cash deposits or raise the interest required to be paid by the Company, returns to investors will be reduced.

There is no guarantee that the Company will be able to obtain leverage or that any borrowings of the Company will be refinanced on their maturity either on terms that are acceptable to the Company or at all.

Limited secondary market and liquidity

Credit Assets generally have a maturity of between one and five years. The Company will generally hold Credit Assets through to maturity.

There is also currently no formal secondary market (operated by Funding Circle or otherwise) in relation to Credit Assets acquired by the Company. Such Credit Assets are not at present listed on any national or international securities exchange. The Company will in any event adhere to a “lend and hold” strategy, and will not seek to access liquidity. In the event of adverse economic conditions in which it would be preferable for the Company to sell some of its Credit Assets, the Company may not be able to sell a sufficient proportion as a result of liquidity constraints. In such circumstances, the overall returns to the Company from its investments may be adversely affected.

Reinvestment of excess cash may not be possible

If the Company’s investments do not generate sufficient returns, or if for other reasons the Company does not generate profits for the Company sufficient to enable the payment of dividends at or above the target described herein, the Company will not have excess cash available for reinvestment. This may inhibit the ability to grow the NAV or, indeed, its maintenance at prior levels. Even if excess cash is available, there is no guarantee that suitable investments will be available for the deployment of that cash. Further, the Board intends to conduct the Company’s affairs such that the Company would, in the opinion of the board, qualify for approval as an investment trust company if it were resident in the UK. Such an approach may require the distribution of cash otherwise available for reinvestment.

Delays in deployment of the proceeds of the Issue may have an impact on the Company’s results, operations and cash flows

Pending deployment of the net proceeds of the Issue, the Company intends to invest cash held in cash deposits, cash equivalents, fixed income instruments, government or public securities, money-market instruments and other similar investments in accordance with the Investment Policy. Interim cash management is likely to yield lower returns than the expected returns from investments in Credit Assets. There can be no assurance as to how long it will take for the Company to invest any or all of the net proceeds of the Issue, if at all, and the longer the period the greater the likelihood that the Company’s results will be materially adversely affected which will in turn impact the Net Asset Value and, possibly, the market value of the Shares.

The Company may experience fluctuations in its operating results

The Company may experience fluctuations in its operating results due to a number of factors, including changes in the values and credit quality of the investments made by the Company, changes in the amount of interest received in respect of Credit Assets in the portfolio, changes in the Company’s operating expenses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may lead to volatility in the trading price of the Shares and cause the Company’s results for a particular period not to be indicative of its performance in a future period.

Valuation risk

The Company’s underlying investments are (directly or indirectly, including indirectly via the Company’s investment in the IrishCos) in unquoted Credit Assets and the valuation of such investments involves the exercise of judgement. There can be no guarantee that the basis of calculation of the value of the Company’s investments used in the valuation process will reflect the actual value of those investments. Further, it is likely that a portion of the Company’s investments will be subject to default (whole or partial) which will affect the value of the Company investments and the return to investors accordingly.

The AIFM Directive may adversely affect the Company’s marketing or other operations

The Company operates as a self-managed, non-EU AIF for the purposes of the AIFM Directive.

The AIFM Directive has introduced requirements to make certain reports and disclosures to regulators of EU member states in which the Shares in the Company are marketed. Such reports and disclosures may become publicly available.

Any further regulatory changes relating to the AIFM Directive (or otherwise) that limit the Company’s ability to market future issues of its shares may materially adversely affect the Company’s

ability to carry out the Investment Policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

Currency fluctuations

The assets of the Company are invested in Credit Assets which may be denominated in Sterling, US Dollars, Euros or other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Company may, but is not obliged to, hedge currency exposure between Sterling and any other currency in which the Company's assets may be denominated (in particular US Dollars). However, there can be no assurances or guarantees that the Company will successfully hedge against such risk. It should be further noted that, in connection with any hedging activities which may be undertaken, the Company may be exposed to significant margin calls.

Cybersecurity breaches

As noted in the risk factor 'Reliance on Funding Circle's IT systems to originate, facilitate and monitor Credit Assets', the Company is reliant on the functionality of Funding Circle's software and IT infrastructure to facilitate process of the Company acquiring Credit Assets. The Company is also reliant on the functionality of the IT infrastructure of its other service providers. These systems may be prone to operational, information security and related risks resulting from failures of, or breaches in, cybersecurity.

A failure of or breach in cybersecurity ("cyber incidents") refers to both intentional and unintentional events that may cause the relevant party to lose proprietary information, suffer data corruption, or lose operational capacity. In general, cyber incidents can result from deliberate attacks ("cyber-attacks") or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Cyber incidents may cause disruption and impact business operations, potentially resulting in financial losses, interference with the Company's ability to calculate its Net Asset Value, impediments to trading, the inability of Shareholders or potential shareholders to subscribe for, exchange or redeem Shares, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future.

While Funding Circle has established business continuity plans and strategies, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. Furthermore, neither of the Company or Funding Circle can control the business continuity plans or strategies put in place by other service providers to the Company.

The Company may be subject to litigation and other legal proceedings

The Company is subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of its business and otherwise. The results of legal and regulatory proceedings cannot be predicted with certainty. The Company cannot guarantee that the results of future legal or regulatory proceedings or actions will not materially harm its business, financial condition, results of operations or operations, nor can the Company guarantee that it will not incur losses in connection with future legal or regulatory proceedings or actions that exceed any available insurance coverage, which may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

2. RISKS RELATING TO THE MARKETPLACE LENDING INDUSTRY

Risks relating to the marketplace lending industry generally

Unpredictability of default rates

The default history for Credit Assets originated via marketplace lending platforms is limited and actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations.

The methodology and assumptions used by Funding Circle to calculate the historical default experience may not be sufficiently accurate and accordingly may not accurately extrapolate the expected lifetime of loan defaults. As a result the Company might invest in Credit Assets which have a higher risk of default than expected, which may result in increased losses to the Company.

Prepayment risk

Borrowers may decide to prepay all, or (where relevant under the terms and conditions of the relevant Credit Asset) a portion of, the remaining principal amount due at any time without penalty. In the event of a prepayment of the entire remaining unpaid principal amount of a Credit Asset acquired by the Company, the Company will receive such prepayment but further interest will not accrue after the date of the prepayment. If the borrower prepays a portion of the remaining unpaid principal balance, interest will cease to accrue on the prepaid portion, and the Company will not receive all of the interest payments that it expected. Further, amounts prepaid may not immediately be reinvested or, if reinvested, there may be a delay in that occurring.

The effects of normal market fluctuations may impact the Company's business, operating results or financial condition

As noted above, normal market fluctuations are outside the Company's control and may affect the volatility of underlying asset values and the liquidity and the value of the Company's portfolio of investments. Changes in economic conditions in the areas where the Company invests (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events, unemployment, consumer spending, consumer sentiment and other factors) could substantially and adversely affect the Company's prospects.

Fraud

Fraud is a risk affecting the marketplace lending industry in general. The value of the investments made by the Company may be affected by fraud, misrepresentation or omission on the part of the borrower, by parties related to the borrower or by other parties to the Credit Assets (or related collateral and security arrangements), including the marketplaces operated by Funding Circle themselves. While Funding Circle has put in place systems, including in most cases to verify information provided by borrowers to reduce the risk of fraud, misrepresentation or omission such systems may not be sufficient, in all cases, to prevent Credit Assets being originated on the basis of fraud, misrepresentation or omission. Fraud, misrepresentation or omission may adversely affect the value of the security underlying the Credit Asset in question (in circumstances where security has been taken) or may adversely affect the Company's ability to enforce its contractual rights under the Credit Asset or for the borrower to repay principal or interest on it or its other debts. In the event of fraud, misrepresentation or omission in respect of a Credit Asset, Funding Circle may require a borrower to make an early repayment of the amount outstanding under the Credit Asset.

Money laundering and proceeds of crime

Any material failure by the Marketplaces or the Company to comply with anti-money laundering restrictions or in connection with any investigation relating thereto could result in fines or penalties. Such fines or penalties could have a material adverse effect on the Company directly, for amounts owed for fines or penalties, or indirectly, as a result of any adverse publicity.

Changes in laws or regulations affecting Funding Circle or the Company

The regulatory environment surrounding the marketplace lending industry is relatively new and susceptible to change and may in certain respects require clarification or interpretive guidance in respect of existing laws and regulations. The body of law and regulation in respect of the marketplace lending industry is continuously evolving and, as currently drafted and applied by regulatory bodies, may result in technical requirements for market participants to hold certain permissions in relation to loans in smaller principal amounts, to certain entity types (e.g., sole traders and small partnerships) or to SMEs located in certain jurisdictions, which are in excess of those required by the intended scope of legislation. In each of the UK, US CE, as well as elsewhere, Funding Circle is subject to laws and regulations enacted by national, state and local governments (as applicable) and the Company's operators are, or may be in future affected by such technical requirements in existing laws and regulations.

Further, the Company is subject to and required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. The Company must comply with the

Listing Rules for premium listed equity securities, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

Any change in the law and regulation affecting the Company (or the IrishCos) or affecting Funding Circle, may have a material adverse effect on the ability of Funding Circle and/or the Company to carry on their businesses and on the ability of the Company to successfully pursue the Investment Policy and on the value of the Shares. In particular, regulatory change could lead to increased compliance costs, the prohibition of certain types of trading, a decrease in the value of the Shares and an inability of the Company to pursue the Investment Policy. In addition, the interpretation of existing legislation or regulation may change or may prove different than anticipated when applied to Funding Circle's or the Company's business model. Compliance with such requirements could involve additional costs for Funding Circle or the Company, and could result in civil or criminal violations of existing laws and regulations in respect of appropriate regulatory permissions, permitted conduct, or in other areas of the business, and which could, adversely affect or constrain Funding Circle's ability to operate the Marketplaces, thereby potentially adversely affecting the Company's ability to pursue the Investment Objective.

Privacy and data security laws

Due to the personal and sensitive nature of the information that is collected from prospective borrowers and their primary business owner(s), it is imperative that marketplace operators comply with applicable laws and regulations governing the security of non-public personal information. Funding Circle has policies and procedures intended to maintain any non-public personal information it collects from borrowers and their primary business owner(s) securely and to ensure it is disposed of properly.

Through its participation in the Marketplaces, the Company may obtain non-public personal information about loan applicants and their primary business owner(s), and intends to comply with applicable law in this regard. Any violations of data security or other applicable laws by the Company could subject it to fines, penalties, or other regulatory action, which, individually or in the aggregate, could be costly and would likely entail ongoing expense to ensure compliance. Likewise, violations by Funding Circle could adversely affect the operations of the Marketplaces, and so affect the availability or performance of investments through these platforms.

Risks relating to the industry in the UK

Regulation of marketplace platform operators in the UK

Until Funding Circle UK obtains the full permissions it requires from the FCA, it must hold interim permissions in order to engage in the regulated activities relevant to its business. Funding Circle UK currently holds interim permissions for its primary regulated activities of credit brokerage and peer-to-peer lending activities. Funding Circle UK filed its application to the FCA for full authorisation on 16 October 2015 and is co-operating with the FCA through the authorisation review process. At the same time, Funding Circle UK applied for additional permissions including debt collecting and debt administration permissions. If Funding Circle UK was to fail to obtain all of the permissions it requires, this would result in Funding Circle UK being forced to alter or in some cases cease some of its operations, causing disruption to the servicing of Credit Assets in which the Company has invested indirectly through the Marketplace in the UK. Any disruption may impact the quality of the servicing of those loans, and may result in reduced returns to the Company from the relevant investments.

In addition to its interim permission authorisation regime, the FCA has also introduced regulatory controls for peer-to-peer lending platform operators, such as Funding Circle UK, including conduct of business rules (in particular, around disclosure and promotions), minimum capital requirements, client money protection rules, dispute resolution rules and a requirement for firms to take reasonable steps to ensure existing loans continue to be administered if the firm goes out of business.

In August 2016, the FCA commenced its anticipated post-implementation review into the regulation of the peer-to-peer lending sector in the UK (the "Post-Implementation Review"). This review process is still on-going but the FCA has indicated that based on initial feedback and supervision of peer-to-peer platforms that are currently trading, the existing regime will need to be modified in a number of areas. As such it is not known whether changes will be positive from Funding Circle UK's and/or investors' perspective or whether changes will be adverse from Funding Circle UK's and/or investors' perspective.

The ongoing scrutiny and uncertainty surrounding the new – and potentially changing – rules governing the peer-to-peer lending sector coupled with any further legislation or regulatory rules and guidance could have a material adverse effect on Funding Circle UK's business and may result in interruption of operations of the UK Marketplace. The definitions of the relevant regulated activities and exclusions to them are difficult to interpret and have not been subject to significant judicial consideration or specific regulatory guidance in respect of their application to existing business models within the industry. As a result, Funding Circle UK may not always have been or be in strict technical compliance in all respects with the FCA's authorisation regime. Although Funding Circle has sought guidance from the FCA in respect of the specific permissions it requires, and in regard to specific technical breaches of existing law by Funding Circle, there is a risk that any specific guidance received from the FCA or future findings may result in civil or criminal sanction or in required changes to Funding Circle's business model in relation to regulated lending and related servicing, which may potentially adversely affect or constrain Funding Circle's ability to operate the Marketplaces in this respect, thereby potentially adversely affecting the Company's ability to pursue the Investment Objective. Accordingly, and also with regard to the Post-Implementation Review, Funding Circle UK might seek to pass on increased regulatory compliance costs to users of the UK Marketplace, such as the Company, and the Company may incur other costs in sourcing alternative service provision. Although Funding Circle intends to fully comply with any new rules, or new application or interpretation of existing rules, it may be subject to significant additional regulatory compliance costs.

Noncompliance by Funding Circle UK with legal and regulatory requirements could adversely affect the Company

Funding Circle UK and its Affiliates endeavour to comply with all laws and regulations applicable to operating the UK Marketplace. Any failure to comply with such applicable laws and regulations, including in the manner described above under the "Regulation of marketplace platform operators in the UK", could result in permissions not being granted or being withdrawn, regulatory enforcement proceedings, criminal or civil liabilities and/or other sanctions. Any such events could materially impair the Company's ability to benefit from access to the UK Marketplace and/or the Company's ability to collect on any UK Assets.

The uncertainty regarding the UK's membership of the European Union may have a material adverse effect on the Company's business prospects

On 23 June 2016, UK citizens voted in favour of the UK leaving the EU. The implications of this decision, together with the exact timing for the triggering by the UK government of a formal process for negotiating the UK's exit from the EU with other EU member states and the outcome of such negotiations, are not known as at the date of this Prospectus.

The Company accordingly faces a period of prolonged uncertainty regarding aspects of the UK economy including the possibility of a period of recession, together with other risks which could materially and adversely affect the legal, operational, regulatory, insurance and tax regime(s) to which the Company is currently subject.

The effect of these risks could also be to increase compliance and operating costs whilst restricting the movement of its capital and the mobility of any personnel. The uncertainty created by the outcome of the referendum may also lead to heightened levels of market volatility both in the UK and globally. Any of these risks, taken singularly or in aggregate, could have a material adverse effect on the Company's business, financial position and results of operations.

Risks relating to the industry in the US

Regulation of marketplace platform operators in the US

The lending industry in the US is highly regulated. Credit Assets originated via the US Marketplace are subject to extensive and complex rules and regulations issued by various federal, state and local government authorities and, following the financial crisis of 2008, supervisory efforts to enact and apply relevant laws, regulations and policies have become more intense. Changes in laws or regulations or in the regulatory application or judicial interpretation of laws and regulations applicable to the US Marketplace could adversely affect the business of Funding Circle US and its Affiliates or make it more difficult or costly for them to originate and/or service Credit Assets.

Noncompliance by Funding Circle US with state licensing requirements could adversely affect the Company

Funding Circle US and its Affiliates endeavour to comply with all US state licensing laws applicable to operating the US Marketplace. Funding Circle US currently originates Credit Assets in 49 states and the District of Columbia, subject to certain interest rate limitations and other state-specific restrictions. Funding Circle US is a licensed lender in most states requiring a licence to make loans similar to the Credit Assets originated via the US Marketplace and in the remaining states that have licensing requirements relies upon available exemptions from licensing. Funding Circle US believes it is in compliance with any applicable state lender licensing or similar laws; in certain instances, however, the scope of state licensing requirements is unclear. Any failure by any of these entities to obtain required state licenses and/or to comply with the regulations applicable to licensed lenders or servicers could result in the loss of required licenses, regulatory enforcement proceedings, criminal or civil liabilities and/or other sanctions. Any such events could materially impair the Company's ability to collect on any affected US Assets.

Noncompliance by Funding Circle US with state usury laws could adversely affect the Company

Most US states limit by statute the maximum interest rate that lenders may charge on consumer loans. The usury laws also may limit or restrict other fees and loan terms and the length of loans. Funding Circle US generally is not subject to usury laws in connection with its origination of Credit Assets via the US Marketplace as borrowers are required to use proceeds from such Credit Assets for business and not personal purposes. Certain Credit Assets originated via the US Marketplace in certain states may nonetheless be subject to usury laws. Funding Circle US monitors the application of these laws to the US Marketplace and believes it is in compliance with all such laws. Any Credit Assets originated via the US Marketplace in violation of applicable usury laws, however, could be unenforceable against the borrower. Any such violations also could expose Funding Circle US to criminal and/or civil penalties and/or require it to refund all payments made by the applicable borrowers or to pay them a multiple of such payments. Any breach by Funding Circle US of applicable usury laws therefore could materially impair the Company's ability to collect on any affected US Assets.

Noncompliance by Funding Circle US with other applicable federal and state commercial lending laws could adversely affect the Company

In addition to the potential application of state lender licensing and usury laws, the US Marketplace is subject to regulation under a number of different federal and state commercial lending laws, including those relating to the protection of borrowers and their primary business owner(s). Among others, the relevant laws include the Equal Credit Opportunity Act, the Fair Credit Reporting Act, anti-money laundering requirements (e.g., the Bank Secrecy Act and the Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001), privacy and data regulations (e.g., the Gramm-Leach-Bliley Act), electronic transactions legislation (e.g. Electronic Fund Transfer Act, the Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transactions Act), the Servicemembers Civil Relief Act, the Telephone Consumer Protection Act of 1991, the Fair Debt Collection Practices Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, requirements relating to unfair, deceptive, or abusive acts or practices and state counterparts to the foregoing laws. Funding Circle US and its Affiliates endeavour to comply with each such law to the extent applicable to their businesses. In most instances, however, these laws were drafted before the development of marketplace lending platforms and securities issuance platforms and the manner in which certain aspects of these laws should be applied to such platforms can be unclear. Any failure by Funding Circle and/or its Affiliates to comply with such laws could have a significant adverse impact on Funding Circle US and/or such Affiliate (including the loss of required licenses and/or a judicial determination that the affected Credit Assets are not enforceable) and could materially impair the Company's ability to collect on any affected US Assets.

If the choice of law provisions in the Asset Documentation for US Assets are held to be unenforceable in certain jurisdictions, state interest rate limits may prevent the Company from collecting on affected US Assets made in such jurisdictions

For Credit Assets originated via the US Marketplace to borrowers located in any state other than South Dakota, the Asset Documentation is by its terms governed by California law. The terms of Funding Circle US's lending licence in South Dakota require that the Asset Documentation for Credit Assets made to borrowers located in that state be governed by South Dakota law. As a

licensed California finance lender, Funding Circle US is not required under California law to limit the rate of interest that it charges to borrowers. Funding Circle US believes that the choice of California law to govern the Asset Documentation is appropriate since Funding Circle US enters into each loan in California and Funding Circle US's credit analysis, servicing, operations and collections teams are located in California. A borrower or state regulator could seek to invalidate the choice of California law to govern the Asset Documentation and argue that a US Asset may not lawfully be made at interest rates exceeding the maximum rate permitted under the usury laws (if any) applicable in the state in which the borrower is located. Funding Circle US and its Affiliates are not, and have not been, subject to any court or regulatory proceeding challenging the enforceability of the Credit Assets originated via the US Marketplace on these grounds nor are Funding Circle US aware of any similar broad-based challenges made against other California-based small business lenders. In addition, with few exceptions, Funding Circle US believes that the interest rates on most of the Credit Assets originated via the US Marketplace would not exceed any applicable interest rate caps even if the usury laws (if any) of the borrower's home state were deemed to be applicable. Funding Circle US monitors the application of these applicable state laws to its business and believes it is in compliance with all such laws.

Noncompliance with securities regulation could adversely affect the US Marketplace

The US Marketplace is subject to regulation under a number of different federal and state securities laws, including those governing investments in private fund interests and loan payment dependent debt securities. These securities laws include, among others, the US Securities Act, the US Exchange Act, the US Investment Company Act, the US Investment Advisers Act and state "blue sky" laws adopted to govern the offering and sale of securities within states. Although Funding Circle intends to operate in compliance with all applicable securities laws, these laws are complex and sometimes subject to alternative interpretations. While the sales of whole loans to the Company through the US Marketplace are not likely to be subject to any securities laws, any failure by Funding Circle US to comply with applicable securities laws could result in regulatory actions and/or significant civil liabilities and such actions or liabilities could have a material adverse effect on the ability of Funding Circle to operate in the US.

Risks relating to the industry in Continental Europe

There is no single European-wide legislation that regulates marketplace lending activity in Europe. Each member state of the European Union in which Funding Circle operates has to a lesser or greater extent enacted legislation in respect of marketplace lending, which may be subject to change. In addition, certain EU or domestic regulations may apply to activities of the marketplace lending industry in various member states, including in respect of banking laws such as bank monopoly regulations, payment services regulations, data protection regulations and consumer protection regulations.

Changes in laws or regulations or in the regulatory application or judicial interpretation of laws and regulations applicable to the CE Marketplaces could adversely affect the business of Funding Circle CE and its Affiliates or make it more difficult or costly for them to originate and/or service Credit Assets.

Germany

Regulation of Marketplace Platform Operators in Germany

The lending industry in Germany is highly regulated and lending requires authorisation by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) ("BaFin"). Authorisation pursuant to section 32 (1) sentence 1 of the Banking Act is required by anyone wishing to conduct banking business or to provide financial services in Germany commercially or on a scale which requires commercially organised business operations. In addition, the authorisation requirement pursuant to section 8 (1) sentence 1 of the Payment Services Supervision Act applies to those operators who wish to provide payment services in Germany as a payment institution, provided that this is to be done on a commercial basis or on a scale which requires commercially organised business operations. Provided that the activities of an internet services platform and of the related intermediary is limited to (a) brokering a loan agreement between a borrower and a credit institution and (b) to brokering the conclusion of agreements on the purchase of receivables between the credit institution and several investors, neither the intermediary nor the internet services platforms provide banking or payment services (cf. Bundestag printed paper (Bundestags-Drucksache – BT-Drs.)

18/3994, p. 39) and a bank licence is not required. In the case of pure brokerage of loans, authorisation pursuant to section 34c or section 34f of the Industrial Code may be required.

Funding Circle Germany holds a permission by the German Trading Office to broker loans and financial assets, pursuant to sections 34c and f of the Gewerbeordnung (the German industrial code). In the context of public offers, such as on the Funding Circle Germany retail platform, Funding Circle Germany is subject to the Financial Asset Act (Vermögensanlagengesetz). Due to the fact that Funding Circle Germany does not offer parts of the same financial asset exceeding EUR 100,000 within 12 months, there is no obligation to provide a prospectus or other information material under this act. In relation to institutional investors, such as the Company, the Financial Asset Act (Vermögensanlagengesetz) does not apply.

Funding Circle Germany provides brokering of loans over its internet services platform between a customer (the borrower) and a credit institution (Wirecard Bank AG, as the lender of record) which holds authorisation pursuant to section 32 (1) of the German Banking Act (Kreditwesengesetz – KWG). In the case of a whole loan, when a loan application from a borrower is accepted for funding by an investor the credit institution will enter into the loan agreement with the borrower as lender of record and will then sell the related loan receivable (that is, the claim for repayment under the loan agreement) arising from the loan agreement to a Funding Circle intermediary that will then sell the related loan receivable to the related investor through agreements on the purchase of receivables and transfers the receivables.

Generally speaking, no authorisation pursuant to the German Banking Act is required for the pure brokerage of loans. However, authorisation under commercial law may be required pursuant to section 34c or section 34f of the German Industrial Code (Gewerbeordnung – GewO). Loan brokerage platforms, such as Funding Circle Germany, whose activities are limited to the brokering of loans are therefore not supervised by BaFin. Instead, the relevant trade supervisory authority supervises the undertaking's activities. Funding Circle Germany holds the relevant permission to broker loans and financial investments (Gewerbeamt (Trade Licensing Office)).

The increasing uncertainty surrounding the new rules governing the peer-to-peer lending sector coupled with any further legislation could have a material adverse effect on Funding Circle Germany's business and may result in the interruption of its operations, which may result in reduced returns being paid to the Company in respect of German Credit Assets held by it. Loan issuance and payments services are both regulated in Germany. In order to commercially issue loans, a banking licence is needed and in order to transact payments, a payment service provider licence is needed. Funding Circle Germany has outsourced these services to an external service provider which holds the required licences.

Netherlands

Regulation of Marketplace Platform Operators in The Netherlands

Marketplace lending platforms in the Netherlands that provide loans-based crowdfunding are regulated by the Autoriteit Financiële Markten ('AFM') as investment firms and are required to maintain a banking licence or qualify for an exemption. Funding Circle Netherlands has been issued an exemption by AFM in respect of the banking licence in accordance with 4:3 Act of Financial Supervision.

The AFM also requires the segregation of the assets of the lenders and applicants from the marketplace platform operator, which is intended to mitigate the risk to investors and lenders in the event of payment difficulties or bankruptcy of the marketplace platform operator. Segregation may be provided either by (i) entering into a partnership with a licensed payment service provider or electronic money institution to conduct activities related to the processing of payment flows or (ii) by creating a separate legal entity (often a bankruptcy remote "foundation") through which the payment flows are remitted. This foundation is often associated with the marketplace platform operator, but is a separate legal entity with the sole purpose to separate the assets of the lenders and borrowers from those of the marketplace platform operator.

The AFM has indicated that it intends to introduce further monitoring in respect of platforms that operate under the exemption from the banking licence, including a suitability test for directors, requirements for business integrity and standardising risk and fraud screenings.

Spain

Regulation of Marketplace Platform Operators in Spain

The activities of direct lending platforms (which may be more commonly referred to as “crowdfunding platforms” in Spanish legislation) are subject to authorisation from the CNMV and registration in the CNMV’s registry created for this purpose in accordance with the procedures established in Law 5/2015. The CNMV, in collaboration with the Bank of Spain, is responsible for the supervision, inspection and disciplining of the platforms and any other natural or legal persons violating Law 5/2015 regarding crowdfunding, including direct lending platforms. For the purposes of the Eleventh Transitional Provision of Law 5/2015, Funding Circle Spain carried out crowdfunding activities at the time Law 5/2015 entered into force (i.e., 29 April 2015) and adapted itself to the requirements of Law 5/2015.

On 18 January 2017, Funding Circle announced that it no longer intended to originate further loans through the Spanish Marketplace in order to focus its resources on Germany and the Netherlands.

Funding Circle Spain will continue to service any Spanish Credit Assets and has entered into a payment services agreement with a credit institution to conduct payment services activities in respect of the Spanish Marketplace.

3. RISKS RELATING TO THE IRISHCOS

Limited Operating History

Each of the IrishCos is incorporated as a designated activity company limited by shares under Irish law and has limited prior operating history or revenues which may be used to evaluate its likely performance and the performance of the Notes.

Reliance on the applicable IrishCo Boards

The success of the IrishCos will depend upon the underlying performance of the Credit Assets originated by Funding Circle UK and Funding Circle CE, as applicable, and the UK IrishCo Board, EIB Transaction IrishCo Board and CE IrishCo Board, respectively, who will have overall supervision and control over the business affairs of the relevant IrishCos. The IrishCo Boards, however, will be obliged to devote only such time to the applicable IrishCo’s affairs as may be reasonably necessary to conduct its business.

No Participation by the Company in the management or control of the IrishCos

The Company’s interest in each of the IrishCos is limited solely to its interest in the Notes. The Company will have no right or power to participate in the management or control of the business of the IrishCos other than the right of the Company to appoint one director to the board of the applicable IrishCos, where applicable. The Company will have no right or power to control the day-to-day operation of any of the IrishCos.

Listing of the Notes

Each of the Notes issued by the IrishCos has been listed on the Global Exchange Market of the Irish Stock Exchange. However, there can be no assurance that such listing will be able to be maintained at all relevant times.

Irish Insolvency Laws

The following is a brief summary of certain provisions of Irish insolvency law. The summary does not purport to be a comprehensive description of all Irish insolvency law considerations which may be relevant should any of the IrishCos get into financial difficulty. The IrishCos are incorporated under the laws of the Republic of Ireland and each has its registered office in the Republic of Ireland. As a result, there is a rebuttable presumption that each of the IrishCos has its ‘centre of main interests’ (within the meaning of Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings) in the Republic of Ireland and consequently any insolvency proceedings applicable to it will be likely to be governed by Irish insolvency laws. Under Irish insolvency law, if an IrishCo goes into liquidation, a liquidator may apply to the court to have certain transactions disclaimed if the related contract amounted to a fraudulent preference. In circumstances where the relevant IrishCo or a company related to the relevant IrishCo is or is likely to be unable to pay its debts, an examiner could be appointed to the relevant IrishCo pursuant to Irish insolvency laws to facilitate the survival of the relevant IrishCo as a going concern. If, under the laws of the Republic of

Ireland, an examiner were appointed to an IrishCo, then the Company could be exposed to certain risks, including the risk that:

- (i) there may be a delay in enforcing payment obligations of the relevant IrishCo;
- (ii) a compromise or scheme of arrangement (which an examiner would formulate for the purposes of assisting the survival of such IrishCo) may, if approved by a court, involve the writing down or rescheduling of the debt due by such IrishCo to the Company; and
- (iii) in the event that a scheme of arrangement is not approved by the court and such IrishCo subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of such IrishCo and approved by a court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable to the Company in respect of the Notes.

Contractual protections for the IrishCos and the IrishCo Boards

Each of the UK Origination Agreement, the UK Servicing Agreement, CE Origination Agreements, the CE Servicing Agreements, the Note Subscription Agreements and the Notes contains certain provisions covering the "corporate obligations" of the applicable IrishCos, limiting the recourse of contractual counterparties, and creating a prohibition on counterparties petitioning for the insolvency or examinership of the applicable IrishCo. The effect of these provisions will be to prevent or restrict the IrishCo's contractual counterparties from taking actions against certain individuals connected with the IrishCos (including members of the IrishCo Boards) or from instituting insolvency proceedings against the IrishCos where it may otherwise be possible so to do. This restriction will affect the Company in connection with the Notes and the other contracts to which both the Company and the IrishCos are party and, in the event of default by the IrishCos, may prevent or restrict the Company from obtaining redress or recourse against the IrishCos and/or the IrishCo Boards and others to the extent otherwise possible.

Taxation position of the IrishCos

Each of the IrishCos has elected to be a 'qualifying company' for the purposes of Section 110. As a result, it is anticipated that the IrishCos should be subject to Irish corporation tax only on their profit calculated under generally accepted accounting practice, after deducting all of its revenue expenses (including interest payable to the Company in respect of the Notes). If, for any reason, an IrishCo is not or ceases to be such a 'qualifying company' for the purposes of Section 110, the applicable IrishCo could be obliged to account for Irish tax in respect of profits for Irish tax purposes, which are in excess of profit calculated under generally accepted accounting practice. This could result in material tax being payable in the Republic of Ireland which has not been contemplated in the cash flows in respect of the Notes issued to the Company. In such circumstances, the Irish tax treatment of both the applicable IrishCo and payments by the IrishCos in respect of the Notes could be adversely affected. In turn, this may have a material adverse effect on the amounts available for distribution to the Company, and in turn, to the Shareholders in respect of the Ordinary Shares.

Not an offer to the public

Each of the IrishCos is a designated activity company limited by shares incorporated under the laws of the Republic of Ireland and, accordingly, is prohibited from making any invitation to the public to subscribe for, or any offer to the public of, the shares in the relevant IrishCo or the Notes. Neither this Prospectus nor any other document constitutes an offer to purchase, or an invitation to the public by or on behalf of the IrishCos to subscribe for, the Notes.

The Notes are not capital protected

The Notes are not a capital guaranteed product. In addition, the obligations of the IrishCos under the Notes will not be obligations or responsibilities of, or guaranteed by, any other person or entity. In this regard, the Company could lose the entire principal amount advanced to the IrishCos in respect of the Notes. This, in turn, could potentially have a material adverse effect on the amounts available for distribution to the Shareholders.

Limited recourse nature of the Notes

The Notes comprise a direct, unsecured, limited recourse obligation of the IrishCos, which shall be payable solely from the assets of the relevant IrishCo, only. The proceeds of realisation of such assets may be less than the sums due by the applicable IrishCo to the Company in respect of the applicable

Note, and to any other creditors of the UK IrishCo and CE IrishCo, respectively. Any shortfall shall be borne by the Company and any other creditors of the UK IrishCo and CE IrishCo, as applicable. The Company shall not be entitled at any time to bring, institute or join with any other person in bringing, instituting or joining insolvency, bankruptcy, winding-up, examinership or any other analogous proceedings (whether court based or otherwise) against the applicable IrishCo, the applicable IrishCo Board or any of its officers, members or agents.

No regulation of the IrishCos by any regulatory authority

The IrishCos are not required to be licensed or authorised under any current securities, commodities, insurance or banking laws of its jurisdiction of incorporation. In particular, the IrishCos are not and will not be regulated by the Central Bank as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank. There is no assurance, however, that the regulatory authorities in a jurisdiction outside the IrishCos' jurisdiction of incorporation would not take a contrary view regarding the applicability of any such laws to the IrishCos. The taking of a contrary view by any such regulatory authority could have an adverse impact on the IrishCos.

In connection with the foregoing, it should be noted that the Central Bank has advised that, as a transitional arrangement, entities which are either (i) registered "financial vehicle corporations" ("FVCs") within the meaning of Regulation (EU) No 1075/2013 of the European Central Bank (the "FVC Regulation"), or (ii) financial vehicles engaged solely in activities where economic participation is by way of debt or other corresponding instruments which do not provide ownership rights in the financial vehicle as are provided by the sale of units or shares, do not need to seek authorisation as, or appoint, an Alternative Investment Fund Manager (as defined in the AIFM Directive). Accordingly, based on the guidance issued by the Central Bank, the IrishCos should fall outside the scope of the AIFM Directive and the Commission Delegated Regulation (EU) No 231/2013 as transposed into Irish law on the basis that the IrishCos have each registered as a "financial vehicle corporation" under the FVC Regulation and, consequently, none of the IrishCos or any agent of the IrishCos should be regarded as an Alternative Investment Fund Manager as a result of, or arising out of, its connection with the IrishCos or the Notes and each of the IrishCos and the agents of the IrishCos taking into account their own interests and purposes, have taken the view that they are not intended to be subject to the AIFM Directive as implemented in any applicable jurisdiction.

Neither the IrishCos nor any agent acting for or on behalf of the IrishCos gives any assurance as to how any other applicable regulator or other authority (regulatory or otherwise) may regard the applicability of the AIFM Directive to the IrishCos and/or the impact of any such determination by any such regulator or authority on the IrishCos and/or the Notes and no reliance may be placed on any views made by the IrishCos or any agent acting for or on behalf of the IrishCos in connection therewith.

Furthermore, none of the IrishCos nor any agent acting for or on behalf of the IrishCos gives any assurance as to the impact of any other regulation or law (including, without limitation, the impact of any interpretation of, or response to, or action taken in respect of, any such regulation or law by a regulator or other authority) on the treatment of such parties or the Notes.

4. RISKS RELATING TO THE SHARES

General risks affecting the Shares

The value of an investment in the Company, and the income derived from it, if any, may go down as well as up and an investor may not get back the amount invested. The market price of the Shares, like shares in all investment companies, may fluctuate independently of their underlying net asset value and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Shares, market conditions, the interest rate environment and general investor sentiment. There can be no guarantee that any discount control policy will be successful or capable of being implemented. The market value of an Ordinary Share or a C Share may therefore vary considerably from their respective NAVs.

The trading market for Shares may be volatile and may be adversely affected by many events

The market for securities issued by issuers such as the Company is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates. There can be no assurance that international events will not cause market volatility or that such volatility will not adversely affect the price of the Shares or that economic and

market conditions will not have any other adverse effect. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the Shares. Any trading by arbitrageurs could, in turn, affect the trading price of the Shares.

The Shares may trade at a discount

The Shares may trade at a discount to NAV per Ordinary Share and C Share respectively and Shareholders may be unable to realise their investments through the secondary market at a price equal to, or greater than NAV per Ordinary Share or C Share. The Shares may trade at a discount for a variety of reasons, including market conditions; investor perception of Funding Circle and the non-bank lending industry generally; the net asset value, share price and/or discount performance of other companies and funds deemed by the market to be comparatives relevant to its assessment of the Company; or to the extent investors undervalue the activities of the Company or discount the Company's valuation methodology and its judgements of value. Gilt and corporate bond yields are at historically low levels and a rise in such yields may make the Company's target returns less attractive, which could cause or increase such discount. While the Board has established a policy under which it may seek to mitigate any discount to NAV per Ordinary Share or C Share through the discount management mechanisms summarised in Part 1 of this Prospectus, there can be no guarantee that they will do so or that such mechanisms will be successful and the Board accepts no responsibility for any failure of any such strategy to effect a reduction in any discount.

There is no guarantee of a liquid market for the Shares

Market liquidity in the shares of investment companies is frequently less than that of shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market in the Shares will exist. Accordingly, Shareholders may be unable to realise their Shares at the quoted market price (or at the prevailing NAV per Ordinary Share or C Share (as applicable)), or at all. The London Stock Exchange has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Shares may affect the ability of Shareholders to realise their investment.

Shares are subject to certain provisions which may cause the Board to refuse to register, or require the transfer of, those shares

Although the Shares are or will be freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of or redeeming of the Ordinary Shares or C Shares. These circumstances include where a transfer of Shares would cause, or is likely to cause: (i) the assets of the Company to be considered "plan assets" of any Benefit Plan Investor; (ii) the Company to be required to register under the US Investment Company Act, or members of the senior management of the Company to be required to register as "investment advisers" under the Investment Advisers Act; (iii) the Company to be required to register under the US Exchange Act or any similar legislation, amongst others; or (iv) the Company to be unable to comply with its obligations under FATCA.

Dilution potentially resulting for the Share Issuance Programme

In the future, the Company may issue securities under the Share Issuance Programme or otherwise, resulting in the dilution of the ownership interests of purchasers of its Shares offered thereby, should Shareholders not participate in the capital increase. As a matter of Guernsey companies law, there is no requirement for the Directors to issue additional Shares under the Share Issuance Programme on a pre-emptive basis at any time. The Company's Articles include pre-emption rights, but the Directors have authority given by way of special resolution at the Company's annual general meeting to issue up to 49,308,209 Ordinary Shares as if the pre-emption rights did not apply to any such issue, such authority to expire at the conclusion of the annual general meeting of the Company to be held in 2018.

The potential issuance of additional Shares, at a premium to NAV, may create a dilutive effect on the Company's ability to meet its dividend and total return targets. The Company may also issue additional Shares in future offerings for capital-raising purposes or for other business purposes, potentially at an offering price, conversion price or exercise price that is below the Issue Price.

The assets of the Company could be deemed to be “plan assets” that are subject to certain requirements of ERISA and/or section 4975 of the Code, which could restrain the Company from making certain investments

Under the Plan Asset Regulation, if interests held by Benefit Plan Investors are deemed to be “significant” within the meaning of the Plan Asset Regulation (broadly, if Benefit Plan Investors hold 25 per cent. or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be “plan assets” within the meaning of the Plan Asset Regulation. The Company is unable to monitor whether Benefit Plan Investors acquire Ordinary Shares and therefore, there can be no assurance that Benefit Plan Investors will never acquire Ordinary Shares other than during the Issue or that, if they do, the ownership of all Benefit Plan Investors will be below the 25 per cent. threshold. If the Company’s assets were deemed to constitute “plan assets” within the meaning of the Plan Asset Regulation, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under ERISA or the Code, resulting in the imposition of excise taxes and penalties. In addition, any fiduciary of a Benefit Plan Investor or a governmental, church, non-US or other plan which is subject to Similar Law that is responsible for such plans investment in the Ordinary Shares could be liable for any ERISA fiduciary violations or violations of such Similar Law relating to the Company.

Accordingly, each investor acquiring Ordinary Shares is deemed to represent and warrant that it is not, and for so long as it holds an Ordinary Share (or any interest therein) will not be, an “employee benefit plan” as defined in ERISA that is subject to Title I of ERISA, a “plan” as defined in and subject to Section 4975 of the Code, or any entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, “plan assets” by reason of such plan’s investment in the entity.

5. RISKS RELATING TO TAX

The Company may be subject to taxation

The Company may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Company is incorporated, established or resident for tax purposes. The Company may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Company or the counterparty to a transaction involving the Company is incorporated, established or resident for tax purposes. Where the Company invests in securities or enters into transactions that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof.

General taxation risks relating to Shareholders

The receipt of dividends (if any) by Shareholders, the redemption, exchange or transfer of Ordinary Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. The Directors, the Company and each of the Company’s agents shall have no liability in respect of the individual tax affairs of Shareholders.

The Company is exposed to changes in its tax residency and changes in the tax treatment or arrangements relating to its business

To maintain its non-UK tax resident status, the Company will continue to be centrally managed and controlled outside the UK. The composition of the Board, the place of residence of the Board’s individual members and the location(s) in which the Board makes its decisions will be important factors in determining and maintaining the non-UK tax resident status of the Company. Whilst the Company is incorporated in Guernsey and a majority of the Directors reside outside the UK, the Company must pay continued attention to ensure that its decisions are not made in the UK or the Company may lose its non-UK tax resident status. Should the Company be considered to be UK tax resident, then, as an authorised investment fund, it should not be subject to UK corporation tax on its worldwide income and gains but there may be other adverse UK tax consequences. The Company must similarly take care that it does not become tax resident in the United States or other jurisdictions.

If the Company were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which its investments are managed, all of its income or gains, or the part of such gain or income that is attributable to, or effectively connected with, such permanent establishment or trade or business, may be subject to tax in that country, which could have a material adverse effect on the Company's performance and the value of the Ordinary Shares.

The Company may be treated as an offshore fund

Part 8 of the Taxation (International and Other Provisions) Act 2010 contains provision for the UK taxation of investors in offshore funds. Whilst the Company has been advised that it should not be treated as an offshore fund, it does not make any commitment to investors that it will not be treated as one. Investors should note the statements made in this Prospectus in respect of discount management and should not expect to realise their investment at a value calculated by reference to NAV per Share.

The Company may be subject to reporting and withholding requirements under the United States Foreign Account Tax Compliance Act or similar legislation

Under FATCA, certain payments made to the Company on or after 01 July 2014 may be subject to a 30 per cent. withholding tax (a "*FATCA Deduction*") unless the Company complies with the requirements of the IGA between the United States and Guernsey (which seeks to implement the requirements of FATCA) and any legislation enacted in Guernsey to implement the US-Guernsey IGA. Further information may be found under "Taxation—FATCA and CRS".

A number of other jurisdictions are co-operating to develop and secure inter-governmental agreements for the automatic cross-border exchange of tax information similar to the US-Guernsey IGA. If further agreements are entered into in the future and implemented, the Company may be required to report information to the relevant tax authorities to avoid the imposition of financial penalties or other sanctions.

The Common Reporting Standard ("*CRS*") is a standard developed by the Organisation for Economic Co-operation and Development ("*OECD*") for the automatic exchange of information.

Guernsey, along with approximately 60 other jurisdictions, including all EU Member States (with the exception of Austria, which will have an extra year before implementation of the CRS), has adopted the CRS with effect from 1 January 2016, with first reporting taking place in 2017.

While the Company will seek to satisfy its obligations under FATCA, the US-Guernsey IGA, CRS and the associated implementing legislation in Guernsey, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of Shares (if any). The Company intends to satisfy such obligations, although there can be no assurances that it will be able to do so. There is therefore a risk that the Company may be subject to one or more FATCA Deductions, any of which may have a material adverse effect on the Net Asset Value and the market price of Shares.

All prospective investors should consult with their respective tax advisers regarding the possible implications of FATCA, CRS and any other similar legislation and/or regulations on their investments in the Company.

US tax on effectively connected income

The Company intends to conduct its activities in a manner so as to more likely than not, not be treated as engaged in a US trade or business. However, it is possible that income derived from certain of its activities, including the loan origination activities of the platform operated by Funding Circle US, may be deemed to be income effectively connected with a US trade or business and thus subject to US federal income taxation. The Directors believe that more likely than not the Company will be treated as engaged in a US trade or business based upon advice from its external tax advisors; however, there can be no assurance that the Internal Revenue Service (IRS) or a court would agree with the Company's position or would not challenge such position. If the Company were found to be engaged in a US trade or business, the Company would be required to file a US federal income tax return and would be subject to US federal income and branch profits tax on its income and gain that is effectively connected with such US trade or business at a combined rate of up to 54.5 per cent. A non-US Shareholder will not be subject to any US reporting obligations or the payment of any US tax directly even if the Company has US effectively connected income. However, any US federal income taxes imposed on the Company will affect a Shareholder's after-tax return.

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company.

Changes in tax legislation or practice, whether in the UK or in jurisdictions in which the Company invests, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs).

In its 2016 Budget Statement, HM Government announced that the requirement to deduct income tax would be removed from payments of interest on peer-to-peer lending with effect from 6 April 2017. Provisions in the draft Finance Bill 2017 removed the requirement to deduct income tax from payments of interest on an amount of peer-to-peer lending. HMRC published guidance also indicates that, until such legislative change comes into force, interest payments made on peer-to-per loans may be made without deduction of tax.

Despite the above guidance arrangements have been put in place to seek to benefit from certain other exceptions from the UK withholding tax regime (that would otherwise require borrowers to withhold tax at the rate of 20 per cent. on interest payments that have a UK source to non-UK lenders). Specifically, IrishCo has sought to meet, and intends to continue to meet, the conditions set out in the UK-Ireland double tax treaty that allow IrishCo to receive interest payments from UK borrowers free of withholding.

A key condition to benefiting from the double tax treaty is that IrishCo is the beneficial owner of the interest payments made to it. Whilst the Board believes this to be the case, it may be possible that this analysis could be challenged. However, the proposed investment structure does not result in any loss of UK withholding tax and, in such circumstances, HMRC has indicated in published guidance that it will not seek to challenge the availability of treaty benefits. Nonetheless, HMRC may change its approach in the future.

There are a number of administrative steps required for IrishCo to secure clearance from HMRC in respect of this treaty benefit. IrishCo has been granted a Double Taxation Treaty Passport (a "*Treaty Passport*") by HMRC. Therefore, IrishCo would normally provide details of its Treaty Passport to the UK borrowers who would each file a Form DTTP2 with HMRC. HMRC would then issue a direction to each UK borrower permitting them to make interest payments to IrishCo free of withholding. The normal procedure is however administratively cumbersome in the context of marketplace lending.

Funding Circle UK was previously granted a concession by HMRC whereby it was permitted to take the place of the UK borrowers for the purposes of securing a direction to make interest payments free of withholding. HMRC has confirmed the application of this concession to IrishCo with the effect that interest payments can be made to IrishCo through Funding Circle UK free of withholding. If this concession is withdrawn, which is considered unlikely given the forthcoming legislative changes referred to above, securing directions to make interest payments free of withholding would be administratively cumbersome and potentially impracticable. In such circumstances, UK withholding tax may have to be deducted on interest payments to IrishCo by UK borrowers.

If UK borrowers are required to deduct UK withholding tax on interest payments to IrishCo in circumstances described in this risk factor, they will be permitted to pay IrishCo net of UK withholding tax.

IrishCo may be subject to tax in the UK if it is deemed to be trading through a permanent establishment in the UK as a result of Funding Circle UK's activities

The Company has been advised that Funding Circle UK's activities in the UK, which include the provision of servicing, loan administration and collection services to IrishCo, should not result in IrishCo being treated as trading in the UK through a permanent establishment. However, it is possible that this position could be challenged. If IrishCo were to be treated as trading in the UK through a permanent establishment, then the part of its profits attributable to such permanent establishment would be subject to tax in the UK.

IrishCo's arrangements with Funding Circle UK may be subject to the UK diverted profits tax

The UK Finance Act 2015 introduced a new charge on taxable diverted profits arising to a company on or after 1 April 2015. The new charge is intended to counter arrangements entered into by multinational businesses which divert profits from the UK for tax purposes, in such a way that their UK corporation tax liability is reduced. The legislation imposes a 25 per cent. tax on such profits.

The Company has been advised that IrishCo's arrangements with Funding Circle UK should not be within the scope of the UK diverted profits tax. However, it is possible that this position could be challenged. If the arrangements were to be subject to the UK diverted profits tax, then the profits of IrishCo within the charge to the tax would be taxed at 25 per cent., thus potentially reducing the profits of IrishCo available for distribution to the Company.

The CE IrishCo's arrangements with Funding Circle CE Platform Companies may be subject to tax

Services rendered by Funding Circle Spain and Funding Circle Netherlands are not subject to VAT.

Services by Funding Circle Germany are subject to VAT. But under the reverse charge process, the VAT will be charged with the CE IrishCo by the local tax authority and may be refundable depending on the VAT tax arrangements of the CE IrishCo.

German, Spanish, Dutch withholding tax may be levied on interest payments to the CE IrishCo by borrowers

The Company has been advised that there is a low risk that German, Spanish or Dutch withholding tax may be levied on interest payments to the CE IrishCo by borrowers in those jurisdictions. However, it is possible that this position may be challenged. If interest payments to the CE IrishCo are subject to withholding tax, this may reduce the profits of the CE IrishCo available for distribution to the Company.

Anti-Tax Avoidance Directive

As part of an anti-tax avoidance package, the European Union Commission published a draft Anti-Tax Avoidance Directive in January 2016, which was formally adopted by the EC Council in July 2016 in Council Directive 2016/1164 (the "*Anti-Tax Avoidance Directive*"). The Anti-Tax Avoidance Directive must be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law. Amongst the measures contained in the Anti-Tax Avoidance Directive is an interest deductibility limitation rule similar to the recommendation contained in the Base Erosion and Profit Shifting (BEPS) Action 4 proposals. The Anti-Tax Avoidance Directive provides that interest costs in excess of the higher of (a) EUR 3,000,000 or (b) 30% of an entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but would remain available for carry forward. However, the restriction on interest deductibility would only be in respect of the amount by which the borrowing costs exceed "*interest revenues and other equivalent taxable revenues from financial assets*". Accordingly, as the IrishCos will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under loans and other debt investments (that is such that each IrishCo pays limited or no *net* interest), the restriction may be of limited relevance to each IrishCo even if the Anti-Tax Avoidance Directive were implemented as originally published. However, in the absence of implementing legislation, the exact implications of the Anti-Tax Avoidance Directive on each IrishCo or the Notes are unclear.

IMPORTANT INFORMATION

Investors should rely only on the information in this Prospectus (and any supplementary prospectus produced to supplement the information contained in this Prospectus). No person has been authorised to give any information or to make any representations in relation to the Issue other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the IrishCos, the IrishCo Boards, Funding Circle, Numis or any other person. No representation or warranty, express or implied, is made by Numis, Funding Circle, the IrishCos or the IrishCo Boards as to the accuracy or completeness of information contained in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as a promise or representation by Numis, Funding Circle, the IrishCos or the IrishCo Boards.

Without prejudice to the Company's obligations under the Prospectus Rules or FSMA, neither the delivery of this Prospectus nor any subscription or purchase of Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to the earlier of the date of this Prospectus and any specified date with respect to such information.

The Company will update the information provided in this Prospectus by means of a supplement hereto if a significant new factor that may affect the evaluation by prospective investors of the Issue occurs prior to the relevant Admission or if this Prospectus contains any material mistake or inaccuracy. This Prospectus and any supplement hereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules.

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. Prospective investors should consult their own legal, financial or tax adviser for legal, financial or tax advice. Prospective investors must inform themselves as to: (i) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of the Shares. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, investment, or any other related matters concerning the Company and an investment therein.

Prospective investors should rely only on the information contained in this Prospectus. No broker, dealer or other person has been authorised by the Company, the Directors or Numis to issue any advertisement or to give any information or to make any representation in connection with the offering or sale of the Shares other than those contained in this Prospectus and, if issued, given or made, any such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Directors or Numis.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the IrishCos or the IrishCo Boards, Funding Circle, Numis or any of their respective representatives that any recipient of this Prospectus should purchase any Shares.

Prior to making any decision as to whether to subscribe for or purchase any Shares, prospective investors should read this Prospectus in its entirety and, in particular, the section entitled "Risk Factors" and should not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company and the contents of this Prospectus, including the risks involved. Any decision to purchase any Shares should be based solely on this Prospectus or any supplement hereto.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Share Issuance Programme, including the merits and the risks involved. Investors who purchase any Shares in connection with the Share Issuance Programme will be deemed to have acknowledged that: (i) they have not relied on Numis or any person Affiliated with it in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied

upon as having been authorised by the Company, the Directors, the IrishCos, the IrishCo Boards, Funding Circle, Numis or any of their respective representatives.

In connection with the Share Issuance Programme, Numis and any of its Affiliates acting as an investor for its or their own account(s), may subscribe for the Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Share Issuance Programme or otherwise. Accordingly, references in this Prospectus to Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, Numis and any of its Affiliates acting as an investor for its or their own account(s). Numis does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

None of the Company, the Directors, the IrishCos, the IrishCo Boards, Funding Circle, Numis or any of their respective representatives is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment by such offeree or purchaser.

Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by FSMA or the regulatory regime established thereunder, Numis does not accept any responsibility whatsoever for, and make no representation or warranty, express or implied, as to the contents of this Prospectus or for any other document or statement made or purported to be made by it, or on its behalf, in connection with the Company, the IrishCos, the IrishCo Boards, Funding Circle, the Shares, Admissions, the Share Issuance Programme and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future. Numis accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such other document or statement.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this Prospectus may be prohibited in some countries.

Restrictions on distribution and sale

The distribution of this Prospectus and the offering and sale of the securities offered hereby in certain jurisdictions may be restricted by law. This Prospectus may not be used for or in connection with, and does not constitute, any offer to sell, or the solicitation of an offer to subscribe for or to buy, securities in any jurisdiction in which such offer or solicitation is unlawful.

Investment considerations

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the subscription for, purchase, holding, transfer or other disposal of Shares;
- any foreign exchange restrictions applicable to the subscription for, purchase, holding, transfer or other disposal of Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the subscription for, purchase, holding, transfer or other disposal of Shares.

Prospective investors must rely upon their own advisers, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objective will be achieved.

This Prospectus should be read in its entirety before making any investment in the Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the memorandum and articles of incorporation of the Company, which investors should review.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology,

including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and of Funding Circle (as applicable) concerning, amongst other things, the investment objectives and investment strategy, investment performance, results of operations, financial condition, prospects and dividend/distribution policy.

All forward-looking statements, including, without limitation, with respect to the Company’s investment strategy, its performance targets, applicable regulation, and the marketplace lending industry in general, address matters that involve risks and uncertainties. A number of factors could cause actual results and developments to differ materially from those expressed or implied by such statements, including without limitation: conditions in the markets, market position of the Company’s investments, earnings, financial position, return on capital, pipeline investments and expenditure, changing business or other market conditions and general economic conditions. Accordingly, there are or will be important factors that could cause the Company’s investment performance, results of operations, financial condition, dividend policy and financial strategy to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this Prospectus entitled “Risk Factors”, which should be read in conjunction with the other cautionary statements that are included in this Prospectus. Any forward looking statements in this Prospectus reflect the Company’s current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company’s operations, results of operations and growth strategy.

Subject to any obligations under FSMA, the Prospectus Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation, the Company undertakes no obligation publicly to review, update or revise any forward-looking statement contained herein, whether as a result of new information, future developments or otherwise.

Forward-looking statements contained in this Prospectus based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

Nothing in the preceding paragraphs should be taken as limiting the working capital statement in paragraph 12 of Part 7 of this Prospectus.

Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual (“personal data”) will be held and processed by the Company (and any third party in Guernsey, the Republic of Ireland or the UK to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the UK, Guernsey and the Republic of Ireland. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about other products and services provided by Funding Circle, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK, Guernsey, the Republic of Ireland or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) to:

- disclose personal data to third party service providers, Affiliates, agents or functionaries appointed by the Company or its agents to provide services to prospective investors; and

- transfer personal data outside of EEA states to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as are afforded in the UK, Guernsey or the Republic of Ireland (as applicable).

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data. Prospective investors are responsible for informing any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Presentation of information

Market, economic and industry data

Market, economic and industry data used throughout this Prospectus is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Net Asset Value or NAV

Within 10 Business Days of the end of each month, the Company publishes the unaudited NAV in respect of the preceding month. The latest unaudited NAV was published on 31 December 2016, and accordingly is referred to in this Prospectus as the current NAV.

The calculation of the total NAV return is based on a base value of £0.98 per Ordinary Share.

Portfolio analysis

The information regarding percentage breakdown of the Company's portfolio of Credit Assets set out on pages 75 to 79 in Part 2 of this Prospectus has been extracted from the monthly factsheets published by the Company on its website at www.fcincomefund.com.

Currency presentation

Unless otherwise indicated, all references in this prospectus to "sterling", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK, references to "dollars", "US dollars" or "\$" are to the lawful currency of the US and references to "euros", "EUR" or "€" are to the lawful currency of the euro area.

Unless otherwise indicated, amounts originally expressed in sterling and converted to US dollars (or vice versa) as at 30 September 2016 have been converted at a fixed rate of \$1:£0.768167.

Unless otherwise indicated, amounts originally expressed in sterling and converted to US dollars (or vice versa) as at 31 December 2016 have been converted at a fixed rate of \$1:£0.811491.

Unless otherwise indicated, amounts originally expressed in sterling and converted to euros (or vice versa) as at 30 September 2016 have been converted at a fixed rate of €1:£1.157984.

Unless otherwise indicated, amounts originally expressed in sterling and converted to euros (or vice versa) as at 31 December 2016 have been converted at a fixed rate of €1:£1.167515.

Latest Practicable Date

Unless otherwise indicated, the latest practicable date for the inclusion of information in this Prospectus is close of business on 2 February 2017.

No Incorporation of Website Information

This Prospectus will be made available to the public in the UK at www.fcincomefund.com. Notwithstanding the foregoing, the contents of such websites, the contents of any website accessible from hyperlinks on such websites, or any other website referred to in this Prospectus are not incorporated in and do not form part of this Prospectus.

Definitions

A list of defined terms used in this Prospectus is set out in Part 9 at pages 208 to 217.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes therein.

TIMETABLE AND STATISTICS

TIMETABLE

Share Issuance Programme opens.....	6 February 2017
Publication of Share Issuance Programme Price in respect of each Issue.....	as part of the Company's announcement of each Issue
Admission and crediting of CREST accounts in respect of each Issue.....	as soon as practicable following the closing of each Issue
Publication of results in respect of each Issue	as soon as practicable following the closing of each Issue
Definitive share certificates in respect of Shares issued pursuant to each Issue	approximately one week following the closing of each Issue
Share Issuance Programme closes and last date for Shares to be admitted pursuant to the Share Issuance Programme	5 February 2018 ⁽¹⁾

A timetable and all other key information relating to each issue under the Share Issuance Programme will be announced at the time of any Issue.

Notes:

(1) Or such earlier date on which the authority to issue Shares pursuant to the Share Issuance Programme is fully utilised.

SHARE ISSUANCE PROGRAMME STATISTICS

Maximum size of the Share Issuance Programme.	500 million Shares, either in the form of Ordinary Shares and/or C Shares in aggregate
Share Issuance Programme Price	in respect of Ordinary Shares, not less than the prevailing Net Asset Value per Ordinary Share at the time of issue, or £1 per C Share for any issue of C Shares ⁽¹⁾

DEALING CODES

ISIN of the Ordinary Shares.....	GG00BYYJCZ96
SEDOL of the Ordinary Shares.....	BYYJCZ9
Ticker Code	FCIF
ISIN of the C Shares.....	GG00BYNV2672
SEDOL of the C Shares.....	BYNV267

Note:

(1) Please refer to the paragraph headed “The Share Issuance Programme Price” under Part 5 of this Prospectus for full details.

DIRECTORS, AGENTS AND ADVISERS

Directors.....	Richard Boléat (<i>Chairman</i>) Richard Burwood Jonathan Bridel (<i>Senior Independent Director</i>) Frederic Hervouet Samir Desai
Funding Circle UK.....	Funding Circle Limited 71 Queen Victoria Street London EC4V 4AY
Funding Circle US.....	FC Marketplace, LLC c/o Funding Circle USA, Inc. 747 Front St., 4th Floor San Francisco, CA 94111
Funding Circle CE.....	Funding Circle CE GmbH Bergmannstraße 71/72 10961 Berlin Germany
Funding Circle Germany	Funding Circle Deutschland GmbH Bergmannstraße 71/72 10961 Berlin Germany
Funding Circle Spain.....	Funding Circle Espana SLU Claudio Coello 124 28006 Madrid Spain
Funding Circle Netherlands	Funding Circle Nederland B.V. Gustav Mahlerplein 64b, ITO Toren 1082 MA Amsterdam The Netherlands
Administrator, Company Secretary and Registered Office.....	Sanne Group (Guernsey) Limited Third Floor La Plaiderie Chambers La Plaiderie St Peter Port GY1 1WG
Sole Global Co-ordinator, Bookrunner and Sponsor	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Legal Advisers to the Company (<i>as to English and US law</i>)	Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS
Legal Advisers to the Company (<i>as to Guernsey law</i>)	Mourant Ozannes PO Box 186 1 Le Marchant Street St Peter Port Guernsey GY1 4HP
Legal Advisers to the Company (<i>as to Irish law</i>)	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland

Legal Advisers to the Sole Global Co-ordinator, Bookrunner and Sponsor	CMS Cameron McKenna LLP Cannon Place 78 Cannon Street London EC4N 6AF
Auditors and Reporting Accountants.....	PricewaterhouseCoopers CI LLP Royal Bank Place 1 Glatigny Esplanade St Peter Port Guernsey GY1 4ND
Registrar.....	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
UK Transfer Agent	Capita Registrars Limited (trading as Capita Asset Services) The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Receiving Agent	Capita Registrars Limited (trading as Capita Asset Services) Corporate Actions 34 Beckenham Road Beckenham Kent BR3 4TU
Principal Bankers	HSBC Bank Plc Corporate Centre PO Box 14 Green Street St Helier Jersey JE4 8NJ

PART 1: INDUSTRY OVERVIEW; INTRODUCTION TO FUNDING CIRCLE

The Company confirms that the information extracted from third party sources in this Part 1 has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Sources for the information set out in this Part 1 of Prospectus are set out underneath each relevant figure or table, as applicable, or in footnotes at the bottom of the page.

INDUSTRY OVERVIEW

Following the contraction in traditional sources of credit following the 2008/2009 financial crisis, a range of alternative lending platforms have emerged as a growing, and now significant, source of liquidity for SMEs in the UK, the US and other developed markets.

Alternative lending platforms facilitate debt financing between lenders and borrowers without the use of a bank to accept and hold money in the form of deposits from savers or investors and the making of loans to borrowers (commonly referred to as “intermediation”). Lending outside the confines of the traditional banking system has existed for a long time, but online alternative lending through internet-based enterprises (commonly referred to as “peer-to-peer lending” or “marketplace lending”) as an industry began to take shape in 2005. Initial entrants to market-place lending in the United States and in the United Kingdom focused primarily on consumer loans. More recently, platforms such as Funding Circle have emerged in the SME lending market.

Growth in alternative lending platforms gained significant momentum following the structural changes driven by the global financial crisis, when traditional banks significantly retrenched from consumer and SME lending. Alternative lending platforms, relatively unaffected by the capital requirements of traditional banks and with a more flexible cost structure and facing a less restrictive regulatory regime, succeeded in attracting both borrowers (often without access to adequate capital) and lenders (seeking attractive returns in a low interest rate environment).

As alternative lending platforms have developed over the past ten years, policymakers have increasingly seen them as a complement to traditional loan provision. Many European governments (including the UK government) have shown support for the sector. For instance, the UK-government backed British Business Bank lends through the UK Marketplace, and the European Investment Bank has invested indirectly in the UK Marketplace through a transaction with the Company. Please see paragraph 6 of Part 7 of this Prospectus for further information on the EIB Transaction.

Today, a wide variety of alternative lending platforms offer a broad spectrum of financing products, including unsecured consumer loans, short term working capital SME loans, term unsecured and secured SME loans, asset backed loans, property development loans and invoice financing.

Alternative lending platforms operate various different business models. Broadly speaking, they are operated by ‘balance sheet lenders’, who lend directly to borrowers, by pure ‘platform providers’, who facilitate the connection of lenders and borrowers (commonly referred to as ‘marketplace’, ‘peer-to-peer’ or ‘P2P’ platforms), and more recently by hybrid business models that involves the use of some amount of a platform’s own funds being used to lend directly or co-lend/co-invest as well as the platform providing marketplace lending without use of the platform’s own funds.

Under the balance sheet model (and much like a traditional banking institution) originated loans are funded from, and remain on, the platform operator’s balance sheet. The platform operator itself is funded by equity, debt (often mezzanine) or credit lines from traditional lenders, venture capital firms or hedge funds, using the underlying loans as collateral (those loans being held in bankruptcy remote SPVs). Platform operators employing the balance sheet model therefore capture the spread between performance of the underlying loans and the cost of financing their balance sheet.

In the marketplace model, platforms will commonly enable institutional lenders to make whole loans (i.e. as the sole lender), and will also split loans into fractions, with a number of lenders (including retail investors, accredited investors and smaller institutional lenders) each lending part of a larger loan. The marketplace model places the full economic risk of the loans with the lender. Marketplace model platforms also include those, like the US Marketplace, where a loan is initially made by the marketplace provider, but is then transferred to the relevant lender after a certain period, and like the German Marketplace, where a loan is first made with a licensed bank as the lender of record and the corresponding loan receivable in respect of the loan is then assigned to the end investor/lender by the

marketplace provider. Some marketplace platform operators, such as Funding Circle, pass through all of the interest paid by borrowers to lenders (net of servicing fees) while other marketplace lenders take a spread between the rate paid by borrowers and the rate paid to lenders. These fees (or the spread) remunerate the platform operator for administering payments and managing the collection and recoveries process.

Operationally, marketplace lending platforms undertake a credit assessment in respect of each borrower applying for a loan. This multi-stage process typically involves credit modelling and technology-enabled analysis of a wide range of data inputs. Some platforms, particularly those focussing on lending to SMEs, include manual assessment in addition to automated assessment processes. Platforms focused on the SME sector generally require borrowers to submit detailed information about their business, their credit history and the directors/management profile. Most platforms have the ability to automatically decline applications if threshold credit policies are not satisfied.

AN INTRODUCTION TO FUNDING CIRCLE

Overview

Funding Circle operates SME-focussed marketplace lending platforms which allow retail (where permitted in accordance with applicable laws) and accredited investors, government bodies and institutional investors to access credit investments in pre-diligenced SMEs. At present, Funding Circle operates marketplace lending platforms in the United Kingdom, the United States and Continental Europe, and may acquire, establish or operate further platforms in other jurisdictions in the future.

Funding Circle UK, headquartered in London, was founded in August 2010 and was among the first pure marketplace platforms to focus on SME lending. Funding Circle US, headquartered in San Francisco, was established by means of the acquisition of Endurance Lending Network, Inc. in October 2013. Funding Circle CE, headquartered in Berlin, was established by means of the acquisition of Zencap Global s.à.r.l. in October 2015, which included the entities that now comprise Funding Circle Germany, headquartered in Berlin, Funding Circle Spain, headquartered in Madrid, and Funding Circle Netherlands, headquartered in Amsterdam. On 18 January 2017 Funding Circle announced that it no longer intended to originate further loans through the Spanish marketplace in order to focus its resources on Germany and the Netherlands.

Through six rounds of equity capital raises, Funding Circle has raised approximately £300 million and has attracted blue-chip shareholders including Accel Partners, Baillie Gifford, a fund managed by BlackRock, DST Global, Index Ventures, Ribbit Capital, Sands Capital, a Temasek investment vehicle and Union Square Ventures. Funding Circle employs approximately 600 people globally.

Funding Circle provides a digital marketplace format, supported by advanced credit analytics, to match the supply of credit with demand for borrowing from SMEs. Funding Circle charges borrowers an origination fee that is deducted from the loan proceeds paid to the borrower. The origination fee is summarised in the below table.

Funding Circle Global Marketplace Summary

Original Aggregate Principal Balance funded by the Marketplaces since 2010	c. £2 billion ⁽¹⁾⁽²⁾
Number of SME borrowers funded by the Marketplaces since 2010.....	28,500 ⁽¹⁾
Aggregate Outstanding Principal Balance at 30 September 2016.....	£1,175,766,216 ⁽²⁾

Origination fees⁽³⁾

UK	1.5% – 6%
US	0.99% – 6.99%
CE	1% – 4%

(1) As at 30 September 2016

(2) Currency converted at a rate of £1: \$1.3018; €1:£0.86357 in accordance with a statement issued by The Royal Bank of Scotland plc at 30 September 2016

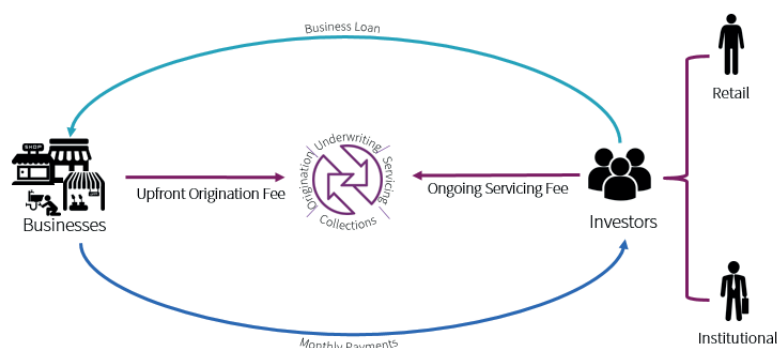
(3) Origination fees are charged on the original principal balance of the loan

These fees are set out in respect of each loan, but may from time to time be changed by Funding Circle at its discretion. Funding Circle retains all of the origination fees for its own account and neither the Company nor the Shareholders will be entitled to participate in any such fees.

Funding Circle also receives a loan servicing fee. The loan servicing fee is payable in arrears and calculated daily on each loan as one per cent. of the outstanding principal balance of the loan.

Funding Circle may from time to time change the amount and manner of collection of the origination and loan servicing fees at its discretion. Again, Funding Circle retains all servicing fees for its own account.

Figure 1: Funding Circle Marketplace Model³



Product Characteristics

Currently, the Marketplaces offer a range of commercial loan products in the UK, US and CE. These products are currently fully amortising commercial loans payable in equal monthly instalments of principal and interest (save for some property-secured loans, offered in the UK, which are term loans with “bullet” repayments of principal, that is the principal amount of the loan is repaid in one payment at the end of the loan term) to businesses which meet certain criteria and which pass through Funding Circle’s credit analysis processes so as to become Credit Assets available on the Marketplaces. The credit products available through the UK, US and CE Marketplaces differ, and a description of some of the key features of each product group is set out below.

Funding Circle reserves the right to change its product range, or to alter any of the terms of those products, at any time in its absolute discretion.

Loan sizes, term, fixed interest rates and loan purposes for loans intermediated through the Funding Circle Marketplaces have the general product characteristics set forth in the table below.

Product Characteristics for Funding Circle Marketplaces

	UK ⁽³⁾	UK Property ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	US	CE
Loan Size	£5,000 – £1,000,000	£250,000 – £1,600,000	\$25,000 – \$500,000	EUR 5,000 – EUR 100,000
Loan Term	6 months – 5 years	6 – 18 months	1-5 years	6 months – 3 years
Interest Rate	4.9% – 21.9%	8% – 10%	5.49% – 27.79%	3.79% – 21.78%
Loan Purpose	Asset finance, business expansion, working capital,	Bridging loans, property development	Various purposes of the borrowers’ business.	Various purposes of the borrowers’ business.

Notes

- (1) Loans secured on real estate amount to approximately 10% per cent. by loan amount outstanding of all Credit Assets originated through the UK Marketplace as at 30 September 2016.
- (2) Personal guarantees are generally required on secured and property development loans, with guarantees not generally required for commercial or investment mortgages.
- (3) Minimum size for sole traders and small partnerships (i.e. with three or fewer partners) is currently £25,020.
- (4) The maximum individual tranche size of real estate development loans as at 30 September 2016 is £650,000.
- (5) Property development loans are typically extended at a maximum range of 60 to 70 per cent. of the anticipated gross development value of the property, after completion of the project.
- (6) At the end of December 2016, a new pricing range of 7% – 12% was approved. Currently no property-related loans have been offered outside the 8% – 10% range.

3 Source: Funding Circle

The UK Marketplace

The UK Marketplace currently offers commercial loans to businesses across the UK with (save in respect of certain loans secured on real property) two or more years of accounts filed with Companies House (or certified by an accountant if the borrower is not a corporate entity). These loans are fully amortising fixed rate loans payable in equal monthly instalments of principal and interest, save for certain loans secured on real estate, which can be term loans with bullet repayments of principal and accrued interest (as described in greater detail below). Prepayment of the whole loan, or of whole tranches of real estate development loans, is permitted at any time without penalty.

Secured and unsecured loans are available through the UK Marketplace. Generally, loans other than property development loans and asset-finance loans are unsecured. Personal guarantees are generally required for loans save in certain limited circumstances and fixed or floating charge security may be required in respect of larger loans.

Loans made available through the UK Marketplace may be used by the borrower for various purposes of their business, which may include loans for asset finance, business expansion, working capital, bridging and property development. Real property-related loans are generally short-term and accrue interest at a fixed rate, which is typically payable with the principal amount only at the maturity date rather than amortising over the term of the loan (i.e. a “bullet” repayment). Loans made in respect of individual real estate development projects are offered in smaller sequential tranches. Typically the first tranche is funded predominantly through borrower equity and subsequent tranches are only offered once Funding Circle UK has satisfied itself with respect to the status of the project. Funding Circle UK typically uses monitoring surveyors and onsite due diligence to assess this status and reserves the right to do so.

The US Marketplace

The US Marketplace currently offers fully amortising fixed rate secured commercial loans to SMEs in 49 states and the District of Columbia, subject to certain interest rate limitations and other state-specific restrictions. Funding Circle US does not make loans in Nevada due to licensing requirements.

Currently, Credit Assets originated through the US Marketplace are generally (though not in all cases) secured by specified assets of the borrower, and are also generally personally guaranteed by at least one primary business owner. Prepayment in full is permitted at any time without penalty.

As in the UK, loans made available through the US Marketplace may be used for various purposes of the borrowers’ business.

The CE Marketplaces

The Funding Circle CE Marketplaces currently offer fully amortising fixed rate unsecured commercial loans to SMEs in Germany and the Netherlands payable in equal monthly instalments of principal and interest following an announcement on 18 January 2017 by Funding Circle it is no longer intended to originate further loans through the Spanish Marketplace. Currently, Credit Assets originated through the Dutch Marketplace are granted and entered into directly by the investor, and if applicable, a guarantee agreement will be entered into between the investor and the relevant guarantor, either directly, or executed by the applicable Funding Circle Platform as an agent of one or several parties of the loan agreement. In the case of the German Platform, loans are granted and entered into first by Wirecard Bank AG as lender of record following which the related receivable arising from the applicable loan will be assigned to the CE IrishCo by or on behalf of Wirecard Bank AG as the lender of record from a Funding Circle Affiliate, and if applicable, a guarantee agreement will be entered into between Wirecard Bank AG as the lender of record and the relevant guarantor and the related guarantee receivable arising from the applicable guarantee will pass along with this transfer from the Wirecard Bank AG as the lender of record from a Funding Circle Affiliate to the CE IrishCo.

As in the UK, loans made available through the CE Marketplace may be used for various purposes of the borrowers’ business.

Loan Origination

Funding Circle originates loan applications through both direct channels and indirect or intermediary channels.

Direct origination describes the position where the borrower contacts Funding Circle directly. Funding Circle markets itself to such borrowers using a combination of online, social media and

“above the line” (including television and radio) advertising and promotion, as well as targeted email and more traditional direct mail campaigns.

“Indirect” or “intermediary” origination describes Funding Circle’s relationship with strategic partners and commercial finance introducers. Funding Circle has formed referral partnerships with accounting firms and other small business advisory firms in each of the US, the UK and CE. For example, in the UK The Royal Bank of Scotland plc and Santander UK plc refer to Funding Circle UK (on a non-exclusive basis) SMEs seeking finance that either sit outside their current lending criteria or which they cannot service for other reasons (for example, due to internal concentration limits). Commercial finance brokers are an active part of the wider SME loan provision market in both the UK, the US and CE. Funding Circle receives applications introduced by these brokers, and will pay an introduction fee if an application successfully passes the credit process and a loan is subsequently accepted by the borrower. Funding Circle also sometimes pays referral commissions to other non-broker introducers.

Investor Profile

Each of the UK, US and CE Marketplaces operate “whole loan” and “partial” or “fractional” loan markets. Lenders on the fractional loan marketplace may include institutional lenders, but tend to include primarily retail individuals (where permitted in accordance with applicable law) and accredited investors. Loans qualifying for inclusion as Credit Assets on a Marketplace after completion of Funding Circle’s credit process are allocated by Funding Circle between the whole loan and fractional marketplaces—the weights between each are controlled by Funding Circle but the allocation is random on a loan by loan basis.

Funding Circle has seen significant volume growth in its whole loan marketplaces, in which the participants are institutional investors. Whole loan investments across the UK Marketplace have increased from approximately £11.4 million in Q2 2014 to approximately £85.8 million in Q4 2016, and such investments as a share of total originations (by loan amount) have increased over this period from approximately 18 per cent. to approximately 47 per cent.

Institutional lenders may fund or acquire whole loans originated through the Marketplaces by entering into one of a variety of origination arrangements with Funding Circle. These arrangements are largely passive, such that an institutional lender will be obligated to acquire, on a future flow basis or based upon periodic commitments, whole loans which meet certain pre-agreed eligibility criteria.

Accordingly, alongside other current and future institutional investors with which Funding Circle has entered into origination arrangements, the Company will acquire, on a future flow basis, Credit Assets originated through the Marketplaces and allocated at random for sale to the Company and which meet the Company’s Investment Policy. A description of this random allocation process is set out in Part 3 of this Prospectus.

Borrower Profile

Funding Circle’s borrowers are well distributed across regions and industries. As a result, Credit Assets originated through the Marketplaces span a wide range of risk ratings.

Borrower Profile for Funding Circle Marketplaces

	UK	US	CE
Median Turnover	£293,000	\$956,000	EUR 691,000
Average number of years trading	12 years	10 years	15 years
Average number of employees.....	11 employees ⁴	7 employees	18 employees
Average loan size (by aggregate original principal amount)	£68,000	\$140,000	€ 72,000
Average term (in months).....	46	41	40

The UK Marketplace

Borrowers seeking financing through the UK Marketplace have (on average) been trading for approximately ten years, have a median annual turnover of circa £293,000 and, on average, have approximately eleven employees. UK borrowers are categorised by the Funding Circle UK credit process and currently receive a risk rating from A+ to E. On average, borrowers have taken loans through the UK Marketplace of approximately £68,000, most commonly to finance expansion or growth, and for an average term of 46 months. This size represents the lower end of SME loan size typically offered by banks – such smaller-scale lending is the least cost-effective for the traditional lenders to originate and underwrite.

The following charts illustrate the breakdown of loans made through the UK Marketplace, originated between January 2014 and 30 September 2016 (being the period which the Board believes to be most representative of the current borrower/loan profile available to the Company's investments) divided along lines of geographical region, sector, risk rating and term.

Distribution of Loans originated through the UK Marketplace by Region: 1 January 2014 to 30 September 2016

Region*	Percentage of Loans (%)
South East.....	26
London.....	19
Midlands	12
North West	12
South West.....	10
North East	8
Scotland	4
East Anglia	3
Wales.....	3
Northern Ireland.....	2
Total.....	100

* 'Region' in respect of a Credit Asset for these purposes is determined based on the United Kingdom Standard Industrial Classification (2007) established by Companies House in respect of Funding Circle borrowers which are limited companies, or based upon self-reported classification in respect of Funding Circle borrowers which are sole traders or partnerships.

4 Excluding loans related to property and those businesses with greater than 200 employees.

Distribution of Loans originated through the UK Marketplace by Top 10 Borrower Industry Types: 1 January 2014 to 30 September 2016

Borrower Industry Type*	Percentage of Loans (%)
Property finance	20
Property and Construction	13
Manufacturing and Engineering	11
Professional and Business Support	9
Retail	9
I.T and Telecommunications	7
Leisure & Hospitality	6
Healthcare	5
Wholesale	4
Other**	17
Total	100

* 'Borrower Industry Type' in respect of a Loan for these purposes is determined based on the United Kingdom Standard Industrial Classification (2007) established by Companies House in respect of Funding Circle borrowers which are limited companies, or based upon self-reported classification in respect of Funding Circle borrowers which are sole traders or partnerships.

** No other Borrower Industry Type in the "Other" group was greater than 3%.

Distribution of Loans Originated through the UK Marketplace by Credit Band: 1 January 2014 to 30 September 2016

Credit Band*	Percentage of Loans (%)
A+	39
A	27
B	17
C	11
D	5
E	1
Total	100

* 'Credit Band' for these purposes is based upon the Credit Band assigned by Funding Circle at the time of the origination of the relevant Loan.

Distribution of Loans Originated through the UK Marketplace by Original Term: 1 January 2014 to 30 September 2016

Original Term* (in months)	Percentage of Loans (%)
6	2
12	12
18	8
24	7
36	18
48	7
60	47
Total	100

* 'Original Term' in respect of a Credit Asset for these purposes is the number of months remaining until the final maturity date in respect of such Loan as at the date of the initial Advance of such Credit Asset.

The US Marketplace

Borrowers seeking financing through the US Marketplace have an average of ten years in operation, and an average highest guarantor score of 700 according to software from the analytics company FICO. As in the UK, Funding Circle US also categorises borrowers with a risk rating. Funding Circle US applies different criteria and ratings, currently from A+ to D. At present, Funding Circle US has an average funded loan size of approximately US\$140,000 to SMEs with a median annual revenue of approximately US\$956,000 and an average of 7 employees.

The following charts illustrate the breakdown of Credit Assets originated through the US Marketplace between January 2014 and 30 September 2016 (being the period which the Board believes to be most representative of the borrower/loan profile available to the Company's investments) divided along lines of geographical region, sector, risk rating and term.

Distribution of Loans Originated through the US Marketplace by State: 1 January 2014 to 30 September 2016

State	Percentage of Loans (%)
California	21
Florida	10
Texas	8
New York	7
Illinois	5
New Jersey	3
Georgia	3
Virginia	3
Pennsylvania	3
North Carolina	3
Other	34
Total	100

Distribution of Loans Originated through the US Marketplace by Top 10 Borrower Industry Types: 1 January 2014 to 30 September 2016

Borrower Industry Type	Percentage of Loans (%)
Professional, Scientific, and Technical Services	16
Retail Trade	15
Construction	13
Health Care and Social Assistance	9
Wholesale Trade	9
Other Services (except Public Administration)	8
Accommodation and Food Services	7
Manufacturing	6
Transportation and Warehousing.....	4
Administrative and Support and Waste Management and Remediation Services.....	4
Other*	9
Total.....	100

Distribution of Loans Originated through the US Marketplace by Credit Band: 1 January 2014 to 30 September 2016

Credit Band**	Percentage of Loans (%)
A+	7
A	27
B.....	36
C.....	24
D	5
Total.....	100

Distribution of Loans Originated through the US Marketplace by Original Term: 1 January 2014 to 30 September 2016

Original Term*** (in months)	Percentage of Loans (%)
12	3
24	10
36	41
48	21
60	26
Total.....	100

The CE Marketplace

Borrowers seeking financing through the CE Marketplace have an average of 15 years in operation. As in the UK and US, Funding Circle CE also categorises borrowers with a risk rating during the credit process and borrowers currently receive a risk rating from A+ to E. The average loan size

* No other State in the “Other” group was greater than 3%.

** ‘Credit Band’ for these purposes is based upon the Credit Band assigned by Funding Circle at the time of the origination of the relevant Loan.

*** ‘Original Term’ in respect of a Credit Asset for these purposes is the number of months remaining until the final maturity date in respect of such Loan as at the date of the initial Advance of such Credit Asset.

funded through the CE Marketplace is approximately EUR 72,000, with loans being for an average term of 40 months.

The following charts illustrate the breakdown of Credit Assets originated through the CE Marketplace between 1 January 2016 and 30 September 2016 (being the period which the Board believes to be most representative of the borrower/loan profile available to the Company's investments) divided along lines of sector, geographical region, risk rating and term. On 18 January 2017 Funding Circle announced that it no longer intends to originate further loans through the Spanish marketplace in order to focus its resources on Germany and the Netherlands. Funding Circle will continue to service any Spanish Credit Assets. As at 31 December 2016 the Portfolio contains 5 Spanish Credit Assets equating to 0.06 per cent. of the Portfolio.

Distribution of Loans Originated through the CE Marketplace by Country: 1 January 2016 to 30 September 2016

Country	Percentage of Loans (%)
Germany	47
Spain	22
The Netherlands.....	31
Total.....	100

Distribution of Loans Originated through the CE Marketplace by Top 10 Borrower Industry Types: 1 January 2016 to 30 September 2016

Industry Type	Percentage of Loans (%)
Wholesale and retail trade; repair of motor vehicles and motorcycles	36
Manufacturing	12
Construction	11
Professional, scientific and technical activities.....	10
Accommodation and food service activities	6
Rental and leasing activities	5
Transporting and storage.....	5
Information and communication.....	3
Agriculture, forestry and fishing.....	3
Other*	9
Total.....	100

* No other Borrower Industry Type in the "Other" group was greater than 2%

Distribution of Loans Originated through the CE Marketplace by Credit Band: 1 January 2016 to 30 September 2016

Credit Band*	Percentage of Loans (%)
A+	3
A	17
B	41
C	26
D	12
E	2
Total	100

Distribution of Loans Originated through the CE Marketplace by Original Term: 1 January 2016 to 30 September 2016

Original Term** (in months)	Percentage of Loans (%)
6	1
12	4
24	8
36	24
48	18
60	45
Total	100

Credit Process, Lender Types and Allocation of Credit Assets

Funding Circle employs an automated, statistical based decisioning model and manual credit approval process to evaluate all loan applications. A description of this process (in the context of the origination of Credit Assets for the purposes of the Company's investment process) can be found in Part 3 of this Prospectus.

Execution and Servicing

Execution

Credit Assets originated through the Marketplaces are executed between borrowers and lenders under standard Asset Documentation. Such documentation has the following key features:

- Each borrower will authorise the lender to deduct automatically each payment due in respect of the loan (unless the borrower opts to remit payment by other means).
- Each borrower will give certain undertakings intended to protect the lender's interest, including (in summary and by way of example) regarding compliance with laws, provision of information, and in some cases not creating additional indebtedness or security.
- The relevant Asset Documentation will specify events of default, and specify certain remedies available to the lender should any event of default occur. Among other remedies, these remedies will include the acceleration of the borrower's payment obligations and the exercise of any relevant security. Funding Circle will generally be responsible for exercising the lender's rights against any defaulting borrower and, if necessary, overseeing the recovery and liquidation of any security.

* 'Credit Band' for these purposes is based upon the Credit Band assigned by Funding Circle at the time of the origination of the relevant Loan.

** 'Original Term' in respect of a Credit Asset for these purposes is the number of months remaining until the final maturity date in respect of such Loan as at the date of the initial Advance of such Credit Asset.

Funding Circle may vary its Asset Documentation at any time, at its discretion.

Servicing

Once a Credit Asset has been originated through the Marketplaces, servicing of that Credit Asset is also undertaken by Funding Circle (or, in the US, by a Sub-servicer on its behalf). A more detailed description of the servicing arrangements applicable to Credit Assets originated through the Marketplaces is set out in Part 3 of Prospectus.

Senior Management Team

Samir Desai CBE

Samir co-founded Funding Circle in 2009 and has been its first and only CEO since. Samir is responsible for driving the company's strategy, and overseeing Funding Circle operations globally. Before founding Funding Circle, Samir was an investor in financial services businesses at Olivant and a management consultant at BCG advising a number of major UK and global banks and insurers on strategy, new product initiatives, and operational efficiency. Funding Circle is one of the best capitalised platforms globally, having raised approximately £300 million from some of the world's largest investors.

James Meekings

James is a co-founder and Managing Director at Funding Circle in the UK. James is focused on managing the UK business and operations, including commercial development and growth across both lenders and borrowers. Prior to Funding Circle James was at OC&C Strategy Consultants where he advised on strategy and growth across the services, retail and media industries. James has a first class degree from the University of Oxford in Economics and Management.

Sam Hodges

As co-founder and US Managing Director, Sam is responsible for overseeing the overall strategic direction and day-to-day operation of Funding Circle in the US. Previously, Sam served as VP of Business Development for SecondMarket, the largest marketplace for alternative investments; there, Sam was responsible for corporate and business development activities, helped launch the company's private company marketplace, and managed the company's geographic expansion efforts. Prior to SecondMarket, Sam was part of the investment team at Pequot Capital, an \$8BN global fund manager, where he covered investments in financial technology and information services. He started his career as a strategy consultant at Katzenbach Partners, where he advised financial services and technology companies. He is a member of the Aspen Institute Finance Leaders Fellowship. Sam received his MBA and MS from Stanford University and graduated magna cum laude from Brown University.

Jerome Le Luel

Jerome is Global Chief Risk Officer. Jerome is responsible for overseeing the global risk and analytics function of Funding Circle globally. His previous role was with Barclays where he headed up risk analytics globally across investment, corporate and retail banking, in charge of all statistical modelling, capital computation and quantitative analytics. Previously, Jerome was Chief Risk Officer for Barclaycard, the cards and payment business of Barclays, managing risk for a £40 billion lending portfolio across Europe, Africa and the US. Under his leadership at Barclaycard, the business doubled in size and tripled in profits despite the economic recession. Prior to that, Jerome spent 12 years with credit cards specialist Capital One, joining the Europe venture at start up stage and covering various leadership roles in risk, marketing and analytics.

Regulatory Status

The UK Marketplace-Regulatory Status

Since 1 April 2014, peer-to-peer and peer-to-business lending platforms have been subject to a requirement to obtain authorisation to carry out the new regulated activity of "operating an electronic system in relation to lending" that covers the facilitation of lenders and borrowers through electronic platforms. The new FCA regime introduced new regulatory controls for platform operations, such as conduct of business rules, minimum capital requirements, client money protection rules and dispute resolution rules. Since 1 April 2014, Funding Circle UK has been authorised and regulated by the FCA with interim permissions for credit brokerage and peer-to-peer lending platform

activities. Funding Circle UK filed its application to the FCA for full authorisation on 16 October 2015.

Peer-to-peer lending platform operators are currently subject to a minimum prudential requirement of £20,000 until April 2017, at which point the minimum requirement will increase to £50,000.

Although peer-to-peer lending platforms are not currently covered by the Financial Services Compensation Scheme, there may be circumstances in which eligible investors have received unsuitable advice from a third party adviser on the merits of investing in peer-to-peer lending, in which case they may be eligible to claim up to £50,000 in relation to the advice only. In August 2016, the FCA commenced its anticipated post-implementation review into the regulation of the peer-to-peer lending sector in the UK (the “Post-Implementation Review”). This review process is still ongoing but the FCA has indicated that based on initial feedback and supervision of peer-to-peer platforms that are currently trading, the existing regime will need to be modified in a number of areas. As such it is not known whether changes will be positive from Funding Circle UK’s and/or investors’ perspective or whether changes will be adverse from Funding Circle UK’s and/or investors’ perspective.

Currently, sole traders and partnerships with three or fewer partners can only borrow in excess of £25,020 which means that the enhanced consumer protection regime under the FCA’s Consumer Credit Sourcebook does not apply except in respect of collections and credit broking. Should this threshold be lowered in future, Funding Circle and certain lenders will become subject to additional consumer credit regulations.

Funding Circle UK is registered with the UK’s Office of the Information Commissioner as a data controller.

Funding Circle UK is subject to examination, supervision and potential regulatory investigations and enforcement actions by the above regulators.

Funding Circle is a founding member of the Peer-to-Peer Finance Association (“P2PFA”). The P2PFA was launched in 2011 as a self-regulatory body for the sector to promote high standards of conduct and consumer protection. In December 2012 Christine Farnish CBE was appointed as the P2PFA independent chair.

The US Marketplace-Regulatory Status

In the US, SME credit marketplaces, such as the US Marketplace, operate in an extensive and complex regulatory environment, one which is not regulated at the federal level by one unified regulator. As a result, Funding Circle US is subject to various federal and state laws common to the financial services industry and intended to protect borrowers and investors. However, given that Funding Circle US is only engaged in commercial lending and does not make any consumer loans or take deposits, Funding Circle US is subject to fewer regulations than businesses involved in those activities.

Credit Assets originated through the US Marketplace are subject to federal and state commercial lending laws. These federal laws include, among others, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, anti-money laundering requirements (e.g., the Bank Secrecy Act and the Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001), privacy and data regulations (e.g., the Gramm-Leach-Bliley Act), electronic transactions legislation (e.g., Electronic Fund Transfer Act, the Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transactions Act), the Servicemembers Civil Relief Act, the Telephone Consumer Protection Act of 1991, the Fair Debt Collection Practices Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act and requirements relating to unfair, deceptive, or abusive acts or practices.

Unlike certain other US marketplace lenders which partner with an issuing bank to originate loans, Funding Circle US lends directly to SMEs. As a result, Funding Circle US must comply with applicable state laws, including licensing requirements and interest rate limitations. Funding Circle US currently offers loans in 49 states and the District of Columbia, subject to certain interest rate limitations and other state-specific restrictions. Funding Circle US is a licensed lender in most states requiring a licence to make loans similar to Credit Assets originated through the US Marketplace and in the remaining states that have licensing requirements relies upon available exemptions from licensing. Funding Circle US does not make loans in Nevada due to licensing requirements.

Although the US federal government does not regulate the maximum interest rates that may be charged in commercial credit arrangements similar to those made through the US Marketplace,

certain states have enacted usury laws that limit the rate of interest that lenders may charge to borrowers under such credit arrangements. Many additional states limit by statute the maximum interest rate that lenders may charge on consumer loans, but Funding Circle US is not subject to such usury laws as the borrowers are required to use the loan proceeds for business and not personal, family or household matters.

Funding Circle US or its US Affiliates may be subject to examination, supervision and potential regulatory investigations and enforcement actions by federal and state agencies, such as the SEC, the Financial Industry Regulatory Authority, Inc. or the California Department of Business Oversight.

Funding Circle is committed to responsible lending practices and, in the US, recently joined forces with a broad coalition of non-profit and industry SME lenders, credit marketplaces, brokers, think tanks and SME advocates to launch a *Small Business Borrowers' Bill of Rights*. The *Small Business Borrowers' Bill of Rights* sets forth industry standards intended to protect SME borrowers from some of the more abusive practices that have become common in the underserved SME lending market. In addition to introducing the *Small Business Borrowers' Bill of Rights*, Funding Circle testified before the Small Business Committee of the US House of Representatives on the importance of marketplace lending to bridging the SME credit gap in May 2015 and has submitted (in September 2015) a response letter to the US Department of Treasury's request for information on, among other things, how the regulatory framework should evolve to support the safe growth of marketplace lending.

The CE Marketplaces – Regulatory Status

Germany

The lending industry in the Germany is highly regulated and lending requires authorisation by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) ("BaFin"). Authorisation pursuant to section 32 (1) sentence 1 of the Banking Act is required by anyone wishing to conduct banking business or to provide financial services in Germany commercially or on a scale which requires commercially organised business operations. In addition, the authorisation requirement pursuant to section 8 (1) sentence 1 of the Payment Services Supervision Act applies to those operators who wish to provide payment services in Germany as a payment institution, provided that this is to be done on a commercial basis or on a scale which requires commercially organised business operations. Provided that the activities of an internet services platform and of the related intermediary is limited to (a) brokering a loan agreement between a borrower and a credit institution and (b) to brokering the conclusion of agreements on the purchase of receivables between the credit institution and several investors, neither the intermediary nor the internet services platforms provide banking or payment services (cf. Bundestag printed paper (Bundestags-Drucksache – BT-Drs.) 18/3994, p. 39) and a bank licence is not required. In the case of pure brokerage of loans, authorisation pursuant to section 34c or section 34f of the Industrial Code may be required.

Funding Circle Germany provides brokering of loans over its internet services platform between a customer (the borrower) and a credit institution (Wirecard Bank AG, as the lender of record) which holds authorisation pursuant to section 32 (1) of the German Banking Act (Kreditwesengesetz – KWG). The credit institution then sells the repayment claim arising from the loan agreement in the form of partial claims to a Funding Circle intermediary that then sells the related partial claims to individual investors through agreements on the purchase of receivables, and transfers the receivables. These partial claims from the repayment claim arising from the loan agreement are offered to investors through the intermediary by using the internet services platform of Funding Circle Germany.

Funding Circle Germany holds a permission by the German Trading Office to broker loans and financial assets, pursuant to sections 34c and f of the Gewerbeordnung (the German industrial code). In the context of public offers, such as on the Funding Circle Germany retail platform, Funding Circle Germany is subject to the Financial Asset Act (Vermögensanlagengesetz). Due to the fact that Funding Circle Germany does not offer parts of the same financial asset exceeding EUR 100,000 within 12 months, there is no obligation to provide a prospectus or other information material under this Act. In relation to institutional investors, such as the Company, the Financial Asset Act (Vermögensanlagengesetz) does not apply.

Generally speaking, no authorisation pursuant to the German Banking Act is required for the pure brokerage of loans. However, authorisation under commercial law may be required pursuant to section 34c or section 34f of the German Industrial Code (Gewerbeordnung – GewO). Loan brokerage platforms, such as Funding Circle Germany, whose activities are limited to the brokering of loans are therefore not supervised by BaFin. Instead, the relevant trade supervisory authority

supervises the undertaking's activities. Funding Circle Germany holds the relevant permission to broker loans and financial investments (Gewerbeamt (Trade Licensing Office)).

The increasing uncertainty surrounding the new rules governing the peer-to-peer lending sector coupled with any further legislation could have a material adverse effect on Funding Circle Germany's business and may result in the interruption of its operations, which may result in reduced returns being paid to the Company in respect of German Credit Assets held by it. Loan issuance and payments services are both regulated in Germany. In order to commercially issue loans, a banking licence is needed and in order to transact payments, a payment service provider licence is needed. Funding Circle Germany has outsourced these services to an external service provider which holds the required licences.

Netherlands

Marketplace lending platforms in the Netherlands that provide loans-based crowdfunding are regulated by the Autoriteit Financiële Markten ('AFM') as investment firms and are required to maintain a banking licence or qualify for an exemption. Funding Circle Netherlands has been issued an exemption by AFM in respect of the banking licence in accordance with 4:3 Act of Financial Supervision.

The AFM also require the segregation of the assets of the lenders and applicants from the marketplace platform operator, which is intended to mitigate the risk to investors and lenders in the event of payment difficulties or bankruptcy of the marketplace platform operator. Segregation may be provided either by (i) entering into a partnership with a licensed payment service provider or electronic money institution to conduct activities related to the processing of payment flows or (ii) by creating a separate legal entity (often a bankruptcy remote "foundation") through which the payment flows are remitted. This foundation is often associated with the marketplace platform operator, but is a separate legal entity with the sole purpose to separate the assets of the lenders and borrowers from those of the marketplace platform operator.

The AFM has indicated that it intends to introduce further monitoring in respect of platforms that operate under the exemption from the banking licence, including a suitability test for directors, requirements for business integrity and standardising risk and fraud screenings.

Spain

The activities of direct lending platforms (which may be more commonly referred to as "crowdfunding platforms" in Spanish legislation) are subject to authorisation from the CNMV and registration in the CNMV's registry created for this purpose in accordance with the procedures established in Law 5/2015. The CNMV, in collaboration with the Bank of Spain, is in charge of the supervision, inspection and disciplining of the platforms and any other natural or legal persons violating Law 5/2015 regarding crowdfunding, including direct lending platforms. For the purposes of the Eleventh Transitional Provision of Law 5/2015, Funding Circle Spain carried out crowdfunding activities at the time Law 5/2015 entered into force (i.e., 29 April 2015) and adapted itself to the requirements of Law 5/2015.

On 18 January 2017, Funding Circle announced that it no longer intended to originate further loans through the Spanish Marketplace in order to focus its resources on Germany and the Netherlands.

Funding Circle Spain will continue to service any Spanish Credit Assets and has entered into a payment services agreement with a credit institution to conduct payment services activities in respect of the Spanish Marketplace.

Marketplace Expected Annual Returns

The table below shows the total volume of loans originated through the UK, US and CE Marketplaces for the periods indicated as the expected annual returns of the cohorts as of 1 December 2016. Loan originations in respect of the US Marketplace and CE Marketplace began on 25 October 2013 and 19 October 2015, respectively. The rate and volume of originations and expected annual return of SME loans is influenced by a wide variety of economic and other factors, including prevailing market interest rates, changes in tax laws, local and regional economic conditions, changes in borrowers' behaviour and other factors beyond the control of Funding Circle as well as factors within Funding Circle's control such as changes in Funding Circle's origination, underwriting and servicing policies. No assurance can be made that the actual return of a particular cohort or portfolio of loans will be similar to historical experience or expectations shown below.

Funding Circle – Historic Originations Volume and Expected Annual Returns

Period	Origination volume (£)⁽¹⁾	Expected annual return (%)^{(2)/(3)}	GBPUSD⁽⁴⁾	GBPEUR⁽⁵⁾
1 January – 31 December 2011.....	17,397,500	4.0	1.55	1.18
1 January – 31 December 2012.....	49,239,620	7.0	1.59	1.22
1 January – 31 December 2013.....	129,689,031	5.6	1.64	1.22
1 January – 31 December 2014.....	315,064,977	7.0	1.61	1.25
1 January – 31 December 2015.....	722,968,909	5.8	1.52	1.32
1 January – 30 June 2016	443,426,554	6.8	1.40	1.28

(1) *Origination volume* is the sum of original principal amounts of Credit Assets originated through each relevant Marketplace, converted into pound sterling at an average exchange rate for the period.

(2) *Expected annual return* is an estimate of the net return on Credit Assets originated through all Marketplaces in a given cohort based on an assumed average loss rate, converted into pound sterling at an average exchange rate for the period, and calculated by compounding:

- (i) the total interest paid as a proportion of the sum of monthly loan principal balances annualised; less
- (ii) an estimated loss rate based on realised defaults and recoveries to date and the expected defaults and recoveries for the remaining term of that cohort; less
- (iii) servicing fees chargeable.

(3) Expected annual returns for US cohorts originated in 2014 and 2015 have been revised downwards from the initial expected annual return assumed at the origination date in respect of those cohorts, due to higher than expected defaults in loans originated through certain acquisition channels. In the first half of 2016, Funding Circle US implemented a range of measures intended to increase the lifetime expected returns of new originations, including changes to pricing and credit criteria. These policies resulted in a material reduction in origination volumes during the first half of 2016. Early observations of performance to date for the 1 January to 30 June 2016 and 1 July 2016 to 30 September 2016 cohorts currently suggest that the risk-adjusted returns for these cohorts are likely to be higher than those in 2014 and 2015. The expected unlevered annual returns of the US cohorts to which the Company is exposed are currently supportive of the Company's dividend yield target however, no assurance can be made that the actual return of a particular cohort or portfolio of loans will be similar to historical experience or expectations.

(4) Average exchange rate calculated using the exchange rate at the start and end of the relevant period. Source of exchange rate data: Bloomberg.

(5) Average exchange rate calculated using the exchange rate at the start and end of the relevant period. Source of exchange rate data: Bloomberg.

Details pertaining to the Company's investment in Credit Assets is disclosed in Part 2 of this Prospectus.

PART 2: INFORMATION ON THE COMPANY AND TRACK RECORD

THE COMPANY

Background and notable milestones

The Company is a company limited by shares, registered and incorporated in Guernsey under the Companies Law on 22 July 2015, with registration number 60680. The Company is registered by the GFSC as a Registered Closed-ended Collective Investment Scheme declared pursuant to the POI Law and the Rules.

The Company issued 150 million Ordinary Shares of no par value each at an issue price of £1 per Ordinary Share pursuant to the 2015 Placing. On 30 November 2015, these shares were admitted to the Premium Segment of the Official List of the UK Financial Conduct Authority and to trading on the London Stock Exchange's main market. The Company has an investment objective to provide shareholders with a sustainable and attractive level of dividend income, primarily by way of investment in Credit Assets originated through Funding Circle's UK, US and CE marketplaces.

On 14 March 2016, the Company expanded its geographical remit by announcing the commencement of purchasing of small business loans originated by Funding Circle in Germany, Spain and the Netherlands, although the Company has since announced that it intends to cease originating loans through the Spanish Marketplace and, instead, focus its resources on Germany and the Netherlands.

On 17 June 2016, the Company announced that it had entered in to a transaction with the EIB, through which the Company was contributing £25,000,000 of Credit Assets to a special purpose company, together with a £100,000,000 senior loan provided by the EIB to advance credit to UK SME loans via the Funding Circle marketplace. At 31 December 2016, £82 million has been drawn down from this EIB facility, amounting to "look-through" fund leverage of 49.98 per cent. Please see paragraph 6 of Part 7 of this Prospectus for further information on the EIB Transaction.

Further on 17 June 2016, the Company declared its maiden dividend of 1.00 pence per Ordinary Share payable to ordinary shareholders in July 2016. This payment exceeded the 0.75 pence expected at IPO, due to the strong cash flows from the Company's portfolio of Credit Assets in the relevant period.

Pursuant to the 2015 Share Issuance Programme, on 20 July 2016, with over 90 per cent. of net IPO proceeds invested, the Company completed a successful placing of 14,285,000 Ordinary Shares at a price of £1.0153, raising gross proceeds of £14,503,561.

On 14 September 2016, the Company declared a dividend of 1.625 pence per Ordinary Share payable on 31 October 2016 to shareholders on the register as at the close of business on 30 September 2016. At that time the Board gave shareholders a choice to receive dividends in cash or in shares via scrip dividend. Consequently, the Company published a shareholder circular dated 6 October 2016 explaining the terms of the scrip dividend alternative being offered in respect of the quarter ended 30 September 2016 together with the scrip dividend election forms. On 31 October 2016, the Company issued 75,698 Ordinary Shares as a result of a scrip dividend alternative. On 15 December 2016, the Company declared a dividend of 1.625 pence per Ordinary Share payable on 31 January 2017 to shareholders on the register as at the close of business on 31 December 2016. At that time the Board gave shareholders a choice to receive dividends in cash or in shares via scrip dividend. Consequently, the Company published a shareholder circular dated 4 January 2017 explaining the terms of the scrip dividend alternative being offered in respect of the quarter ended 31 December 2016 together with the scrip dividend election forms. On 31 January 2017, the Company issued 609,365 Ordinary Shares had been issued to investors by way of a scrip dividend alternative.

This Prospectus provides for the issue up to an additional 500 million additional Ordinary Shares and/or C Shares (in aggregate) through the Share Issuance Programme, subject to obtaining appropriate disapplication of pre-emption rights.

The Company continues to pursue the Investment Objective, in accordance with the Investment Policy set out in Part 3 of this Prospectus. It is intended that the Net Proceeds will be substantially fully invested in accordance with the Investment Policy within nine months from the final Admission which occurs during the Share Issuance Programme.

The Company is self-managed by the Board.

Share Capital

As at the Latest Practicable Date, the Company has 164,970,063 fully paid Ordinary Shares of no par value in issue. The Company has no partly paid Ordinary Shares in issue. No Ordinary Shares are held in treasury.

An issue of C Shares would therefore permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result.

Further details relating to the Ordinary Shares and the C Shares are set out under the heading “Share Capital” at paragraph 4 of Part 7 of this Prospectus.

Share Issuance Programme; Premium Management

This Prospectus provides for the issue of up to 500 million Ordinary Shares and/or C Shares in the 12 months following the date of this Prospectus pursuant to the Share Issuance Programme. Please refer to Part 5 of this Prospectus for further details of the Share Issuance Programme. To meet any further demand for shares in the Company, in the event that the Ordinary Shares trade at a premium to NAV, the Company may issue new Ordinary Shares under the Share Issuance Programme. At the Company’s annual general meeting held on 16 January 2017 the Directors were authorised to issue up to 49,308,209 Ordinary Shares as if the pre-emption rights of shareholders set out in the Articles did not apply to any such issue, such authority will expire at the conclusion of the annual general meeting of the Company to be held in 2018.

The Company intends that any material issue of shares will be executed in a manner which will allow existing Shareholders the opportunity to participate at least proportionately to their current holding.

Investors should note that the issuance of new Ordinary Shares pursuant to the Share Issuance Programme is entirely at the discretion of the Board and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Ordinary Shares that may be issued pursuant to the Share Issuance Programme.

Except where authorised by Shareholders, no Ordinary Shares will be issued, pursuant to the Share Issuance Programme at a price which is less than the published Net Asset Value per existing Ordinary Share at the time of their issue, unless they are first offered *pro rata* to Shareholders on a pre-emptive basis. The Directors intend to seek Shareholder authority to allot and issue a limited number of Ordinary Shares on a non-pre-emptive basis at each subsequent annual general meeting of the Company.

Discount Management

Share Repurchases

The Company may seek to address any significant discount to NAV at which its Shares may be trading by purchasing its own Ordinary Shares in the market on an ad hoc basis.

The Board was granted the authority to purchase in the market up to 14.99 per cent. of the Shares in issue on 16 January 2017. This authority will expire at the conclusion of the Company’s annual general meeting in 2018. The Directors intend to seek annual renewal of this authority from Shareholders at each annual general meeting.

Whether the Company purchases any such Shares, and the timing and the price paid on any such purchase, will be at the discretion of the Directors, save as described below. The Directors will consider repurchasing Shares in the market if they believe it to be in Shareholders’ interests, in particular as a means of correcting any imbalance between supply of and demand for the Shares.

Any purchase of Shares will be in accordance with the Articles and the Listing Rules in force at the time. Purchases of Shares will be made within the price limits permitted by the FCA which currently provide for a price not exceeding the higher of: (i) five per cent. above the average of the mid-market values of Shares taken from The London Stock Exchange Daily Official List for the five Business Days before the purchase is made; and (ii) the higher of the last independent trade or the highest current independent bid for Shares. In any event, purchases of Shares will only be made through the market for cash at prices below the last published Net Asset Value per Share. Shares which are purchased may be cancelled or held in treasury.

Investors should note that the purchase of Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Investors should also note that any repurchase or redemption of Shares will be subject to the

ability of the Company to fund the purchase price or redemption amount. The Companies Law also provides, among other things, that any purchase is subject to the Company satisfying the solvency test contained in the Companies Law at the relevant time.

Discontinuation Resolution

On the seventh anniversary of the IPO and on the date of the expiry of each subsequent five-year period thereafter, or if for any financial year of the Company after the financial year ended 31 March 2017, the Ordinary Shares have traded, on average over that financial year, at a discount in excess of ten per cent. to the Net Asset Value per Ordinary Share, then the Board shall propose a special resolution (the “*Discontinuation Resolution*”) at the Company’s following annual general meeting that the Company ceases to continue its business in its present form.

If such Discontinuation Resolution is passed the Board, in consultation with Funding Circle, shall be required to put forward proposals to Shareholders at a general meeting (to be held no more than four months following the passing of the Discontinuation Resolution) intended to address the circumstances which gave rise to that Discontinuation Resolution, which proposals may include (without limitation) the reorganisation, reconstruction or winding up of the Company.

For the purposes of the above, the discount prevailing on each Business Day will be determined by reference to the closing market price of Shares on that day and the most recently published Net Asset Value per Share.

TRACK RECORD

Since the IPO, the total NAV return (with dividends reinvested) to 31 December 2016 was 6.2 per cent. Total share price performance (with dividends reinvested) since IPO to 31 December 2016 was 5.31 per cent.

The income return to Shareholders has been ahead of the target set at IPO, being an annual dividend of between 6 and 7 pence per Ordinary Share. On 17 June 2016, the Company declared its maiden dividend of 1.00 pence per Ordinary Share. On each of 14 September 2016 and 15 December 2016, the Company declared a dividend of 1.625 pence per Ordinary Share. The Board gave Shareholders a choice to receive each of such dividends in cash or in shares via scrip dividend.

The tables below show the NAV and share price of the Company as at 31 December 2016 (Figure 1) and the NAV performance of the Company since the date of IPO (Figure 2).

Figure 1: NAV and Share Price

NAV per Ordinary Share (cum income)	99.82p
Total Net Assets (cum income)	£164mil
Ordinary Share Price	101.50p
Market Capitalisation	£167m
Premium/(Discount).....	1.7%

Figure 2: NAV performance since IPO (Total Return) (Percentage change)

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD	IPO to date
2015											-0.1	0.1	0.0	6.2
2016	0.2	0.3	0.4	0.5	0.6	0.6	0.6	0.5	0.7	0.7	0.5	0.6	6.2	%

PORTFOLIO ANALYSIS

The following represent, on an unaudited basis as at 31 December 2016, a comprehensive and meaningful analysis of the Company's portfolio.

Note: The Company's indirect investment in Credit Assets, made within the EIB Transaction IrishCo, is incorporated in the section below on a "look-through" basis. The Company believes that this is the appropriate disclosure basis as the performance of loans held by the EIB Transaction IrishCo is material to the potential return to Shareholders.

Key Portfolio Data

Weighted Average Gross Yield ⁵	10.6%
Weighted Average Repayment Time ⁶	25 months
Largest loan as % of NAV ⁷	0.6%
Average loan size as % of NAV ⁸	0.1%
Total number of loans	3,475

Asset Allocation⁹

UK loans	72%
US loans	18%
CE loans	2%
Cash	8%

Loans originated by FCIF through the UK Marketplace

Distribution of Loans originated by FCIF through the UK Marketplace by Region: 30 November 2015 to 31 December 2016

Region* ¹⁰	Percentage of Loans (%)
South East	24
London	18
North West	13
Midlands	12
South West	11
North East	10
East Anglia	4
Scotland	4
Wales	3
Northern Ireland	2

⁵ Interest rate weighted by outstanding principal balance plus accrued interest

⁶ The overall weighted average repayment time is calculated according to the product type and weighted by outstanding principal balance plus accrued interest. For SME loans, the repayment time is calculated as the mean of the original loan term. For property development loans, the repayment time reflects that these loans are term loans with "bullet" repayments of principal.

⁷ Largest outstanding principal balance plus accrued interest as a percentage of net asset value

⁸ Average loan size as a percentage of net asset value

⁹ Outstanding principal plus accrued interest for each jurisdiction

¹⁰ 'Region' in respect of a Credit Asset for these purposes is determined based on the United Kingdom Standard Industrial Classification (2007) established by Companies House in respect of Funding Circle borrowers which are limited companies, or based upon self-reported classification in respect of Funding Circle borrowers which are sole traders or partnerships.

Distribution of Loans originated by FCIF through the UK Marketplace by Top 10 Borrower Industry Types: 30 November 2015 to 31 December 2016

Borrower Industry Type*¹¹	Percentage of Loans (%)
Wholesale and Retail	19
Property and Construction	12
Property Development	11
Manufacturing and Engineering	11
Professional and Business Support	11
Professional Services	9
I.T & Telecommunications	8
Leisure & Hospitality	5
Healthcare	3
Other ¹²	11

Distribution of Loans Originated through the UK Marketplace by Credit Band: 30 November 2015 to 31 December 2016

Credit Band¹³	Percentage of Loans (%)
A+	40
A	27
B	16
C	10
D	5
E	2

Distribution of Loans Originated through the UK Marketplace by Original Term: 30 November 2015 to 31 December 2016

Original Term¹⁴ (in months)	Percentage of Loans (%)
0-6	1
7-12	6
13-24	10
25-36	16
37-48	8
49-60	59

11 'Borrower Industry Type' in respect of a Loan for these purposes is determined based on the United Kingdom Standard Industrial Classification (2007) established by Companies House in respect of Funding Circle borrowers which are limited companies or based upon self-reported classification in respect of Funding Circle borrowers which are sole traders or partnerships.

12 No other Borrower Industry Type in the "Other" group was greater than 3%.

13 'Credit Band' for these purposes is based upon the credit band assigned by Funding Circle at the time of the origination of the relevant Loan.

14 'Original Term' in respect of a Credit Asset for these purposes is the number of months remaining until the final maturity date in respect of such Loan as at the date of the initial Advance of such Credit Asset.

Loans originated by FCIF through the US Marketplace

Distribution of Loans originated by FCIF through the US Marketplace by Region: 30 November 2015 to 31 December 2016

Region	Percentage of Loans (%)
California	17
Florida	11
Georgia	6
Texas	8
New York	6
Illinois	5
New Jersey	5
North Carolina	3
Virginia	4
Other * ¹⁵	35

Distribution of Loans originated by FCIF through the US Marketplace by Top 10 Borrower Industry Types: 30 November 2015 to 31 December 2016

Borrower Industry Type	Percentage of Loans (%)
Retail Trade	19
Professional, Scientific, and Technical Services	18
Construction	13
Health Care and Social Assistance	10
Other Services (except Public Administration)	8
Wholesale Trade	7
Accommodation and Food Services	6
Transportation and Warehousing	5
Administrative, Support & Waste Management Services	4
Other* ¹⁶	11

Distribution of Loans Originated through the US Marketplace by Credit Band: 30 November 2015 to 31 December 2016

Credit Band¹⁷	Percentage of Loans (%)
A+	10
A	35
B	36
C	15
D	3
E	—

¹⁵ The top 9 States have been listed. For States with allocations less than 3%, these have been grouped together as 'Other'.

¹⁶ No other Borrower Industry Type in the "Other" group was greater than 3.5%.

¹⁷ 'Credit Band' for these purposes is based upon the Credit Band assigned by Funding Circle at the time of the origination of the relevant Loan.

Distribution of Loans Originated through the US Marketplace by Original Term: 30 November 2015 to 31 December 2016

Original Term¹⁸ (in months)	Percentage of Loans (%)
6	—
12	1
24	8
36	38
48	22
60	32

Loans originated by FCIF through the CE Marketplace

Distribution of Loans originated by FCIF through the CE Marketplace by Country: 14 March 2016 to 31 December 2016

Country	Percentage of Loans (%)
Germany	43
Spain	5
The Netherlands.....	52

Distribution of Loans Originated by FCIF through the CE Marketplace by Top 10 Borrower Industry Types: 14 March 2016 to 31 December 2016

Borrower Industry Type	Percentage of Loans (%)
Wholesale and Retail Trade	38
Construction	6
Manufacturing	11
Financial and Insurance Activities	6
Accommodation and Food Service Activities	5
Arts, Entertainment and Recreation.....	4
Professional, Scientific and Technical Activities.....	11
Other Service Activities.....	3
Rental and Leasing Activities.....	4
Other ¹⁹	12

¹⁸ 'Original Term' in respect of a Credit Asset for these purposes is the number of months remaining until the final maturity date in respect of such Loan as at the date of the initial Advance of such Credit Asset.

¹⁹ No other Borrower Industry Type in the "Other" group was greater than 3%.

Distribution of Loans Originated through the CE Marketplace by Credit Band: 30 November 2015 to 31 December 2016

Credit Band²⁰	Percentage of Loans (%)
A+	4
A	16
B	27
C	38
D	11
E	4

Distribution of Loans Originated through the CE Marketplace by Original Term: 30 November 2015 to 31 December 2016

Original Term²¹ (in months)	Percentage of Loans (%)
6	2
12	6
24	13
36	49
48	5
60	25

Directors, Management and Administration

Directors

The Board comprises five directors, all of whom are non-executive and all of whom except Samir Desai are independent of Funding Circle. Details of each of the Directors are set out below.

Richard Boléat (Chairman)

Richard Boléat is a Fellow of the Institute of Chartered Accountants in England & Wales, having trained with Coopers & Lybrand in Jersey and the United Kingdom. After qualifying in 1986, he subsequently worked in the Middle East, Africa and the UK for a number of commercial and financial services groups before returning to Jersey in 1991. He was formerly a Principal of Channel House Financial Services Group from 1996 until its acquisition by Capita Group plc (“Capita”) in September 2005. Richard led Capita’s financial services client practice in Jersey until September 2007, when he left to establish Governance Partners, L.P., an independent corporate governance practice. He currently acts as Chairman of CVC Credit Partners European Opportunities Limited, listed on the London Stock Exchange, and Yatra Capital Limited, listed on Euronext, along with a number of other substantial collective investment and investment management entities established in Jersey, the Cayman Islands and Luxembourg. He is regulated in his personal capacity by the Jersey Financial Services Commission and is a member of AIMA.

Richard Burwood

Richard Burwood is a resident of Guernsey with 25 years’ experience in banking and investment management. During 18 years with Citibank London Richard spent 4 years as a Treasury Dealer and 11 years as a Fixed Income portfolio manager covering banks and finance investments, corporate bonds and asset backed securities.

Richard has lived in Guernsey since 2010, initially working as a portfolio manager for EFG Financial Products (Guernsey) Ltd managing the treasury department’s ALCO Fixed Income portfolio. From

20 ‘Credit Band’ for these purposes is based upon the Credit Band assigned by Funding Circle at the time of the origination of the relevant Loan.

21 ‘Original Term’ in respect of a Credit Asset for these purposes is the number of months remaining until the final maturity date in respect of such Loan as at the date of the initial Advance of such Credit Asset.

2011 to 2013 Richard worked as the Business and Investment Manager for the Guernsey branch of Man Investments (CH) AG. This role involved overseeing all aspects of the business including operations and management of proprietary investments.

Richard has served as a Non-Executive Director of RoundShield Fund, Guernsey (European asset backed special opportunities fund providing financing to small and mid-cap businesses) since Jan 2014 and TwentyFour Income Fund (UK and European asset backed investments) since Jan 2013. Since September 2016, Richard has also served on the board of Habrok, a hedge fund specialising in global and Indian equities.

Jonathan Bridel

Jonathan (Jon) Bridel is the Senior Independent Director of the Company.

Jonathan is currently a non-executive chairman or director of various listed and unlisted investment funds and private equity investment managers. Listings include Alcentra European Floating Rate Income Fund Limited, Starwood European Real Estate Finance Limited, The Renewables Infrastructure Group Limited (FTSE 250) and Sequoia Economic Infrastructure Income Fund Limited which are listed on the premium segment of the London Stock Exchange and DP Aircraft 1 Limited and Fair Oaks Income Fund Limited. He was until 2011 Managing Director of Royal Bank of Canada's investment businesses in Guernsey and Jersey. This role had a strong focus on corporate governance, oversight, regulatory and technical matters and risk management. He is a Chartered Accountant and has specialised in Corporate Finance and Credit including SME lending. After qualifying as a Chartered Accountant in 1987, Jonathan Bridel worked with Price Waterhouse Corporate Finance in London and subsequently served in a number of senior management positions in Australia and Guernsey in corporate and offshore banking and specialised in credit. He was also chief financial officer of two private multinational businesses, one of which raised private equity. He holds qualifications from the Institute of Chartered Accountants in England and Wales where he is a Fellow, the Chartered Institute of Marketing and the Australian Institute of Company Directors. He graduated with an MBA from Durham University in 1988. Jonathan Bridel is a chartered marketer and a member of the Chartered Institute of Marketing, the Institute of Directors and is a chartered fellow of the Chartered Institute for Securities and Investment.

Frederic Hervouet

Frederic Hervouet is based in Guernsey and acts in a non-executive directorship capacity for a number of multi-assets, private equity and credit funds, for both listed (LSE, Euronext) and unlisted vehicles. This also includes regulated Private Equity Funds. Frederic acts as Chairman of the Board and Chairman of the Risk Committee of listed funds.

In the last 20 years, Frederic has worked in different aspects of the financial markets and asset management industry. His experience includes fixed income and derivatives markets, risk management, structured finance, hedge funds and trading.

Until September 2013, Frederic was Managing Director and Head of Commodity Derivatives Asia for BNP Paribas including Trading, Structuring and Sales. Prior to BNP Paribas Frederic Hervouet also worked for two multi-billion multi-strategy hedge funds including quantitative strategies (CTAs), convertible arbitrage, event driven, fixed income relative value and long-short global macro.

Frederic has worked under different regulated financial markets based in Singapore, Switzerland, United Kingdom and France. Most recently, Frederic was a member of BNP Paribas Commodity Group Executive Committee and BNP Paribas Credit Executive Committee on Structured Finance projects (structured debt and trade finance).

Frederic holds a Masters Degree (DESS 203) in Financial Markets, Commodity Markets and Risk Management from University Paris Dauphine and an MSc in Applied Mathematics and International Finance. He is a member of the UK Institute of Directors, a member of the Guernsey Chamber of Commerce and a member of the Guernsey Investment Fund Association. Frederic is a resident of Guernsey.

Samir Desai

A biography of Samir Desai is located at page 67 above.

Management

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and the Investment Objective and the Investment Policy and they have overall responsibility for the Company's activities including its investment activities and reviewing the performance of the Company's portfolio. The Company will be responsible for its own investment management activity (within the meaning given for the purposes of the AIFM Directive) as it has not elected to appoint an external AIFM will consequently constitute a self-managed, non-EU AIF and will be its own AIFM. In particular, it should be noted that:

- the Investment Objective and Investment Policy have been set by the Board (though Funding Circle has been appointed to facilitate the execution of that policy through access to the various Marketplaces).
- Portfolio Limits (if any) will be set by the Board (with the agreement of Funding Circle UK) and may only be varied or removed with the agreement of the Board.
- the Investment Policy (and any Portfolio Limits) create a framework for the "automatic" direct investment of the Company's assets, as described in Part 3 of Prospectus. Whilst Funding Circle will control which potential Credit Assets are listed in each of its Marketplaces, it cannot control the allocation of any particular Credit Assets to the Company.
- the decision to invest the assets of the Company through any Marketplace other than the US, UK or CE Marketplaces will require the consent of the Board and the execution of new contractual arrangements with Funding Circle (as well, potentially, as compliance with certain other requirements in accordance with the Listing Rules, to the extent comprising a "related party transaction").
- the decision to make any indirect investment in Credit Assets will be made by the Board. Funding Circle does not currently arrange, advise on or manage any such indirect investment for the Company (or the IrishCos) although it may do so in future.
- the Company remains fully responsible for its own management, which will be undertaken by the Board on the basis of information regarding its investment activities received from Funding Circle and from the Administrator.
- the Board comprises individuals having extensive relevant expertise and experience who, it is believed, will be well able to monitor and supervise the performance by Funding Circle of its obligations.
- the Company has powers, and is the recipient of representations and warranties, under the Origination Agreements, the Servicing Agreements, Note Subscription Agreements and the Services Agreement allowing the Company significant powers in respect of key areas of the management of the Company's investment policy and strategy and the Company will have significant access to information (from Funding Circle and the Administrator) allowing the practical exercise of those powers.

As a general matter, it is the Directors (and not Funding Circle, although each of Funding Circle UK, Funding Circle US and the Funding Circle CE Platform Companies will owe certain duties to the Company under the Origination Agreements and the Servicing Agreements) who owe certain fiduciary duties to the Company, which require them to, among other things, act in good faith and in what they consider to be in the best interests of the Company. In exercising their discretions, the Directors will act in accordance with such fiduciary duties. This requires them to ensure that their actions do not result in the unfair treatment of Shareholders.

The Directors may delegate certain functions to other parties such as Funding Circle UK, Funding Circle US, Funding Circle CE Platform Companies, the Administrator and the Registrar. In particular, the Directors have appointed Funding Circle UK, Funding Circle US and the Funding Circle CE Platform Companies to originate and service the Company's investments in Credit Assets. Notwithstanding these delegations, the Directors have responsibility for exercising overall control and supervision of the services provided by Funding Circle UK and Funding Circle US, for the risk management of the Company and otherwise for the Company's management and operations. Such delegation is not intended to affect the status of the Company as a self-managed non-EU AIF and so to be its own AIFM.

Correspondence addressed to any of the directors may be sent to the registered office of the Company.

Board observers

Funding Circle UK has the right (pursuant to the Services Agreement) to nominate up to two observers to attend meetings of the Board. Those nominees may (other than in limited circumstances) attend each such meeting as observers, but in that capacity do not have any rights to participate in the conduct of the business of the Company or to vote on any matter.

The Board may require that those nominees do not attend the part of any Board meeting which considers (i) the termination of any agreement to which Funding Circle is party, or (ii) any dispute or litigation between Funding Circle and the Company.

The appointment of any such observers is without prejudice to Funding Circle's right (as described below) to nominate one of its employees, directors, officers or professional advisers to the Remuneration and Nominations Committee for possible election as a Director.

Corporate Governance

The Listing Rules require that the Company must "comply or explain" against the relevant corporate governance regime, being in this case, the AIC Code of Corporate Governance (the "*AIC Code*"). In addition, the Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The UK's Financial Reporting Council has confirmed that compliance with the AIC Code would satisfy a company's obligations to comply with the UK Code. The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies ("*AIC Guide*"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Directors recognise the value of the AIC Code and have taken appropriate measures to ensure that the Company will comply, so far as is possible given the Company's size and nature of business, with the AIC Code.

The Company has not reported further in respect of these provisions. In addition, the Company does not have a policy on length of service for Directors (Principle 4 of the AIC Code). Further, it is considered preferable for Richard Boléat (chairman of the Board) to act as chairman of the Remuneration and Nominations Committee and for the entire Board (including Samir Desai) to sit on the Remuneration and Nominations Committee and Risk Committee (Principle 5 of the AIC Code).

The Company's practice is that, at each Annual General Meeting of the Company, all Directors retire from office but, subject to the Articles, shall be eligible for re-appointment.

As set out in the Services Agreement, Funding Circle UK may, in its discretion, nominate one of its employees, directors, officers or professional advisers for election as a Director (and may re-nominate any such nominee who has come up for re-election). Such nominee will be notified to the Remuneration and Nominations Committee, who shall ensure that the election (or re-election) of such nominee is proposed to the Company's Annual General Meeting. In the event that a Director elected following nomination from Funding Circle UK is removed from or vacates his office for any reason, Funding Circle UK may, in its discretion, nominate another of its employees, directors, officers or professional advisers as a replacement for such Director, and such nominee shall be appointed as a Director by the Board. Any such replacement nominee shall be subject to re-election at the next succeeding Annual General Meeting, as described above. Samir Desai was deemed to be the first such appointed nominee, and was re-elected at the Company's first Annual General Meeting.

Audit Committee

The Company's Audit Committee, comprising all the Directors other than Samir Desai, meets formally at least three times a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts, interim reports and interim management statements. Where non-audit services are to be provided by

the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. Jonathan Bridel is chairman of the Audit Committee. The principal duties of the Audit Committee will be to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor, to review the external auditors' letter of engagement and management letter, to analyse the key procedures adopted by the Company's service providers and to keep under review the Company's principal risks and the Company's ability to continue in operation and meet its liabilities as they fall due.

Risk Committee

The Company has established a risk committee, which will comprise all of the Directors, of which Frederic Hervouet is chairman. The risk committee meets approximately four times a year or more often if required. The risk committee will take responsibility for the risk management policies of the Company's operations and oversight of the operation of the Company's risk management framework as well as completing all risk reporting for regulatory purposes.

Management Engagement Committee

In accordance with the AIC Code the Company has established a Management Engagement Committee of which Richard Burwood is chairman and comprises all of the Directors, other than Samir Desai. The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties are to review the actions and judgements of Funding Circle including the compliance by Funding Circle with the Company's investment policy and annually reviews the performance of any other key service providers of the Company. Notwithstanding the Committee's terms of reference, the first formal Committee meeting took place in January 2017.

Remuneration and Nominations Committee

The Company has also established a Remuneration and Nominations Committee of which Richard Boléat is chairman and comprises all of the Directors. The Remuneration and Nominations Committee will meet at least once a year or more often if required. Its principal duties will be to consider the framework and policy for the remuneration of the Directors, to review the structure, size and composition of the Board on an annual basis, and to identify and approve appointments to the Board. The remuneration report of the Company will be proposed annually for approval by the Shareholders at the Company's annual general meeting.

Directors' Share dealings

The Directors have adopted a securities transaction code for persons discharging managerial responsibilities and restricted persons. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the Market Abuse Regulation and the DGTRs.

Administrator; Cash Manager

Sanne Group (Guernsey) Limited has been appointed as Administrator to the Company pursuant to the Administration Agreement (further details of which are set out in paragraph 7.8 of Part 7 of Prospectus).

The Administrator, together with the Cash Manager, will be responsible for the implementation of the Company's cash management policy, and will produce the Company's accounts, provide support to ensure regulatory compliance and provide support regarding the Board's corporate governance process and its continuing obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation. The Administrator will also be responsible for dealing with dividend payments and investor reporting and otherwise for the day to day administration of the Company (including but not limited to the calculation of the Net Asset Value) and for general secretarial functions required by the Companies Law (including but not limited to the maintenance of the Company's accounting and statutory records).

The Company (and the IrishCos) have appointed Sanne Fiduciary Services Limited (Jersey) to provide cash management, calculation agency and paying agency services to each of them.

Registrar and transfer agent

Capita Registrars Limited (trading as Capita Asset Services) act as the Company's transfer agent.

Auditor

PricewaterhouseCoopers CI LLP provide audit services to the Company. PricewaterhouseCoopers (Ireland) provide audit services to the IrishCos.

Fees and expenses

Fees and expenses of the Share Issuance Programme

The net proceeds of the Share Issuance Programme are dependent on the number of Shares issued and the relevant Issue Price(s). If the Share Issuance Programme is fully utilised and assuming the Shares are issued at a price of 104.375 pence (being the mid-market closing price per Share as at the Latest Practicable Date) during the life of the Share Issuance Programme, the gross proceeds of the Share Issuance Programme would be approximately £522 million.

The Company is bearing fixed costs of approximately £320,000 in relation to the establishment of the Share Issuance Programme and the publication of this document which will be applied over the period during which this Share Issuance Programme is in place. These fixed costs represent approximately 0.2% of the Company's latest published unaudited NAV.

Ongoing expenses

The Company does not pay any direct fund management or performance fees. In a similar manner to other institutional investors acquiring whole loans through the Marketplaces, the Company and the IrishCos will, however, pay fees in connection with the servicing of its investment portfolio. As at the date of this Prospectus, the fees payable to Funding Circle under the Servicing Agreements are as follows:

- Under the UK Servicing Agreement, Funding Circle UK is entitled to receive from the UK IrishCo: (i) a fee equal to 1 per cent. per annum on the aggregate Outstanding Principal Balance of the UK IrishCo's portfolio of Credit Assets (excluding any Credit Asset which is a Charged-off Asset) (the "Servicing Fee"); and (ii) an amount (as determined by Funding Circle UK) to be deducted from recoveries in respect of any Charged-off Asset subject to a maximum of 15 per cent. of the Outstanding Principal Balance of any such Charged-off Asset (the "Collection Charge") and an amount, subject to a maximum of 40 per cent. of any recoveries in aggregate with the Collection Charge, in reimbursement of any costs, fees, expenses, disbursements or other amounts in respect of field agents, tracing agents, process servicers, external legal costs and expenses, and collections agencies. Servicing Fees shall be calculated daily (in respect of each Credit Asset by reference to the repayment schedule of such Credit Asset), and will be payable monthly in arrears within five Business Days (or such later date as the UK IrishCo and Funding Circle UK agree) of the end of each calendar month. Collection Charges shall be payable within five Business Days (or such later date as the UK IrishCo and Funding Circle UK agree) of the date of receipt of the relevant amount of Collections. All Servicing Fees and any Collection Charges shall be payable either directly by the UK IrishCo or by deduction by Funding Circle UK from any account of the UK IrishCo over which Funding Circle UK has authority. In addition, the UK IrishCo shall pay Funding Circle UK an amount equal to all reasonable and properly incurred out-of-pocket costs and expenses incurred by Funding Circle UK in the performance of such duties and obligations.
- Under the US Servicing Agreement, Funding Circle US is entitled to receive from the Company: (i) a fee equal to 1 per cent. per annum on the aggregate Outstanding Principal Balance of the Company's portfolio of Credit Assets (excluding any Credit Asset which is a Charged-off Asset) (the "Servicing Fee"); and (ii) an amount (as determined by Funding Circle US) of up to 40% of any Collections received in respect of any Charged-off Asset (the "Collection Charges"). Servicing Fees shall be calculated daily (in respect of each Credit Asset by reference to the repayment schedule of such Credit Asset), and will be payable monthly in arrears within five Business Days (or such later date as the Company and Funding Circle US agree) of the end of each calendar month. Collection Charges shall be payable within five Business Days (or such later date as the Company and Funding Circle US agree) of the date of receipt of the relevant amount of Collections. All Servicing Fees and any Collection Charges shall be payable either directly by the Company or by deduction by Funding Circle US from any account of the Company over which Funding Circle US has authority. In addition, the Company shall pay Funding Circle US an amount equal to certain out-of-pocket costs and expenses incurred by Funding Circle US in the performance of such duties and obligations.

- Funding Circle Netherlands is entitled to receive loan servicing fees equal to 1 per cent. per annum, calculated daily, on the aggregate outstanding principal balance of the portfolio of loans held by the CE IrishCo excluding any loans which have been charged off as defined in the Servicing Agreement. Additional fees of up to 40 per cent. of collections received on charged off assets are payable to Funding Circle Netherlands as loan servicing fees.
- Funding Circle Spain is entitled to receive loan servicing fees equal to 1 per cent. per annum, calculated daily, on the aggregate outstanding principal balance of the portfolio of loans held by the CE IrishCo excluding any loans which have been charged off as defined in the Servicing Agreement. Additional fees of up to 40 per cent. of collections received on charged off assets are payable to Funding Circle Spain as loan servicing fees.
- Funding Circle Deutschland GmbH is entitled to receive loan servicing fees equal to 1 per cent. per annum, calculated daily, on the aggregate outstanding principal balance of the portfolio of loans held by the CE IrishCo excluding any loans which have been charged off as defined in the Servicing Agreement. Additional fees of up to 40 per cent. of collections received on charged off assets are payable to Funding Circle Deutschland GmbH as loan servicing fees.

For the purposes of the above, the terms “Collections”, “Charged-off Assets” and “Outstanding Principal Balance” have the meanings given in the Servicing Agreements which are, in summary, as follows:

- “Collections” means all payments and collections received in respect of a Credit Asset and by the IrishCos, including:
 - all payments on account of principal, including the principal component of any unscheduled payment;
 - all payments on account of interest, including the interest component of any unscheduled payment;
 - all liquidation proceeds and insurance proceeds, and all other proceeds of any other legal or insolvency proceeding or recovery; and
 - any and all other amounts collected or received in respect of such Credit Asset, including pursuant to a guarantee securing a Credit Asset.
- “Charged-off Asset” means a Credit Asset which has been declared to be in default by Funding Circle UK, Funding Circle US or Funding Circle CE, as applicable, in accordance with the Platform Rules.
- “Outstanding Principal Balance” means, with respect to any Credit Asset as of any date of determination, the unpaid principal balance of such Credit Asset.

Where there are C Shares in issue, these fees will be charged separately on the net assets attributable to the C Shares.

Where the Company acquires Credit Assets other than UK Assets, US Assets or CE Assets, Funding Circle will be entitled to receive such servicing fees and expenses as the Company and the relevant Funding Circle entity may agree from time to time. In the case of indirect investment in Credit Assets, the fees payable to Funding Circle will be determined by the Board on a case by case basis. The Board will have regard to the proposed fee structure when determining whether or not to make such an investment and, to the extent such indirect investment requires the participation of the IrishCos, the Board shall consult with the relevant IrishCo Boards, whose approval will also be necessary as regards the relevant IrishCo’s participation. It is currently intended that the aggregate remuneration payable to Funding Circle (or any other persons) which are “related parties” of the Company for the purposes of the Listing Rules will not exceed 5 per cent. of the Company’s NAV per annum, such that the modified requirements for smaller related party transactions will be applicable to arrangements in respect of indirect investment in Credit Assets or direct investments other than through the UK, US and/or CE Marketplaces.

The fees payable to Funding Circle, and the nature or calculation of the expenses which may be recovered by Funding Circle, as described above, may be changed by agreement between the relevant Funding Circle entity and the Board and, to the extent such change affects the fees and expenses payable by IrishCos, the IrishCo Boards. To the extent that Funding Circle provides additional services, or varies any of the existing services provided from the date of this Prospectus, further or different fees and charges may also be agreed between the relevant Funding Circle entity and the Company (and the IrishCos or other entity, where relevant).

The Company and the IrishCos will also incur further on-going annual fees and expenses, which will include the following:

- *Corporate Services*

Under the Services Agreement, Funding Circle UK will be entitled to receive from the Company an annual fee equal to 0.1 per cent payable monthly in arrears calculated by reference to the prevailing NAV reported in the most recent published NAV calculation. Funding Circle UK will, in addition, be entitled to recover its expenses (other than ordinary course overhead expenses) incurred in the performance of its services under the Services Agreement.

- *Administrator*

Under the Administration Agreement, the Administrator is entitled to an annual fee from the Company in respect of administration, accounting, corporate secretarial, corporate governance, regulatory compliance and Listing Rule continuing obligations, accruing daily and calculated on a sliding scale based on Net Asset Value, subject to a minimum annual payment of £85,000.

Sanne Capital Markets Ireland Limited, an Affiliate of the Administrator, is the administrator of the IrishCos and shall be entitled pursuant to each of the UK IrishCo Administration Agreement and the CE IrishCo Administration Agreement to a fee of £45,000 per annum. Such fees will also cover the provision of cash management, calculation agency and paying agency services by the Cash Manager.

The Administrator, the UK IrishCo Administrator and the CE IrishCo Administrator will, in addition, each be entitled to recover third party expenses, disbursements from the Company and the IrishCo, respectively, in respect of their services to them.

- *Cash Manager*

No separate fees are payable to the Cash Manager under the Cash Management Agreement, but the Cash Manager will be entitled to reimbursement if certain expenses are incurred in the course of providing the services thereunder.

- *Registrar*

The Registrar will be entitled to a minimum annual fee from the Company equal to £4,500 per annum. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

- *Receiving Agent*

The Receiving Agent will be entitled to a fee from the Company for its professional advisory services equal to £230 per hour with a minimum charge of £2,300, and receiving agency processing fees subject to a minimum aggregate processing fee of £5,000.

- *Directors*

The Directors (other than Samir Desai) are remunerated (in cash or by way of Shares) at a rate of £30,000 per annum. Richard Boléat also receives an additional £20,000 for his role as Chairman of the Board. In addition, Frederic Hervouet, the chairman of the Risk Committee, receives an additional £10,000 per annum for services in this role. Richard Burwood also receives an additional £5,000 per annum for his directorships of each of the UK IrishCo and the CE Irish Co. Jonathan Bridel also receives an additional £5,000 per annum as chairman of the Audit Committee and a further £5,000 per annum as the Senior Independent Director.

On publication of the Prospectus, in recognition of the extra work undertaken by each of the Directors in relation to the Share Issuance Programme, each of the Directors (except Samir Desai) will receive an additional one-off payment of £10,000 each.

The Directors' remuneration is subject to a maximum aggregate amount of £300,000 in each financial year as specified in the Articles. Further information as the remuneration of the Directors is set out in paragraphs 3.6 to 3.9 of Part 7 of Prospectus.

Other operational expenses

All other on-going operational expenses of the Company and the IrishCos (excluding fees paid to service providers as detailed above) will be borne by the Company and the IrishCos, respectively, including, without limitation: the incidental costs of the pursuit of the Investment Objective and the implementation of the Investment Policy (including treasury management and currency hedging costs); travel, accommodation and printing costs; the cost of directors' and officers' liability insurance; website maintenance; audit and legal fees; annual listing fees; and the costs of the Share Issuance Programme. All out of pocket expenses that are reasonably and properly incurred by Funding Circle,

the Administrator, the Registrar, the Directors and the IrishCos Board in each case to the extent they relate to the Company and/or the IrishCos will be borne by the Company or the IrishCos, as appropriate. The on-going operational expenses of the Company are not capped, and the amount of such expenses will depend on a variety of factors.

Other fees payable to Funding Circle

Pursuant to the standard terms and conditions for borrowers in respect of Credit Assets, and in addition to any fees payable to Funding Circle by the Company, Funding Circle will be entitled to receive from such borrowers (and retain) fees, including (without limitation) completion, finance arrangement, sales and servicing fees. Administration and other fees may also be charged in the event of a borrower's default. Similar fees may be charged and retained in respect of Credit Assets originated through each Marketplace, and the level of such fees will be set, and may be varied, by Funding Circle from time to time as contemplated by Funding Circle's terms and conditions for borrowers.

Meetings and reports

All general meetings of the Company shall be held in Guernsey or elsewhere at the discretion of the Directors. The Company held its first annual general meeting in Guernsey on 16 January 2017.

The Company's audited annual report and accounts are prepared to 31 March each year, commencing in 2016, and copies are uploaded to the Company's website, www.fcincomefund.com four months after the year end, or earlier if possible (or required by law or regulation). The Company's accounts and the annual report are presented in Sterling and in accordance with IFRS.

The Takeover Code

The Takeover Code applies to the Company.

Given the existence of the share repurchase powers as set out in the paragraph entitled "*Discount Management*" in Part 3 of Prospectus, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, are normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of such company, a general offer will normally be required if any further shares increasing that person's percentage of voting rights are acquired.

Under Rule 37 of the Takeover Code when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. A Shareholder who is neither a Director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code in these circumstances.

However, under note 2 to Rule 37 of the Takeover Code where a shareholder has acquired shares at a time when he had reason to believe that a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 of the Takeover Code may arise.

The buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. The buyback powers should enable the Company to anticipate the possibility of such a situation arising. Prior to the Board implementing any share buyback, the Board will identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with note 2 of Rule 37. However, neither the Company, nor any of the Directors, nor Funding Circle will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

Net Asset Value

Publication of Net Asset Value

The unaudited Net Asset Value and the Net Asset Value per Share and the unaudited Net Asset Value per class of C Shares and the Net Asset Value for each C Share are calculated by the Administrator (on the basis of information provided by Funding Circle) on a monthly basis, as described below. The NAV is published on a cum-income basis through a Regulatory Information Service and is expected to be available through the Company's website within ten business days of each month end.

Valuation Methodologies

The Net Asset Value is the value of all assets of the Company less its liabilities to creditors (including provisions for such liabilities) determined in accordance with IFRS.

All loans and receivables are accounted for on trade date carried at amortised cost using the Effective Interest Rate ("EIR") method less any provisions for impairment. At acquisition, loans are valued at the initial advance amount inclusive of any fees paid to the Platforms or, at the purchase consideration paid, if acquired from a third party. Thereafter, all loans are valued at this amount less cumulative amortisation calculated using the EIR method. The EIR method spreads the expected net income from a loan over its expected life. The EIR is that rate of interest which, at inception, exactly discounts the future cash payments and receipts from the loan to the initial carrying amount.

Loans and receivables acquired by the Company are assessed by Funding Circle for indications of impairment during and at the end of each reporting period. Evidence of impairment includes: (i) significant financial difficulty of the borrower; (ii) breach of contract, such as default or delinquency in interest or principal payments; and (iii) probability that a borrower will enter bankruptcy or financial reorganisation. The level of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the financial asset's original effective interest rate. The carrying amount is reduced directly by the applied impairment loss. Changes in the level of impairment are recognised in the profit and loss account although if in a subsequent period the previously recognised impairment loss is reversed the sum reversed is not more than that which is required to ensure that the carrying amount of the loan advance is not more than what the amortised cost would have been had the impairment not been recognised.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case, or generally, they may adopt such other valuation procedures as they consider reasonable in the circumstances.

Suspension of the calculation of Net Asset Value

The Articles allow the Directors to, at any time, temporarily suspend the calculation of the Net Asset Value per share during:

- (A) any period when any of the principal markets or stock exchanges on which a substantial part of the investments are quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- (B) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the investments is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors the Net Asset Value cannot be fairly calculated; or
- (C) any breakdown in the means of communication normally employed in determining the value of the investments or when for any reason the current prices on any market of a substantial part of the investments cannot be promptly and accurately ascertained.

Any suspension in the calculation of the Net Asset Value, to the extent required under the Articles or by the Listing Rules, will be notified through a Regulatory Information Service as soon as practicable after any such suspension occurs. In the event of a suspension in the calculation of the Net Asset Value, trading in the Ordinary Shares or the C Shares on the Main Market and the listing of the Ordinary Shares or the C Shares on the Official List may also be suspended.

PART 3: INVESTMENT OBJECTIVE, INVESTMENT POLICY, INVESTMENT PROCESS AND STRUCTURE

Investment Objective

The Investment Objective is to provide Shareholders with a sustainable and attractive level of dividend income, primarily by way of investment in Credit Assets both directly through the Marketplaces and indirectly, in each case as contemplated by the Investment Policy.

Investment Policy

The Company continues to pursue the Investment Objective by investing in a diversified portfolio of Credit Assets, both directly and indirectly. The Company holds Credit Assets through to maturity (subject to the making of indirect investments as described below).

Credit Assets

Credit Assets are loans, debt or credit instruments of any type originated through any of the Marketplaces. The type of loans or debt or credit instruments available through the Marketplaces may vary from time to time, and Funding Circle may in the future acquire, establish and/or operate Marketplaces in addition to its existing Marketplaces. In October 2015 Funding Circle acquired an operator of business lending marketplaces in Germany, Spain and the Netherlands, and is actively exploring further options (both in terms of organic expansion and acquisition) that may result in the availability of new Marketplaces in certain European states in the future. On 14 March 2016, the Company announced the commencement of the purchasing of loans by the CE Marketplaces, although Funding Circle has since announced that it intends to cease originating loans through its Spanish Marketplace and focus its resources on the Netherlands and Germany. When Funding Circle determines that any new Marketplace may be suitable for receiving investments from the Company (for example, when any such Marketplace is operational and is able to facilitate investment in Credit Assets by the Company in a manner consistent with this Prospectus), then Funding Circle may propose to the Company the terms and documentation on which investments in Credit Assets originated through such Marketplace shall be made (subject always to the Allocation Limits, below). The determination as to whether to proceed with investment in Credit Assets originated through a Marketplace other than the existing Marketplaces will be made by the Board (subject to the working capital requirements of the Company), and may be subject to other requirements to the extent that the relevant origination and servicing arrangements constitute “related party transactions” for the purposes of the Listing Rules (it being noted that it is currently intended that the aggregate remuneration payable to Funding Circle (or other persons which are “related parties” of the Company for the purposes of the Listing Rules) will not exceed 5 per cent. of the Company’s NAV per annum, such that the modified requirements for smaller related party transactions will be applicable).

Direct Investment in Credit Assets

Pursuant to the Origination Agreements, the Company receives a random allocation of Qualifying Assets originated through the Marketplaces on each Business Day (as defined for the purposes of each Origination Agreement).

Subject to the Allocation Limits, the borrowing limitation and the other limitations described below, the Company is obliged to invest in all Credit Assets allocated to the Company without resulting in a breach of the Investment Policy (or any Portfolio Limits), in each case subject to the Company and/or the relevant IrishCo having sufficient Available Cash.

Indirect Investment in Credit Assets

In addition to direct investments in Credit Assets the Company may, where the Board specifically determines and approves, invest indirectly in Credit Assets by means of the creation of, or participation in, securitisation or similar structures or instruments alongside third parties (which may include, without limitation, collective investment vehicles, institutional investors, commercial banks or supra-national agencies and government institutions).

The Board may determine to pursue indirect investment in Credit Assets for such reasons as it deems appropriate having regard to the Investment Objective. Indirect investment in Credit Assets may be undertaken by such means, and through investment in such instruments or securities, as the Board may approve. This may include (without limitation) the following techniques:

- The acquisition, alongside one or more third parties, of debt or equity securities of whatever type or class (including in junior tranches) issued by special purpose vehicles or issuers established by any person (including Funding Circle and/or its Affiliates) in respect of the securitisation of underlying Credit Assets which have not previously been funded or held by the Company (or the relevant IrishCo).
- The securitisation by the Company (or the relevant IrishCo) of Credit Assets initially funded or held by the Company (or the relevant IrishCo) through the formation of a bankruptcy remote SPV and the issuance by that entity of certain asset backed securities secured on the assets within that SPV. Those asset backed securities may be acquired by one or more third parties, as well as by the Company (or the relevant IrishCo) which may acquire debt or equity securities of whatever type or class (including in junior tranches) so issued.

In either of the above scenarios, the relevant SPV used for securitisation will be ring-fenced from other SPVs or entities investing in or holding Credit Assets, and there will be no cross-collateralisation between SPVs in which the Company invests.

The Board will only approve the making of any indirect investment, however structured, if it is first satisfied that the making of such indirect investment will not result at the time of making the investment in a breach, on a “look-through” basis, of the Investment Policy (including the Allocation Limits, the borrowing limitation and the other restrictions described herein) or any Portfolio Limits. Indirect investments proposed to be made by the relevant IrishCo will also require the approval of the relevant IrishCo Board. Where indirect investment in Credit Assets is made alongside third party participants, such that the Company is not the sole (indirect) owner of the relevant Credit Assets, the Investment Policy and any Portfolio Limits will be applied to the relevant indirect investments on a *pro rata* basis, proportionate to the Company’s indirect interest in the underlying Credit Assets. Investment in indirect investments is also subject to the Company (or the relevant IrishCo, as the case may be) having sufficient Available Cash.

As noted above, Funding Circle may (where it is lawfully able so to do) participate in the structuring, establishment and operation of vehicles established in connection with indirect investment in Credit Assets and may earn and retain remuneration or profits for performing any such role or service. It is anticipated that each relevant SPV will enter into service agreements with Funding Circle for the provision of services similar to those contemplated by the Servicing Agreements in the context of the Company’s portfolio of Credit Assets.

Funding Circle does not currently arrange, advise on or manage any indirect investment in Credit Assets by the Company (or the relevant IrishCo) but the Board may agree (subject to applicable law and regulation at the time, and to any requirements of the Listing Rules including those governing related party transactions) to appoint Funding Circle to provide services in connection with indirect investments in future (where it is lawfully able to do so).

Please see paragraph 6 of Part 7 of this Prospectus for further information on the EIB Transaction.

Allocation Limits

The Company will invest in Credit Assets originated through the various Marketplaces in each case (whether directly or indirectly) subject to the Allocation Limits described below. The proportionate division between Credit Assets originated through the respective Marketplaces must fall within the ranges set out below. The actual proportion within the ranges will be determined by Funding Circle UK (and communicated by Funding Circle UK to Funding Circle US, Funding Circle CE, and other Funding Circle group entities, as appropriate) pursuant to the Services Agreement (such proportions being the “Allocation Limits”).

The Allocation Limits will be set by Funding Circle UK within the following parameters:

- Credit Assets originated through the UK Marketplace: Between 50 per cent. and 100 per cent. of GAV.
- Credit Assets originated through the US Marketplace: Between 0 per cent. and 50 per cent. of GAV.
- Credit Assets originated through other Marketplaces (including the CE Marketplaces): Between 0 per cent. and 15 per cent. of GAV.
- The Board does not expect the weighting of Assets originated through the CE Marketplace to exceed 5 per cent. in the 12 months following publication of this Prospectus.

In respect of direct or indirect investment, Funding Circle will allocate Credit Assets to the Company (pursuant to the allocation process described in Part 1 of this Prospectus in respect of direct investments) with regard to the Allocation Limits.

Borrowing Limitation

In pursuit of the Investment Objective, the Company may borrow or use leverage, and may guarantee the borrowings of its Affiliates and Near Affiliates. Such borrowings or leverage will be used for the acquisition (directly or indirectly) of Credit Assets in accordance with the Investment Policy, or for the re-financing of Credit Assets previously acquired (such that the Company will thereafter have an indirect exposure to such Credit Assets). Borrowing may be effected at the level of the Company or any of its Affiliates or Near Affiliates. In this regard, it should be noted that the Company may establish SPVs, whether as Affiliates, Near Affiliates or otherwise in connection with obtaining leverage against any of its assets or in connection with the securitisation of its Credit Assets. Such SPVs may be retained as Affiliates, but independently owned SPVs which are not Affiliates of the Company may be used to seek to protect the levered portfolio from group level bankruptcy or financing risks.

The aggregate leverage or borrowings of the Company, its Affiliates and any Near Affiliates (including the relevant IrishCo) and guarantees of such borrowing or leverage by such person(s), shall not exceed (at the time the relevant indebtedness is incurred or guarantee given) 0.25 times the then-current NAV, or up to 0.5 times the then-current NAV with the specific further approval of the Board (which approval has been obtained). Notwithstanding the foregoing, no borrowing or debt financing arrangements made between or among any of the Company, any Affiliate of the Company or any Near Affiliate (including, without limitation, the borrowings of the relevant IrishCo under the relevant Note) shall count as borrowings, leverage or guarantees by any such person for the purposes of the foregoing limit.

There will be no obligation to alter the Company's (or any other relevant person's) borrowing or guarantee arrangements as a result of any subsequent variation in NAV. The Company may also, in connection with seeking such leverage or securitising Credit Assets, seek to assign existing assets to one or more SPVs and/or seek to acquire loans using an SPV.

The Company, its Affiliates or its Near Affiliates may employ leverage by borrowing funds from brokerage firms, banks and other financial institutions and/or through the use of derivatives and other non-fully funded instruments. Leverage obtained through borrowing will be obtained from the relevant lender. Leverage obtained through the use of derivatives and other non-fully funded instruments is obtained from the relevant counterparty.

The Company does not currently grant any guarantee under any leveraging arrangement. The grant of any such guarantee will be disclosed to Shareholders in accordance with the AIFM Directive.

Save as described above, there are no restrictions on the use of leverage by the Company except for those imposed by applicable law, rules and/or regulations. Funding Circle UK shall (to the extent it may lawfully do so) negotiate and implement all borrowing on behalf of the Company, as contemplated by the Services Agreement (subject to the requirement for the specific approval of the Board in respect of borrowings in excess of 0.25 times the then-current NAV, and the restrictions and requirements in respect of indirect investments as described above).

Other Limitations

In addition to the Allocation Limits and the borrowing limitation described above, in no circumstances will Credit Assets be acquired by the Company, nor will indirect exposure to Credit Assets be acquired, if such acquisition or exposure would result in:

- in excess of 50 per cent. of the Gross Asset Value being represented by Credit Assets in respect of which the relevant borrower is located in the US; or
- the amount of the relevant loan or borrowing represented by any one Credit Asset exceeding, or resulting in the Company's exposure to a single borrower (legal entity) exceeding (at the time such investment is made) 0.75 per cent. of NAV.

Uninvested Cash

The Company may invest cash held for working capital purposes and pending investment or distribution in cash or cash equivalents, government or public securities (as defined in the rules of the FCA), money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a "BBB" (or equivalent) or higher credit rating as determined by any

internationally recognised rating agency selected by the Board (which may or may not be registered in the EU).

Portfolio Data and Portfolio Limits

In order to allow the Board to monitor the composition of the Company's portfolio of Credit Assets (whether directly or indirectly held), the Board will receive from Funding Circle UK, on a periodic basis, information as to the percentage of the Company's GAV represented by Credit Assets meeting certain criteria, or falling within certain categorisations, as agreed between the Company and Funding Circle UK (such information "Portfolio Data"). In respect of Portfolio Data pertaining to indirect investment in Credit Assets, the provision of such data will be the subject of a separate agreement as at the time of the relevant investment, and will be tailored to the specific circumstances of such investment. The Board will, however, have regard to the availability and nature of the Portfolio Data to be provided in determining whether to proceed with an indirect investment. Portfolio Data will continue to be provided on a quarterly basis covering the percentage of the Company's GAV represented by Credit Assets having a particular:

- risk rating;
- original term;
- borrower geographic location; and
- borrower industry sector.

Portfolio Data will be measured and provided separately for Credit Assets originated through each Marketplace. The criteria and categorisations covered by the Portfolio Data, and the frequency with which such Portfolio Data may be provided may be varied at any time by agreement between the Company and Funding Circle UK.

Following receipt and consideration of Portfolio Data, the Board may agree with Funding Circle UK such steps as the Board deems suitable for the proper management of the Company's portfolio of Credit Assets having regard to such Portfolio Data and the operational and technical feasibility of such steps (and to the extent affecting the relevant IrishCo, Funding Circle UK shall also consult with the relevant IrishCo Board, and facilitate consultation between the Board and the relevant IrishCo Board, as required). Such steps may include the imposition of one or more concentration limits, expressed as a maximum percentage of the Company's GAV which may be invested in Credit Assets having the relevant feature, in respect of any of the metrics comprising the Portfolio Data (each such limit a "Portfolio Limit"). Portfolio Limits will be applied in respect of each Marketplace separately (noting that different limits may be applied between different Marketplaces, and Portfolio Limits may be imposed in respect of some Marketplaces and not others). All such steps and Portfolio Limits shall be communicated to Funding Circle US and Funding Circle CE by Funding Circle UK. In respect of indirect investments in Credit Assets, Portfolio Limits will be applied on a "look through" basis, and applied proportionately *pro rata* to the Company's indirect investment in the underlying Credit Assets.

As with Portfolio Data, the Board will have regard to the application of any Portfolio Limits to such indirect investments and will not approve an indirect investment which would result in the breach of a Portfolio Limit.

For each Allocated Asset and any indirect investment, compliance with the Investment Policy and any Portfolio Limits is measured by Funding Circle at the time of making of the relevant investment. If following the acquisition of any Allocated Asset any change is made to the Investment Policy or Portfolio Limits, or if for any other reason any Credit Asset subsequently fails to satisfy the Investment Policy or any Portfolio Limit, such failure shall not be a breach of the Investment Policy or any Portfolio Limit and shall not call into question the status of any Allocated Asset acquired or funded by the Company (or the relevant IrishCo) provided that the Allocated Asset satisfied the Investment Policy and Portfolio Limits at the time of its acquisition. The imposition or variation of any Portfolio Limit will be of prospective effect only, and no active rebalancing of the Company's then-current portfolio will take place.

A description of the process by which the Investment Policy and any Portfolio Limits will be applied is set out in this Part 3 of this Prospectus.

Hedging

The Company will, to the extent it is able to do so on terms that the Board considers to be commercially acceptable, seek to arrange suitable hedging contracts, such as currency swap agreements, futures contracts, options and forward currency exchange and other derivative contracts (including, but not limited to, interest rate swaps and credit default swaps) in a timely manner and on terms acceptable to the Company. The Board will control the Company's hedging arrangements, and will review those arrangements from time to time. It should be noted that it cannot be guaranteed that it will be possible to put in place hedging arrangements, or that any arrangements which are implemented will achieve the desired result.

The Board currently fully hedges currency exposure between Sterling and any other currency in which the Company's assets may be denominated, including US Dollars and Euros.

The Company has FX lines in place with RBS and Goldman Sachs. The Company places three overlapping forwards of three month tenor, which are rebalanced monthly. The selection of trading counterparties and execution of trades is outsourced to Record Currency Management to assure best execution.

Listing Rule Investment Restrictions

The Company currently complies with the investment restrictions set out below and will continue to do so for so long as they remain requirements of the FCA.

- The Company will not conduct any trading activity which is significant in the context of the Company as a whole.
- The Company must, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published Investment Policy (as set out above).
- The Company does not invest more than 10% of its assets other listed closed-ended investment funds which haven't themselves published investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

The Directors do not currently intend to propose any material changes to the Company's Investment Policy, save in the case of exceptional or unforeseen circumstances. As required by the Listing Rules, any material change to the Investment Policy of the Company will be made only with the approval of Shareholders.

Any change to the Investment Policy which does not constitute a material change may be made by the Company without the approval of Shareholders, subject to the Listing Rules.

Target Dividend and Dividend Policy

Since the date of its incorporation, the Company has declared and paid the following dividends:

Date of Declaration	Dividend (per Ordinary Share)	Period	Comments
17 June 2016	1.00 pence	Maiden dividend, paid to shareholders in July 2016	This payment exceeded the 0.75 pence expected at IPO, due to the strong cash flows from the Company's portfolio of Credit Assets at that time.
14 September 2016	1.625 pence	Q2 2016	The Board gave shareholders a choice to receive dividends in cash or in shares via scrip dividend.
15 December 2016	1.625 pence	Q4 2016	The Board gave shareholders a choice to receive dividends in cash or in shares via scrip dividend.

The Company is targeting an annual dividend of between 6 pence and 7 pence per Ordinary Share.

The Company expects to pay dividends on a quarterly basis, with dividends declared in March, June, September and December, and paid in January, April, July and October. The Company currently expects to pay a dividend at a rate of 1.5 pence to 1.75 pence per Ordinary Share in respect of each

quarter. The Company further intends to target a total return (once leverage is in place in accordance with the Investment Policy) on its Ordinary Shares of between 8 per cent. and 9 per cent. per annum.

Each class of C Shares shall carry the right to receive all income of the Company attributable to that class of C Shares and to participate in any distribution of such income.

These returns are expected to be achieved through deployment of the Company's funds in accordance with the Investment Policy. The Company currently intends to distribute its net income consistent with the objective of achieving the target dividend. Net cash generated in excess of the target dividend will generally be reinvested in accordance with the Investment Policy. It should be noted that, given the Board's intention to conduct the Company's affairs such that the Company would, in the opinion of the Board, qualify for approval as an investment trust if it were resident in the United Kingdom, and that investment trust status requires (*inter alia*) that the Company retain no more than 15 per cent. of its income (as established in accordance with the requirements of the relevant UK tax regime), the Company may be obliged to distribute cash otherwise available for reinvestment.

Investors should note that the target dividend, including its declaration and payment dates, is a target only and not a forecast. There may be a number of factors that adversely affect the Company's ability to achieve the target dividends and there can be no assurance that it will be met or that any growth in the dividend will be achieved. The target dividend should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not rely on these targets in deciding whether to invest in the Company or assume the Company will make distributions at all.

Payment of dividends is subject to the Company being able to satisfy the solvency test, as defined under the Companies Law, immediately after payment of such dividend.

Further details of the tax treatment of an investment in the Company are set out in Part 6 of this Prospectus.

Investment Structure

Direct Investments—US Assets

The Company currently anticipates that it will acquire and hold US Assets directly.

Direct Investments—UK and CE Assets

In respect of UK and CE Assets, the Company currently makes its investments indirectly, via the UK IrishCo and the CE IrishCo, respectively. Each such IrishCo is not a subsidiary of the Company, but has been formed solely in connection with the implementation of the Investment Policy as regards UK and CE Assets.

UK and CE Assets acquired by the relevant IrishCo (subject to the Investment Policy, any Portfolio Limits and Available Cash) will be acquired using Advances made by the Company under a note, which is a profit participating note issued to the Company by the relevant IrishCo, and which has been listed on the Irish Stock Exchange, and subsequently, by the reinvestment of proceeds received by the relevant IrishCo subject to the payment to the Company of interest under the notes.

The IrishCos will use the net proceeds of the notes, together with any further Advances made by the Company to the relevant IrishCo under the notes, to acquire Credit Assets that have been or that will be originated by Funding Circle UK or Funding CE, respectively pursuant to an Origination Agreement entered into with each Funding Circle Marketplace in UK and CE. The notes will accrue annual interest amounts equal to the gross revenues (income) of the relevant IrishCo, less certain other expenses. The relevant IrishCo will pay accrued interest in respect of the notes from its available cash, after it has reinvested, or reserved for reinvestment available cash pursuant to the Origination Agreements. To the extent the relevant IrishCo does not have available cash in an interest period to pay accrued interest, such accrued interest shall be paid by the relevant IrishCo in later interest periods when there is sufficient available cash (or on redemption of the notes). The amount to be reinvested or reserved for reinvestment will be determined by Funding Circle UK, pursuant to the terms of the Origination Agreements. Funding Circle UK will make such determinations having regard to the dividend policy of the Company.

The UK IrishCo is not an Affiliate of the Company, and its entire issued share capital is held by Badb Charitable Trust Limited on the terms of a charitable trust. Richard Burwood, who is a Director of the Company, also sits on the board of the UK IrishCo. The Company will have the benefit of certain representations, rights and powers under the relevant Note Subscription Agreement, the UK Origination Agreement and the UK Servicing Agreement, in respect of the conduct of the

UK IrishCo. In particular, the Company benefits from an undertaking from each of Funding Circle UK and the UK IrishCo that each of them will observe, perform and comply with the terms of the UK Origination Agreement and the UK Servicing Agreement, and will exercise proper care, skill and diligence in so doing.

The CE IrishCo is not an Affiliate of the Company, and its entire issued share capital is held by Badb Charitable Trust Limited on the terms of a charitable trust. Richard Burwood, who is a Director of the Company, also sits on the board of the CE IrishCo. The Company will have the benefit of certain representations, rights and powers under the relevant Note Subscription Agreement, the relevant Origination Agreement and the relevant Servicing Agreement, in respect of the conduct of the CE IrishCo. In particular, the Company benefits from an undertaking from each of Funding Circle UK and the CE IrishCo that it will observe, perform and comply with the terms of the relevant Origination Agreement and the relevant Servicing Agreement, and they will each exercise proper care, skill and diligence in so doing.

The EIB Transaction IrishCo is not an Affiliate of the Company, and its entire issued share capital is held by Badb Charitable Trust Limited on the terms of a charitable trust. The Company will have the benefit of certain representations, rights and powers under the relevant Note Subscription Agreement, the relevant Origination Agreement and the relevant Servicing Agreement, in respect of the conduct of the EIB Transaction IrishCo. In particular, the Company benefits from an undertaking from each of Funding Circle UK and the EIB Transaction IrishCo that each of them will observe, perform and comply with the terms of the relevant Origination Agreement and the relevant Servicing Agreement, and will exercise proper care, skill and diligence in so doing.

Direct Investments—Other Assets

Credit Assets which are not UK, US or CE Assets may be acquired directly by the Company, by the relevant IrishCo or by an intermediate holding vehicle or Near Affiliate on behalf of the Company, as the Board (and the relevant IrishCo Board, where relevant) may determine (either individually or on a general basis in respect of a particular type of such Credit Asset). Where it is intended to invest in Credit Assets which are not UK, US or CE Assets, the Board intends to agree with Funding Circle agreements equivalent to the Origination Agreements and Servicing Agreements in respect of the relevant Marketplace. The Board will also establish the relevant administration, cash management and financing arrangements, as deemed necessary or desirable by them at the relevant time.

Indirect Investment in Credit Assets

Indirect investment in Credit Assets shall be made at such times and in such manner as the board may determine, having regard at all time to the Investment Policy and any Portfolio Limits. As described under “Investment Policy”, above, indirect investments may involve participation in securitisation structures, which may involve the securitisation of Credit Assets previously acquired by the Company (or the relevant IrishCo) or the acquisition or participation by the Company in interests in Credit Assets which have not previously been funded or held by the Company (or the relevant IrishCo). In either case, such investment may involve the acquisition, alongside one or more third parties, of debt or equity securities of whatever type or class (including in junior tranches) issued by special purpose vehicles or issuers established by any person (including Funding Circle and/or its Affiliates).

In either of the above scenarios, the relevant SPV used for securitisation will be ring-fenced from other SPVs or entities investing in or holding Credit Assets, and there will be no cross-collateralisation between SPVs in which the Company invests.

The Board (and, to the extent involving the relevant IrishCo, the relevant IrishCo Board) will only approve the making of any indirect investment, however structured, if it is first satisfied that the making of such indirect investment will not result in a breach, on a “look-through” basis, of the Investment Policy (including the Allocation Limits, the borrowing limitation and the other restrictions described herein) or any Portfolio Limits. Where indirect investment in Credit Assets is made alongside third party participants, such that the Company is not the sole (indirect) owner of the relevant Credit Assets, the Investment Policy and any Portfolio Limits will be assessed against the relevant indirect investments on a *pro rata* basis, proportionate to the Company’s indirect interest in the underlying Credit Assets. Indirect investments are also subject to the Company (or the relevant IrishCo, as the case may be) having sufficient Available Cash.

As noted above, Funding Circle may (where it is lawfully able so to do) participate in the structuring, establishment and operation of vehicles established in connection with indirect investment in Credit

Assets and may earn and retain remuneration or profits for performing any such role or service. It is anticipated that each relevant SPV will enter into service agreements with Funding Circle for the provision of services similar to those contemplated by the Servicing Agreements in the context of the Company's portfolio of Credit Assets.

Funding Circle has not agreed to and does not as at the date of this Prospectus, advise on or manage any indirect investment in Credit Assets by the Company (or the relevant IrishCo) but the Board may agree (subject to applicable law and regulation at the time, and to any requirements of the Listing Rules including those governing related party transactions) to appoint Funding Circle to provide services in connection with indirect investments in future (where it is lawfully able to do so).

Subject to the terms of the Note and the Note Subscription Agreement, the Origination Agreements and the Servicing Agreements, the Board may direct that the Company's assets may in future be held in whatever manner, and through whatever holding structure or entities, it deems appropriate.

A further description of the means by which Credit Assets will be acquired is set out in Part 1 of this Prospectus.

Management Arrangements

The Company is controlled and managed by the Board. The Board has decided not to appoint an external AIFM and the Company will be a self-managed AIF for the purposes of the AIFM Directive. Further information on this subject can be found under the heading "Management" at page 81 of this Prospectus.

INTRODUCTION TO THE INVESTMENT PROCESS

The Company will invest (directly or indirectly) in Credit Assets directly allocated to it by Funding Circle and which comply with the Investment Policy.

The process pursuant to which the Company invests in a potential Credit Asset comprises four components:

- *Selection of Credit Assets*—the process undertaken by Funding Circle to review the eligibility of all loan applications received.
- *Application of the Investment Policy and Portfolio Limits*—the filtering by Funding Circle of Credit Assets for compliance with the Investment Policy and any Portfolio Limits.
- *Allocation of Credit Assets to the Company*—the random allocation of the relevant percentage of all Qualifying Assets originated through the Marketplaces to the Company for investment by the Company (such Credit Assets being categorised as Allocated Assets) and to the extent the Company has sufficient Available Cash.
- *Acquisition of Credit Assets*—the acquisition of an Allocated Asset by the Company, subject to the Company having sufficient Available Cash.

Indirect investments will be made in Credit Assets which have been selected for inclusion on a Marketplace, as set forth above, but will be structured and implemented on a case-by-case basis, as approved by the Board, but will at all times be made in accordance with the Investment Policy and any Portfolio Limits.

The Company's Credit Assets (including, it is anticipated, any Credit Assets held indirectly), once acquired, will then be serviced by or on behalf of Funding Circle, including in respect of collections and recoveries.

Each point of the investment and servicing process is described in more detail below, including any differences between such processes in respect of Credit Assets originated through the Dutch, German, Spanish, UK and US Marketplaces. Where Credit Assets are originated through other Marketplaces, it is envisaged that a materially similar process will apply, which will be the subject of specific origination agreements.

SELECTION OF CREDIT ASSETS

Potential borrowers are sourced by Funding Circle through either direct or indirect means, as described under the heading "Loan Origination" in Part 1 of this Prospectus. Each loan application received is evaluated by Funding Circle in accordance with its data-driven, technology-enabled credit process. This process begins when an applicant submits information for an eligibility screen and ends when a loan application is approved for funding and originated through a Marketplace (so becoming

a Credit Asset). Importantly, an application can be declined at any point in this process. The following is a summary of the principles involved:

- *Application of the Boundary Model*

Funding Circle applies an eligibility process to potential borrowers by the application of an automated proprietary eligibility screen, known as the “boundary model” for the UK and CE Marketplace and the “pre-qualification filter” for the US Marketplace. This boundary model is applied to all applications received by the applicable Marketplace and operates by reference to publicly available information.

- *Review by Borrower Team*

Applications which pass the boundary screen may be allocated to Funding Circle’s Borrower Team, who will engage with the potential borrower and guide them through the application process. Further data will be gathered and additional checks on eligibility made. There may not be suitable publicly available information relating to prospective borrowers and their primary business owner(s) and, consequently, the role of the Borrower Team in obtaining non-public information from applicants and their primary business owner(s) is crucial to the application process.

In respect of the UK Marketplace, the Borrower Team will also make a preliminary assessment of the appropriate security to be given by the borrower.

The Borrower Team will have an ongoing role with the borrower during the application process, with the aim of ensuring that all necessary documentation has been provided and the application progresses to listing on the Marketplace.

- *Application of the Credit Model*

Funding Circle will apply its proprietary credit scoring methodology to evaluate the loan application. This methodology extends across multiple dimensions, determining eligibility and the appropriate risk rating for the loan, should it become a Credit Asset. Analysis will have regard to all the relevant application data gathered so far as well as information obtained from commercial and consumer credit bureaus. It will also include analysis of the borrower’s financial information. Certain specific factors that go into Funding Circle’s credit analysis are outlined under “*Credit Evaluation Process*” below, but the analysis may cover, among other things, the cash flow and asset position of the business, and the creditworthiness of the business and those providing the personal guarantees.

To determine the risk rating of a potential Credit Asset, relevant information is input into the Funding Circle proprietary model. This information will enable Funding Circle to assign a risk rating to the potential Credit Asset which will correspond to an estimated annualised loss rate, derived from the probability of default as assessed by the credit model. Risk ratings do not amount to any form of recommendation or guarantee by Funding Circle as to the amount of payments that the Company will actually receive or the likelihood of payment defaults occurring on a particular potential Credit Asset.

It should be noted that: (i) Funding Circle UK, Funding Circle US and Funding Circle CE apply different credit scoring criteria, as described in more detail below; and (ii) Funding Circle’s risk ratings are subject to adjustment (including through the creation of additional risk rating bands or the adjustment of threshold criteria within bands).

- *Manual Assessment*

Funding Circle applies a manual assessment to the eligibility process of each application based on a risk assessment in respect of the borrower and the loan application, including verification and final review to ensure adherence to Funding Circle’s credit guidelines. There may be further review and verification of information through requests for additional documentation from the borrower as well as validation of security taken in connection with the loan application. This may, where applicable, result in a decision to increase or decrease the risk rating (subject to referral or credit committee policies) or a decision not to list the application on the relevant Marketplace at all. The manual assessment will also apply certain additional criteria, including consideration of trading or operating history and bankruptcy and the sector in which the borrower operates (noting that Funding Circle may not originate Credit Assets to borrowers engaged in specific prohibited sectors).

Funding Circle’s credit team assessors have delegated authority to approve loans up to certain loan size thresholds. Depending on the risk assessment in respect of the borrower and/or the loan amount, those delegated authorities require counter-approval by another assessor or approval by Funding Circle’s credit committee.

Credit Evaluation Process

In determining whether a loan application will become a Credit Asset, and if so what risk rating will be assigned to that Credit Asset, Funding Circle applies a variety of data points throughout its credit evaluation process. Not all data points are relevant to all loan applications, and the relative importance of the data points considered will vary. Funding Circle will scrutinise a range of areas during its evaluation process, relating both to analysis of the business of the proposed borrower, and of the personal circumstances of the primary business owner(s). Factors considered may include an assessment of income, assets and cashflows, credit history and financial stability and previous contributions of relevant individuals to the borrower's business. Third party credit reports will also be obtained. The specific information, weighting and other factors relevant within each area of scrutiny, and the areas considered, may differ as between Funding Circle UK, Funding Circle US and Funding Circle CE, and all aspects are subject to change in Funding Circle's discretion.

Loans Related to Real Property

In relation to loans in respect of the acquisition or development of residential and commercial property in the UK, Funding Circle UK conducts additional processes in respect of potential borrowers and the relevant properties. These processes, which are carried out by Funding Circle's property specialists, include:

- an assessment of the potential borrower's experience in property development and/or property investment in the UK;
- diligence on the borrower's development plans and planning permissions (where relevant), business plans and debt service and repayment schedules;
- appointment of independent surveyors and RICs-qualified property valuers where appropriate; and
- regular monitoring of development projects and other properties, as needed.

Funding Circle will generate suitable asset documentation in respect of loans on real property, based on the outcome of the procedures described above. Funding Circle will also (where appropriate) instruct external legal counsel to advise on security over the property that is the subject of the loan.

Security

In addition to the credit process and analysis described above, Funding Circle will also have regard to the need for security in each case and, where security is required, the appropriate type of security to be taken.

ALLOCATION OF CREDIT ASSETS TO THE COMPANY

Allocation Percentage; Allocation Floor and Cap

Funding Circle UK, Funding Circle US and each of the Funding Circle CE Platform Companies will, having regard to the Allocation Limits, randomly allocate to the Company (for direct or indirect investment (as described below)) a percentage (the Allocation Percentage) of all Qualifying Credit Assets originated through the Marketplaces, as described below.

Credit Assets eligible for allocation to the Company are those Credit Assets which the Company has Available Cash to purchase and which would not breach the Company's Investment Policy or any Portfolio Limits were they to be randomly allocated to and purchased by the Company ("Qualifying Assets").

Funding Circle will randomly allocate Qualifying Assets to the Company.

The random allocation process is carried out by Funding Circle, after application of any eligibility criteria or Portfolio Limits, if any, without reference to loan value, risk rating, geography, sector or any other factor, and is a purely numerical exercise.

The Company is obliged, pursuant to the Origination Agreements, to acquire all Allocated Assets.

The Allocation Percentage will be set such that, when measured over each calendar quarter, the number of Credit Assets allocated to the Company from each Marketplace within that calendar quarter (expressed as a percentage of the total number of Credit Assets originated through a particular Marketplace within that calendar quarter) falls between the Allocation Floor and Allocation Cap, as shown in the table below. The Allocation Floor and the Allocation Cap will be calculated for each quarterly period by reference to the average percentage of Adjusted GAV that has

been invested in Credit Assets during that period (calculated by reference to the daily percentage so invested).

Funding Circle UK and Funding Circle US

% of Adjusted GAV invested in Credit Assets	Allocation Floor	Allocation Cap
Below 80%	20%	35%
80% to 95%.....	10%	35%
Above 95%.....	Base Allocation Percentage	35%

The Allocation Floor and Allocation Cap ultimately determine the minimum and maximum percentage (by number) of Credit Assets originated on a Marketplace that can be randomly allocated to the Company.

In respect of the UK Assets and the US Assets, as the proportion of GAV invested in Credit Assets increases, the Allocation Floor decreases, firstly from 20 per cent. to 10 per cent. once 80 per cent. of the Company's adjusted GAV has been invested, and then from 10 per cent. to the Base Allocation Percentage when at least 95 per cent. of the adjusted GAV has been invested in Credit Assets.

Funding Circle CE Marketplaces

% of EU Base Allocation Invested in Credit Assets in the EU, excluding the UK	Allocation Floor	Allocation Cap
Below 70%	20%	35%
70% to 90%.....	10%	35%
Above 90%.....	0%	35%

In respect of the CE Assets, as the proportion of GAV invested in Credit Assets increases, the Allocation Floor decreases, firstly from 20 per cent. to 10 per cent. once 70 to 90 per cent. of the Company's adjusted GAV has been invested, and then from 10 per cent. to zero when at least 90 per cent. of the adjusted GAV has been invested in Credit Assets.

Any change to the Allocation Floor or the Allocation Cap is subject to shareholder approval (by ordinary resolution).

The Allocation Floors and Allocation Caps specified above apply in respect of the Ordinary Shares. To the extent C Shares are issued, the Board may specify (with the agreement of Funding Circle UK) different Allocation Floors and Allocation Caps from those shown above for each tranche of C Shares issued from time to time.

When setting the Allocation Percentage, Funding Circle UK, Funding Circle US and Funding Circle CE, in respect of each of the Funding Circle CE Platform Companies, will each have regard not only to the Allocation Floor and the Allocation Cap, but also to the Investment Objective, Investment Policy and any Portfolio Limits and to the Company's Available Cash.

Where the Company (or the applicable IrishCo) makes an indirect investment in Credit Assets, those underlying Credit Assets which have been allocated to the relevant SPV or other vehicle through which the Company (or the applicable IrishCo) holds such indirect interests (on a *pro rata* basis proportionate to the indirect interest so held) shall be deemed to have been allocated to the Company for the purposes of calculating compliance with the Allocation Floor and the Allocation Cap. For the avoidance of doubt, there shall be no double-counting of Credit Assets previously acquired or funded by the Company (or the applicable IrishCo) in which the Company subsequently acquires an indirect interest (as contemplated under "Indirect Interest in Credit Assets" in this Part 3 of the Prospectus).

Random Allocation

The random allocation process is carried out by Funding Circle, after application of any eligibility criteria or Portfolio Limits, if any, without reference to loan value, risk rating, geography, sector or any other factor, and is a purely numerical exercise. Such allocation will operate so that the allocation of Credit Assets to the Company is effected on a random basis across the universe of Qualifying Assets available on that Marketplace.

ACQUISITION OF CREDIT ASSETS

Credit Assets are acquired (directly or indirectly) using the Company's available cash resources (including the reinvestment of proceeds received from the Company's investments), always having regard to the Company's dividend policy.

Credit Assets acquired directly will be acquired on the basis of comprehensive, standard Asset Documentation. The mode of acquisition for the Company will vary, depending on whether the Credit Asset in question is a UK Asset or a US Asset or otherwise.

Indirect investments will be acquired as deemed appropriate by the Board, on a case-by-case basis. To the extent any IrishCo is involved in any such indirect investment, consultation will be undertaken with the relevant IrishCo Board, whose approval will also be necessary as regards such IrishCo's participation.

Indirect acquisition of UK and CE Assets

General

The Company invests in Credit Assets originated through the UK and CE Marketplaces and the EIB Transaction indirectly, via its investment in a Note issued by each of the IrishCos.

Subject to Available Cash, the IrishCo's are obliged to fund Credit Assets allocated to them which comply with the Investment Policy and the Portfolio Limits, as described in the preceding paragraphs of this Part 3. Upon completion of the lending process (which may be instantaneous), the relevant IrishCo automatically enters Asset Documentation directly with the relevant borrower (or in the case of German Credit Assets acquires a loan receivable in respect to the related loan agreement entered into between the lender of record and the borrower). Funding Circle UK and related Funding Circle CE Marketplaces may, in certain circumstances, be requested (and may in its discretion agree) to purchase Credit Assets originally acquired by the related IrishCo.

Following the completion of the relevant Asset Documentation, a cash sum equal to the loan amount is paid to the borrower, net of the fees charged to the borrower by Funding Circle UK or the Funding Circle CE Platform Company, as applicable. Such fees include a completion fee, currently typically equal to between 1.5 and 6 per cent. of the loan amount in the case of Funding Circle UK and between 1 and 4 per cent. of the loan amount in the case of the Funding Circle CE, but may be higher where a registered agent (for example an introducing commercial finance broker) has made the loan application on behalf of a borrower.

For these purposes, each of the IrishCos has established an account with the Principal Bankers, operated by the Cash Manager, and which is segregated from the assets of other persons (the "IrishCo Top Account"). In addition, Funding Circle UK has established a funding account to receive payments made by the Cash Manager from the IrishCo Top Account, and which is also segregated from the assets of other persons (including Funding Circle and Funding Circle's other clients). When cash amounts become payable to the borrower as described above, to the extent cash is available in this funding account, Funding Circle UK will transfer those amounts to the relevant borrower.

Please see the summary description of the UK and Funding Circle CE Marketplace Origination Agreements in Part 7 of this Prospectus for further information.

The IrishCos and the Notes

The Company has subscribed for two profit-participating notes, one issued by each of the UK IrishCo and CE IrishCo, pursuant to the UK IrishCo Note Subscription Agreement and the CE Note Subscription Agreement respectively. The Company has also subscribed for one fixed-rate, asset backed note issued by the EIB Transaction IrishCo, pursuant to the EIB Note Subscription Agreement. Each of the Notes has been listed on the Global Exchange Market of the Irish Stock Exchange. The maximum principal amount (as set out in the terms of the Notes) available to the respective IrishCo under its Note shall be set by agreement between the Company and the respective IrishCo from time to time, in each case with the consent of Funding Circle UK and Funding Circle CE, in respect of the CE Irish Co Note.

Each IrishCo uses the net proceeds of the relevant Note together with its respective percentage of any further Advances made by the Company to the IrishCos under the Notes and (subject to the payment of interest on, or repayment of, the Notes) some or all of any proceeds received from Credit Assets previously acquired (whether as repayment of principal or interest) to acquire Credit Assets that have been or that will be originated by Funding Circle UK pursuant to the UK Origination Agreement, or

by Funding Circle CE pursuant to each of the CE Origination Agreements. The Notes will accrue annual interest amounts equal to the gross revenues (income) of the respective IrishCos, less certain other expenses. The IrishCos will pay accrued interest in respect of its Note from its available cash, after it has reinvested, or reserved for reinvestment, cash pursuant to the related Origination Agreement. To the extent the relevant IrishCo does not have available cash in an interest period sufficient to pay the accrued interest, such accrued interest shall be paid by the relevant IrishCo in later interest periods when there is sufficient available cash or, alternatively on redemption of the Note. The amount to be reinvested or reserved for reinvestment will be determined by Funding Circle UK, pursuant to the terms of the Origination Agreements. Funding Circle UK will make such determinations having regard to the dividend policy of the Company.

Each of the Note Subscription Agreements contains numerous representations, warranties and covenants, including covenants from the IrishCos to the Company regarding its compliance with the terms of the Origination Agreements and the Servicing Agreements and the enforcement of those agreements by the IrishCos. The IrishCos are also obliged to provide certain information to the Company, including regarding the portfolio of Credit Assets acquired and held by it. In addition, the Note Subscription Agreements confer on the Company the right to appoint one director of each IrishCo.

Each IrishCo will deploy Advances received under the Notes pursuant to the Origination Agreements, which are made between the IrishCos, Funding Circle UK or Funding Circle CE, as applicable, and the Company. The Company is party to the Origination Agreements in its capacity as the sole holder of the Notes, and has certain rights under the Origination Agreements, consistent with that capacity, including to receive information regarding the services provided by Funding Circle UK and Funding Circle CE to the IrishCo, to require the performance by the IrishCos and Funding Circle UK and Funding Circle CE of their respective obligations under the Origination Agreement, and that each of IrishCo and Funding Circle UK and Funding Circle CE exercise proper care, skill and diligence in performing its obligations.

Credit Assets acquired by the IrishCos will be serviced by Funding Circle UK or Funding Circle CE, as applicable pursuant to the related Servicing Agreement, which is also made between the relevant IrishCo, the relevant Funding Circle Marketplace and the Company (as the sole holder of the Notes). As under the Origination Agreements, the Company will have certain rights, consistent with its capacity as the sole holder of the Notes, to receive information regarding the services provided by Funding Circle Marketplaces to the IrishCos, to require the performance by the IrishCos and Funding Circle Marketplaces of their respective obligations under the related Servicing Agreement, and that each of IrishCos and Funding Circle Marketplaces exercise proper care, skill and diligence in performing its obligations.

Further information regarding each of the Note Subscription Agreements, the Origination Agreements and the Servicing Agreements is set out in Part 7 of this Prospectus.

Direct Acquisition of US Assets

It is currently intended that the Company will invest in Credit Assets originated through the US Marketplace directly for its own account.

For each Credit Asset originated through the US Marketplace, Funding Circle US will first approve the loan application and itself offer terms to the borrower. The borrower has up to ten business days to accept the loan offers. Upon acceptance, Funding Circle US will: (i) originate the Credit Asset by entering into the Asset Documentation with the borrower and disbursing loan proceeds; and (ii) allocate it for sale on the US Marketplace. Following completion of the internal process, Funding Circle US will hold the Credit Asset on its balance sheet for a short period (likely not exceeding a week), during which time interest accrues for the benefit of Funding Circle US and any default is for the account of Funding Circle US.

Funding Circle US will be entitled to receive fees from the borrower in respect of a US Asset, including an origination fee of (currently) between 0.99 per cent. and 6.99 per cent. of the loan amount.

Following the “hold” period described above, the Company shall be obliged to purchase all US Assets which are Qualifying Assets and which have been randomly allocated to it. Following such purchase, the Company will become the lender of record in respect of the relevant Credit Asset. Funding Circle US may, in certain circumstances, be requested (and may in its discretion agree) to repurchase Credit Assets originally acquired by the Company.

For these purposes, the Company has established an account with the Principal Bankers, to be operated by the Cash Manager, and which is segregated from the assets of other persons (the “*Company Top Account*”). When cash amounts become payable to Funding Circle US in order for the Company to purchase US Assets as described above, to the extent cash is available in the Company Top Account, the Cash Manager will transfer those amounts to Funding Circle US’s funding account.

Direct Acquisition of Other Assets

Credit Assets which are not CE Assets, UK Assets or US Assets may be acquired directly by the Company, by an IrishCo or by an intermediate holding vehicle or Near Affiliate on behalf of the Company, as the Board (and the relevant IrishCo Board, where relevant) may determine (either individually or on a general basis in respect of a particular type of such Credit Asset). Where it is intended to invest in Credit Assets which are not CE Assets, UK Assets or US Assets, the Board intends to agree with Funding Circle agreements equivalent to the Origination Agreements and Servicing Agreements in respect of the relevant Marketplace. The Board will also establish the relevant administration, cash management and financing arrangements, as deemed necessary or desirable by them at the relevant time. To the extent any such arrangements constitute “related party transactions” for the purposes of the Listing Rules, appropriate steps will be taken, as required by the Listing Rules, at the appropriate time (although, provided the relevant conditions continue to be met, it is anticipated that the modified requirements for smaller related party transactions shall apply).

Subject to the terms of the Note and the Note Subscription Agreements, the Origination Agreements and the Servicing Agreements, the Board may direct that the Company’s assets may in future be held in whatever manner, and through whatever holding structure or entities, it deems appropriate.

Indirect Investments

In the case of indirect investment in Credit Assets, the mode of acquisition will be determined by the Board on a case by case basis, with reference to the structure being employed. As described under “Investment Policy”, above, indirect investments may involve participation in securitisation structures, which may involve the securitisation of Credit Assets previously acquired by the Company (or an IrishCo) or the acquisition or participation by the Company in interests in Credit Assets which have not previously been funded or held by the Company (or an IrishCo). In either case, such investment may involve the acquisition, alongside one or more third parties, of debt or equity securities of whatever type or class (including in junior tranches) issued by special purpose vehicles or issuers established by any person (including Funding Circle and/or its Affiliates). The Board will have regard to the arrangements for the acquisition of Credit Assets underlying the relevant indirect investment when determining whether or not to make such an investment and, to the extent such indirect investment requires the participation of the relevant IrishCo, the Board shall consult with the relevant IrishCo Board, whose approval will also be necessary as regards the relevant IrishCo’s participation.

Please see paragraph 6 of Part 7 of this Prospectus for further information on the EIB Transaction.

LOAN SERVICING; COLLECTIONS AND DEFAULTS

The UK Marketplace

Funding Circle UK provides (or will procure the provision of) servicing, loan administration and collection services to the UK IrishCo in respect of the Credit Assets originated through the UK Marketplace.

Funding Circle UK has established a collections account for the UK IrishCo (the “UK IrishCo Collections Account”) and will direct borrowers to pay interest and principal repayments into that account. It will also arrange for that account to receive any amounts recovered by itself, collections agencies or field agents which it has appointed, and amounts otherwise recovered from borrowers or guarantors under legal or insolvency proceedings, as well as any amounts recovered by its Affiliates (less costs and fees as provided for in the UK Servicing Agreement).

If the borrower misses a payment or only partially pays, Funding Circle UK (itself or through an agent acting on its behalf) will contact the borrower to inform it that Funding Circle UK will re-attempt to collect the outstanding payment. If the shortfall is not collected two working days after the payment was due, the borrower’s account will be treated as an overdue account. At this stage, Funding Circle UK might refer the missed payment to a debt collections agency. If the borrower fails to pay (or is otherwise in breach of the terms of the Credit Asset), it may be placed into default and

Funding Circle UK may engage field agents to attempt to collect the total amount outstanding. Funding Circle UK will try to give borrowers 18 days' notice before filing a default on a credit reference file, but does not commit to so doing.

When a Credit Asset is placed into default, Funding Circle UK will notify the UK IrishCo that legal title to the relevant Credit Asset has been transferred to one of Funding Circle UK's Affiliates, in order that legal proceedings can be commenced. Beneficial ownership of the relevant asset will remain with UK IrishCo. The relevant Affiliate will then investigate the amount of debt that is likely to be successfully recovered through the courts and, if appropriate, it will instruct solicitors to file court claims to recover the debt.

Where the Credit Asset is secured, Funding Circle UK will also arrange for it or one of its Affiliates to act as security agent on behalf of the UK IrishCo. All communications to a borrower in connection with any such security will be made through that security agent, which will enforce the security on behalf of the UK IrishCo. If the security agent has obtained information from a relevant borrower, Funding Circle UK may, but is not obliged to, provide the UK IrishCo with information about the assets of that borrower, together with estimated forced re-sale values on enforcement. Funding Circle UK will not be required to repurchase or assume any defaulted Credit Asset.

Funding Circle UK will maintain back-up servicing arrangements should it suffer an insolvency or similar event. Funding Circle UK has currently appointed Link Financial Outsourcing Limited in this capacity.

Further detail as to the appointment of Funding Circle UK under the UK Servicing Agreement is set out in paragraph 7.4 of Part 7 of Prospectus.

The Dutch Marketplace, German Marketplace and Spanish Marketplace

Funding Circle Netherlands, Funding Circle Germany and Funding Circle Spain provides (or will procure the provision of) servicing, loan administration and collection services to the CE IrishCo in respect of the Credit Assets originated through the Dutch Marketplace, German Marketplace and Spanish Marketplace respectively. Whilst Funding Circle Netherlands, Funding Circle Germany and Funding Circle Spain will act as the main servicer, Funding Circle CE will act as a sub-contracting agent for each of them. Whilst the precise nature of the delegated services may vary, Funding Circle Netherlands, Funding Circle Germany and Funding Circle Spain (as applicable) will remain liable for the actions or omissions of Funding Circle CE.

Funding Circle CE shall instruct borrowers on the Spanish Marketplace and the German Marketplace to pay interest and principal repayments into an intermediate account (as determined by Funding Circle) and, in the case of the Dutch Marketplace, into an intermediate account in the name of Stichting, in each case before the funds are transferred into the CE IrishCo Collections Account. It will also arrange for the intermediate accounts to receive any amounts recovered by collections agencies or field agents which it has appointed, and amounts otherwise recovered from borrowers or guarantors under legal or insolvency proceedings, as well as any amounts recovered by its Affiliates (less costs and fees as provided for in the relevant Servicing Agreement).

Funding Circle will provide the CE IrishCo with access to information provided by the borrower or third parties (or which is otherwise held by Funding Circle) in respect of the relevant Credit Assets.

If the borrower misses a payment or only partially pays, Funding Circle CE (itself or through an agent acting on its behalf) will contact the borrower to inform it that Funding Circle UK will re-attempt to collect the outstanding payment. If the shortfall is not collected ten working days after the payment was due, the borrower's account will be treated as an overdue account. At this stage, Funding Circle CE might refer the missed payment to a debt collections agency. If the borrower fails to pay (or is otherwise in breach of the terms of the Credit Asset), it may be placed into default and Funding Circle CE may engage field agents to attempt to collect the total amount outstanding. Generally, the Funding Circle CE Marketplaces will first be entitled to cancel the respective loan agreement after 90 days of the relevant loan falling into arrears. Before cancellation, the respective Funding Circle CE Marketplace will issue a final warning including a 14 days' notice before filing a default. After such notice the Funding Circle CE Marketplace may in its absolute discretion place the loan into default. In case of insolvencies, the relevant Funding Circle CE Marketplace will immediately place the loan into default.

When a Credit Asset is placed into default, the relevant Funding Circle CE Marketplace may assign this matter to a collection agency or law firm or, alternatively, pursue the matter on its own, for example by negotiations with insolvency practitioners on behalf of the investors. In Germany, the

respective loan receivables will be automatically assigned to Funding Circle Germany after a loan is defaulted. Funding Circle Germany will then try to enforce these claims as a fiduciary of the investors.

Funding Circle CE intends to put in place back-up servicing arrangements should it suffer an insolvency or similar event.

Further detail as to the appointment of Funding Circle CE under the CE Servicing Agreements is set out in paragraphs 7.17 to 7.19 of Part 7 of this Prospectus.

The US Marketplace

Funding Circle US provides (or will procure the provision of) payment processing and loan collection services to the Company in respect of the Company's portfolio of US Assets.

Funding Circle US has established a US collections account to which Funding Circle US will remit (or cause to be remitted) any repayments of principal or interest, any liquidation or insurance proceeds and any other payments received in respect of US Assets. Prior to February 2016, remittances for loans purchased by the Funding Circle SME Income Fund were collected through a commingled Funding Circle USA held bank account in the US. Beginning in February 2016, Funding Circle implemented a segregated bank account, held in the name of the Funding Circle SME Income Fund which receives all payments from borrowers in respect to Credit Assets owned by the Funding Circle SME Income Fund.

The Company will receive standard reports either online or through an application programming interface licenced for use by the Company. These reports will break down the following in respect of each of US Assets:

- Payment history broken down into component parts (interest income, return of capital, late fees);
- Past due amounts; and
- Capital balances.

Funding Circle US will provide the borrowers under each US Asset with access to a customer help desk to respond to enquiries regarding billing, taxes, insurance, and loan terms. It will send (or cause to be sent) collection letters to those borrowers from time to time and in particular will notify such borrowers of any payment delinquency promptly after the delinquency exceeds ten days. Once a loan is more than 90 days past due or becomes the subject of a material non-payment default, a formal collection plan will be prepared. Funding Circle US will be able to waive or vary any term of any US Asset, including changing the interest rate or payment dates, if it believes that doing so will prevent a borrower from defaulting entirely or from filing for bankruptcy.

Without limitation to other remedies, Funding Circle US may also charge late fees to any borrower that fails to make any payment when due under the Asset Documentation in an amount equal to 12 per cent. of the amount of the overdue payment (or such other amount as the Asset Documentation shall specify). The Company may, subject to certain limitations, be entitled to receive a portion of any late fees that Funding Circle US receives on the relevant loan. Funding Circle US may waive its right to impose a late fee in respect of any late payment made by a borrower. No additional fees will be charged to the Company by Funding Circle US in respect of any defaulted Credit Asset.

Funding Circle US will promptly notify the Company of any bankruptcy proceedings filed by a borrower under which the Company's interest or security may be compromised or abandoned. Funding Circle US will manage that bankruptcy in accordance with its current policies and standard industry practices, and it will be responsible for making demands for payment under any related guarantees and endeavouring to recover and liquidate any related collateral. Funding Circle US will not be obliged to repurchase or assume any defaulted Credit Asset.

Funding Circle US will be permitted to perform its servicing obligations to the Company through a Sub-servicer, provided that any actions taken by such a Sub-servicer in respect of a delinquent or defaulted loan must be approved by Funding Circle US. Funding Circle US has appointed a Portfolio Financial Services Company to assist it as Sub-servicer with respect to US Assets. Funding Circle US may also choose in the future to appoint a different Sub-servicer or to service US Assets without the assistance of any sub-servicer.

Further detail as to the appointment of Funding Circle US under the US Servicing Agreement is set out in paragraph 7.5 of Part 7 of Prospectus.

Indirect investments

In the case of indirect investments in Credit Assets, the servicing, collection and default arrangements relating to the Credit Assets underlying the relevant instrument or vehicle will be determined by the Board on a case by case basis, with reference to the structure being employed. The Board will have regard to such servicing, collection and default arrangements when determining whether or not to make such an investment.

CONFLICTS OF INTEREST

The Marketplaces are used by a number of different lenders including retail and accredited investors, government bodies and institutional investors. In this context, Interested Parties will likely be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments. Interested Parties may provide services to the Company or to other persons and entities acting as lenders on the Funding Circle platforms and may themselves act as lenders (whether as principal or agent) on the Funding Circle platforms (in accordance with their own or a client's investment criteria, as the case may be) and will not be liable to account to the Company for any profit earned from any such services or activities.

Interested Parties may from time to time act for other clients or, establish or manage funds which may have similar investment objectives and policies to that of the Company and may invest in similar types of investments to those of the Company, whether through the Marketplaces or otherwise. Circumstances are likely to arise where investment opportunities will be available to the Company which are also suitable for one or more of such other clients of Funding Circle or such other funds, accounts or products. In particular, but without limitation, Funding Circle has certain relationships with other institutional lender clients under which such other clients are entitled to receive a "flow" of Credit Assets originated through the Marketplaces, generally based on a largely passive flow arrangement where the client has no power to actively select Credit Assets (other than in respect of certain limited eligibility criteria or portfolio concentration limits). Whilst, pursuant to the Origination Agreements, the Company has the right to receive allocations of Credit Assets (as set out in Part 3 of Prospectus), the determination of the percentage of Credit Assets allocated to the Company rather than to other clients will be made by Funding Circle (although it should be noted that the allocation of actual Credit Assets from the available pool is randomised).

Funding Circle may in the future conduct capital raisings for other funds or investment vehicles or arrangements at the same time as it/they conduct any capital raisings for the Company. Each of Funding Circle UK and Funding Circle US will (and will procure that their Affiliates will) at all times adhere to their respective conflicts of interest and investment allocations policies in effect at the time.

Subject to the conflicts of interests policies of Funding Circle in effect at the time, an Interested Party providing professional services to members of the Company (provided that no Interested Party will act as auditor to the Company) may hold Ordinary Shares, and may buy, hold or deal in any investments for their own accounts, notwithstanding that similar investments may be held by the Company (directly or indirectly).

Pursuant to the standard terms and conditions for borrowers in respect of Credit Assets, and in addition to any fees payable to Funding Circle by the Company (see Part 6 of Prospectus) Funding Circle will be entitled to receive from such borrowers (and retain) fees, including (without limitation) completion, finance arrangement, sales and servicing fees. Administration and other fees may also be charged in the event of a borrower's default. Similar fees may be charged and retained in respect of Credit Assets originated through each Marketplace, and the level of such fees will be set, and may be varied, by Funding Circle from time to time as contemplated by Funding Circle's terms and conditions for borrowers.

The Directors have satisfied themselves that Funding Circle has procedures in place to address potential conflicts of interest and that, where a conflict arises, Funding Circle will resolve such conflict on a fair and equitable basis in accordance with its conflicts of interest and investment allocation policies in effect at the time. The Directors are also satisfied that Funding Circle has procedures in place to address any conflicts of interest which may arise out of its various roles.

Richard Burwood, being one of the members of the Board, is also a director of the UK IrishCo. The other directors of the UK IrishCo, Peter O'Leary and Conor Blake, are directors of members of the Sanne group of companies, which provide administration and cash management services to the Company and the UK IrishCo.

Richard Burwood, being one of the members of the Board, is also a director of the CE IrishCo. The other directors of the CE IrishCo, Peter O’Leary and Conor Blake, are directors of members of the Sanne group of companies, which provide administration and cash management services to the Company and the CE IrishCo.

Samir Desai, being one of the members of the Board, is also a director of Funding Circle UK and of certain Affiliates thereof. He is also the Global Chief Executive Officer and co-founder of Funding Circle.

Funding Circle may (where it is lawfully able so to do) participate in the structuring, establishment and operation of vehicles established in connection with indirect investment in Credit Assets and may earn and retain remuneration or profits for performing any such role or service. It is anticipated that each relevant SPV will enter into service agreements with Funding Circle for the provision of services similar to those contemplated by the Servicing Agreements in the context of the Company’s portfolio of Credit Assets.

Funding Circle does not currently arrange, advise on or manage any indirect investment in Credit Assets by the Company (or an IrishCo) but the Board may agree (subject to applicable law and regulation at the time, and to any requirements of the Listing Rules including those governing related party transactions) to appoint Funding Circle to provide services in connection with indirect investments in future (where it is lawfully able to do so).

PART 4: FINANCIAL INFORMATION

The following is a discussion of the Company's results of operations and financial condition for the financial period ending 31 March 2016 and the six month period to 30 September 2016. Prospective investors should read the following discussion, together with the whole of this Prospectus, including the Risk Factors, and the Company's historical financial statements and should not just rely on the key or summarised information contained in this Part 4. The financial information in this Part 4 has been extracted without material adjustment from the Company's accounting records.

This Part 4 contains "forward-looking statements". Those statements are subject to risks, uncertainties and other factors that could cause the Company's future results of operations or cashflows to differ materially from the results of operations or cashflows expressed or implied in such forward-looking statements.

In this Part 4 references to "the Company" shall include the UK IrishCo and the CE IrishCo.

1 Introduction

- 1.1 The Company's auditors are PricewaterhouseCoopers CI LLP of Royal Bank Place, 1 Glatigny Esplanade, St Peter Port, Guernsey GY1 4ND, which is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales with firm number C001187983.
- 1.2 Save for the historical information for the financial period ended 31 March 2016 set out, or incorporated by reference, in paragraph 3.1 of this Part 4, none of the information in this Prospectus has been audited. Unless otherwise indicated, all unaudited financial information relating to the Company contained in this Prospectus has been sourced, without material adjustment, from the internal accounting records of the Company which are maintained by the Administrator on the Company's behalf on a basis consistent with the Company's accounting policies or from the half-yearly financial report for the six months ended 30 September 2016.

2 Consolidated financial statements for the financial period ended 31 March 2016

The consolidated financial statements for the Company for the financial period ended 31 March 2016 (prepared in accordance with IFRS), in respect of which PricewaterhouseCoopers CI LLP issued an unqualified report under section 262 of the Law, did not contain any statements under section 263 as applicable.

3 Published annual reports and consolidated financial statements for the financial period ended 31 March 2016 and the half-yearly financial report and unaudited condensed consolidated financial statements for the six months ended 30 September 2016

- 3.1 In accordance with International Financial Reporting Standards, the Company reported to 31 March 2016 and 30 September 2016 (and expects to continue to report) on a basis which consolidated its financials with those of the UK IrishCo and the CE IrishCo. This treatment is deemed appropriate because the Company is exposed to, and has the rights to, variable returns from these entities and additionally is considered under IFRS 10 to exercise control over these entities as it has the ability to affect the variable returns.

3.2 Historical information incorporated by reference

The annual reports and consolidated financial statements of the Company for the financial period ended 31 March 2016 and the half-yearly financial report for the six months ended 30 September 2016 include, on the pages specified in the table below, the following information which is incorporated by reference into this Prospectus. Those parts of the annual report and consolidated financial statements and half-yearly financial report referred to above which are not being incorporated into this Prospectus by reference are either not relevant for investors or are covered elsewhere in the document. The following list is intended to enable investors to identify easily specific items of information which are relevant to the Issues. The page numbers below refer to the relevant pages of the annual report and consolidated financial statements and the half-yearly financial report.

**Annual Report and
consolidated
financial statements
for period ended
31 March 2016
Page No(s)**

Nature of Information

Chairman's Statement.....	2-3
Strategic Report.....	4-7
Directors' Report.....	8-10
Statement of Directors' Responsibilities.....	19
Independent Auditors' Report.....	20-21
Consolidated Statement of Comprehensive Income.....	22
Consolidated Statement of Financial Position	23
Consolidated Statement of Changes in Shareholders' Equity.....	24
Consolidated Statement of Cash Flows	25

Half-yearly financial Report and unaudited consolidated financial statements for six months ended 30 September 2016

**Six months ended
30 September 2016
Page No(s)**

Nature of Information

Chairman's Statement.....	2
Strategic Report.....	N/A
Interim Report.....	3-4
Statement of Directors' Responsibilities.....	5
Independent Review Report.....	6
Unaudited Condensed Consolidated Statement of Comprehensive Income.....	7
Unaudited Condensed Consolidated Statement of Financial Position	8
Unaudited Condensed Consolidated Statement of Changes in Equity.....	9
Unaudited Condensed Consolidated Statement of Cash Flows.....	10

3.3 Selected financial information

The key audited figures that summarise the financial condition of the Company in respect of the financial period ended 31 March 2016 and the unaudited half-yearly report ended 30 September 2016, which have been extracted directly on a straightforward basis from the historical information referred to in paragraph 3.1 of this Part 4 (unless otherwise indicated in the notes below the following table) are set out in the following table.

	Annual Report and consolidated financial statements for period ended 31 March 2016 (£)	Six months ended 30 September 2016 (£)
Loans Advanced.....	94,764,065	151,903,794
Total assets.....	152,354,560	167,821,176
Total liabilities.....	4,077,943	4,128,202
Net assets.....	148,276,617	163,692,974
Net asset value per Ordinary Share	98.85p	105.45p
Earnings and Dividends		
Earnings per Ordinary Share (pence).....	0.85	3.46
Dividends per Ordinary Share (pence).....	—	2.63

3.4 Operating and financial review

The published annual report and accounts for the Company for the financial period ended 31 March 2016 and the unaudited half-yearly report for the six months ended 30 September 2016 included, on the pages specified below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company's portfolio of investments for each of those periods.

Section	Annual Report and consolidated financial statements for period ended 31 March 2016	Six months ended 30 September 2016
	Page No(s)	Page No(s)
Chairman's Statement	2-3	2

3.5 Availability of annual report and accounts and half-yearly reports for inspection

Copies of the published annual report and audited accounts of the Company for the financial period ended 31 March 2016 (as filed with the GFSC and the FCA) and the unaudited half-yearly report for the six months ended 30 September 2016 (as filed with the FCA) are available for inspection at each of the addresses referred to in paragraph 13.1 of 7 of this Prospectus and at www.fcincomefund.com. This website does not form part of the Prospectus.

4 Capitalisation and indebtedness

The following tables show the unaudited capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 December 2016.

	31 December 2016 (unaudited) £'000
Total current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
	30 September 2016 (unaudited) £'000
Shareholders' equity	
Share capital	161,213
Legal Reserve	—
Other reserves	—

Since 30 September 2016, the following issues of Shares have taken place:

- On 31 October 2016, the Company issued 75,698 Ordinary Shares as a result of a scrip dividend alternative; and
- On 31 January 2017, the Company issued 609,365 Ordinary Shares as a result of a scrip dividend alternative.

The following table shows the Company's unaudited net indebtedness as at 31 December 2016.

	31 December 2016 (unaudited) £'000
A Cash.....	13,770
B Cash equivalent	—
C Trading securities	—
D Liquidity (A + B + C).....	13,770
E Current Financial Receivable.....	—
F Current bank debt.....	—
G Current portion of non-current debt.....	—
H Other current financial debt.....	—
I Current financial debt (F + G + H).....	—
J Net Current Financial Indebtedness (I – E – D)	(13,770)
K Non-current bank loans.....	—
L Bonds issued.....	—
M Other non-current loans.....	—
N Non-current Financial Indebtedness (K + L + M).....	—
O Net financial Indebtedness (J + N).....	(13,770)

The Company has no indirect or contingent indebtedness.

5 Capital resources

At the Latest Practicable Date, the Company's capital resources comprised its share capital and reserves.

The Company's cash flows comprised interest generated from its investments. Its payments comprised its ongoing operating expenses.

In the period ended 31 March 2016, being the period covered by the most recently published audited financial information, cash received as net income from investments and interest received amounted to £1,864,930.

Expenses for the period ended 31 March 2016 amounted to £1,572,435 this includes fixed costs for administration, including Directors' fees and fees payable to the Custodian, Registrar and Auditor. No dividends were paid during the period.

There are no specific restrictions on the use of cash in any loan agreements, but the investments will be managed in accordance with the investment policy and strategy described in paragraphs Part 3 of this Prospectus, any future material change to which is subject to the approval of the FCA and of Ordinary Shareholders in general meeting under the Listing Rules.

PART 5: SHARE ISSUANCE PROGRAMME

The Directors intend to implement the Share Issuance Programme (being a programme of Issues of Shares in the form of Ordinary Shares and/or C Shares). Subject to obtaining appropriate disapplication of pre-emption rights, the Directors may issue up to 500 million Ordinary Shares and/or C Shares in aggregate pursuant to the Share Issuance Programme without having to first offer those Shares to existing Shareholders. The Share Issuance Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The Share Issuance Programme is being implemented to enable the Company to raise additional capital in the period from 6 February 2017 to 5 February 2018. The Share Issuance Programme is intended to satisfy market demand for Shares and to raise further money to increase the size of the Company and invest in accordance with the Investment Policy.

In using their discretion under the Share Issuance Programme, the Directors may also take into account the desirability of limiting the premium to Net Asset Value at which the Ordinary Shares trade in order to ensure that Shareholders and new investors who acquire Ordinary Shares are not disadvantaged by being required to acquire such Ordinary Shares at a high premium to Net Asset Value per Ordinary Share.

The actual number of Ordinary Shares / C Shares to be issued pursuant to any Issue under the Share Issuance Programme is not known as at the date of this Prospectus; any such issues will be notified by the Company via a Regulatory Information Service announcement and the Company's website, prior to Admission of the relevant Shares to be issued pursuant to such Issue.

The maximum number of Shares available under the Share Issuance Programme should not be taken as an indication of the number of Shares finally to be issued.

The Share Issuance Programme will open on 6 February 2017 and will close on 5 February 2018 (or any earlier date on which the Share Issuance Programme is fully subscribed, or otherwise at the discretion of the Directors).

Shares will, subject to the Company's decision to proceed with an allotment at any given time, be made available at the Share Issuance Programme Price to investors.

C Shares will be issued at the price of £1 per C Share. No Ordinary Shares will be issued at a discount to the Net Asset Value per Ordinary Share at the time of the relevant allotment. The Company will not issue any Ordinary Shares at a discount of 10 per cent. or more to the middle market price of the Ordinary Shares at the relevant time without Shareholder approval. Details on fees and expenses are included in Part 3 of this Prospectus.

The ISIN number of the C Shares is GG00BYNV2672 and the SEDOL code is BYNV267.

The ISIN number of the Ordinary Shares is GG00BYYJCZ96 and the SEDOL code is BYYJCZ9.

The allotment of Shares (including as to the proportion of Ordinary Shares and C Shares to be allotted) under the Share Issuance Programme is at the discretion of the Directors, in consultation with Numis. Allotments may take place at any time prior to the final closing date of 5 February 2018 (or any earlier date on which it is fully subscribed). An announcement of each allotment will be released through a Regulatory Information Service, including details of the number of Ordinary Shares and/or C Shares allotted and the Share Issuance Programme Price for the allotment.

The net proceeds of the Share Issuance Programme are dependent, *inter alia*, on: the Directors determining to proceed with an Issue under the Share Issuance Programme, the level of subscriptions received and the price at which such Ordinary Shares and/or C Shares are issued. Any minimum gross proceeds in respect of each issue will be fixed by the Directors prior to each Issue in consultation with Numis. It is expected that the costs of issuing Ordinary Shares under the Share Issuance Programme will be covered by issuing such Ordinary Shares at a premium to the prevailing NAV per Share. The costs and expenses of any issue of C Shares under the Share Issuance Programme will be paid out of the gross proceeds of such issue and will be borne by holders of C Shares only. The rights attaching to C Shares, including the rights as to conversion into Ordinary Shares, are described in the Articles.

Bookrunner or Broker Appointment

The Company has, under the Share Issuance Agreement, appointed Numis to act as Sole Global Coordinator, bookrunner and sponsor in respect of any Issue undertaken under the Share Issuance

Programme. The Company may also appoint an appropriately qualified financial institution to act as bookrunner or broker in respect of any Issue under the Share Issuance Programme.

The Share Issuance Agreement and Conditions

Under the Share Issuance Agreement, subject to satisfaction of several conditions precedent (including execution of a purchase agreement in respect of the relevant Ordinary Shares and/or C Shares), Numis has undertaken (along with any other bookrunner appointed in respect of an Issue), as agent for the Company, to use reasonable endeavours to procure subscribers under any Issue in connection with the Share Issuance Programme for Shares at the Share Issuance Programme Price. Details of the Share Issuance Agreement are set out in paragraph 7.21 of Part 7 of this Prospectus. Each allotment and issue of Shares pursuant to an Issue under the Share Issuance Programme is conditional, *inter alia*, on the Admission of those Shares by 8.00 a.m. on such date as the Company and Numis may agree from time to time in relation to that subsequent Admission, a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules, and the Share Issuance Agreement becoming wholly unconditional (save as to such Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.

In circumstances in which the conditions to an Issue are not fully met, the relevant issue of Shares pursuant to the Share Issuance Programme will not take place.

The Share Issuance Programme Price

Subject to the requirements of the Listing Rules, the minimum price at which the Ordinary Shares will be issued pursuant to the Share Issuance Programme, which will be in Sterling, will be calculated by reference to the estimated prevailing Net Asset Value of the existing Ordinary Shares together with a premium sufficient to cover the costs and expenses of issuing such Ordinary Shares (including, without limitation, any placing commissions). Fractions of Ordinary Shares will not be issued.

C Shares will be issued at the price of £1 per C Share.

The Share Issuance Programme Price will be announced through a Regulatory Information Service as soon as practicable in conjunction with each Issue.

Terms and Conditions of any Placing

The terms and conditions which shall apply to any subscriber for Shares procured by any Bookrunner pursuant to any Placing are contained in Appendix 1 to this Prospectus.

Terms and Conditions of any Offer

The Company may also offer Shares to investors in the UK pursuant to an Offer. Potential participants in any Offer should be aware of the provisions of Appendix 2 to this Prospectus. The full terms and conditions of application relating to any Offer, as well as the relevant application forms, will be set out in an information booklet relating to such Offer published by the Company at the time of such Offer.

Voting Dilution regarding the Ordinary Shares

If 500 million Ordinary Shares are issued pursuant to the Share Issuance Programme, there would be a dilution of approximately 403 per cent. in Shareholders' voting control of the Company as against that as at the date of this Prospectus (assuming that existing Shareholders did not participate).

General

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents (and their agents) or the Administrator may require evidence in connection with any application for Shares, including further identification of the applicant(s), before any Shares are issued.

Admission, clearing and settlement

The Share Issuance Programme may have a number of closing dates in order to provide the Company with the ability to issue Ordinary Shares and/or C Shares over the duration of the Share Issuance Programme. Ordinary Shares and/or C Shares may be issued under the Share Issuance Programme from 8.00 a.m. on 6 February 2017 until 8.00 a.m. on 5 February 2018 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors).

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Ordinary Shares and/or C Shares issued pursuant to the Share Issuance Programme to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that any Admissions pursuant to Issues under the Share Issuance Programme will become effective and dealings will commence between 6 February 2017 and 5 February 2018 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). All Shares issued pursuant to the Share Issuance Programme will be allotted conditionally on the relevant Admission occurring.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to any Admission of any Ordinary Shares and/or C Shares issued pursuant to the Share Issuance Programme, the Company will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s).

Shares will be issued in registered form and may be held in either certificated or uncertificated form. In the case of Shares to be issued in uncertificated form pursuant to an Issue, these will be transferred to successful applicants through the CREST system.

It is anticipated that dealings in the Shares will commence approximately three Business Days after their allotment. Whilst it is expected that all Shares allotted pursuant to the Share Issuance Programme will be issued in uncertificated form, if any Shares are issued in certificated form it is expected that share certificates will be despatched approximately one week following Admission of the Shares.

Any Ordinary Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant Ordinary Shares). The Ordinary Shares will be issued in registered form.

Any C Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with any C Shares then in issue. The C Shares will be issued in registered form.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares and C Shares under the CREST system. The Company shall apply for the Shares offered under the Share Issuance Programme to be admitted to CREST with effect from the relevant Admission. Accordingly, settlement of transactions in the Shares following the relevant Admission may take place within the CREST system if any holder of such Shares so wishes.

Use of proceeds

The Directors intend to use the net proceeds of an Issue under the Share Issuance Programme to acquire or fund investments in accordance with the Company's Investment Objective and the Investment Policy.

Profile of typical investor

The Share Issuance Programme is designed to be suitable for institutional investors and professionally-advised or financially sophisticated non-advised private investors, including retail investors seeking exposure to alternative finance investments and related instruments, who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment (which may equal the whole amount invested). Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in any such Shares.

Overseas Persons

The attention of potential investors in any territory other than the UK is drawn to the paragraphs below and to Part 8 (Notices to overseas investors) of this document.

The offer of Shares under the Share Issuance Programme to potential investors in any territory other than the UK may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to obtain Shares pursuant to the Share

Issuance Programme. It is the responsibility of all persons in any territory other than the UK receiving this Prospectus and/or wishing to subscribe for Shares under the Share Issuance Programme to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory. No person receiving a copy of this Prospectus in any territory other than the UK may treat the same as constituting an offer or invitation to him/her, unless in the relevant territory such an offer can lawfully be made to him/her without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this Prospectus may not distribute or send it to any US Person or in or into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. In particular, investors should note that the Company has not, and will not be, registered under the US Investment Company Act and the offer, issue and sale of the Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States or in any Restricted Jurisdiction. The Shares are only being offered hereby for sale outside the United States to non-US Persons in reliance on the exemption from the registration requirements of the US Securities Act provided by Regulation S thereunder. Without the consent of the Directors, which may be withheld at their sole discretion, the Shares may not be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, any US Person. Investors should additionally consider the provisions set out under the heading “Important Information” at the beginning of this Prospectus.

Each transferee of a share in the Company is deemed to have represented and warranted to the Company that it is (i) not a Benefit Plan Investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as “plan assets” of any Benefit Plan Investor and (ii) is not a US Person, located in the United States or acquiring the shares for the account or benefit of a US Person, as the current draft of the articles provide and any person described in the preceding clauses (i) or (ii) who acquires a share in the Company will be in breach of this representation and warranty to the Company.

The Company reserves the right to treat as invalid any agreement to subscribe for Shares under the Share Issuance Programme if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

PART 6: TAXATION

General

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise in relation to the Company and Shareholders. This is not a comprehensive summary of all technical aspects of the structure and is not intended to constitute legal or tax advice to investors. Prospective investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company. The statements relate to investors acquiring Ordinary Shares for investment purposes only (and not for the purposes of any trade) and who are the absolute beneficial owners thereof. Certain categories of Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes, those benefitting from certain reliefs or exemptions, those connected with the Company and those for whom the Ordinary Shares are employment related securities may be subject to special rules and this summary does not apply to such Shareholders. Moreover, the statements below do not apply in respect of Shareholders that own (or are deemed to own) 5 per cent. or more of the Ordinary Shares and/or voting power of the Company (either alone or together with connected persons). As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject.

Guernsey Taxation—The Company

The Directors of the Company have applied and obtained exempt status for Guernsey tax purposes by the Director of Income Tax in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. In return for the payment of a fee, currently £1,200, a registered closed-ended collective investment scheme such as the Company is able to apply annually for exempt status for Guernsey tax purposes.

With exempt status being granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

In the absence of exempt status, the Company would be treated as resident in Guernsey for Guernsey tax purposes and would be subject to the standard company rate of tax, currently zero per cent.

Additionally, since May 2012, entities which form part of, or contribute to, the business of an exempt company are also eligible to claim exempt company status, provided that they meet certain conditions.

Guernsey currently does not levy taxes upon capital inheritances, capital gains gifts, capital transfer, wealth, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of Ordinary Shares.

In response to the review carried out by the European Union Code of Conduct Group (“EUCCG”), the States of Guernsey has abolished exempt status for the majority of companies and introduced a zero rate of tax for companies carrying on all but a few specified types of regulated business. The States of Guernsey has also agreed that, as collective investment schemes were not one of the regimes in Guernsey that were classified by the EUCCG as being harmful, such schemes, such as the Company, would continue to be able to apply for exempt status for Guernsey tax purposes.

A review of Guernsey's corporate regime was announced by the States of Guernsey in October 2009, again in response to further comments from the EUCCG. A consultation document was issued on 21 June 2010. The EUCCG reviewed Guernsey following similar reviews of other crown dependencies in 2011, and then reported that Guernsey's deemed distribution regime was not compliant with the EU Code of Conduct (the “EU Code”). The States of Guernsey responded by agreeing to abolish deemed distributions to subsequently allow Guernsey to become EU Code compliant and for the

States of Guernsey review of its company tax regime to be concluded. The EUCCG confirmed in September 2012 that Guernsey's tax regime would then conform to the EU Code and this was ratified by the EU Economic and Financial Affairs Council in December 2012. The States of Guernsey abolished deemed distributions with effect from 1 January 2013. Again, collective investment schemes have not been affected and can continue to apply for exempt tax status.

The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in the future, including the possible introduction of a goods and services tax, depending on the state of Guernsey's public finances at the time.

Guernsey Taxation—Shareholders

Shareholders not resident in Guernsey for tax purposes will not be subject to income tax in Guernsey in respect of or in connection with the acquisition, holding or disposal of any Shares owned by them and will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm will be subject to income tax in Guernsey on any dividends paid on Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status.

The Company is required to provide the Director of Income Tax in Guernsey with such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Shareholders resident in Guernsey should note that where income is not distributed but is accumulated, then a tax charge will not arise until the holding is disposed of. On disposal the element of the proceeds relating to the accumulated income will have to be determined.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Ordinary Shares in the Company, with details of the interest.

Anti-Avoidance

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a tax liability. At his discretion, the Director of Income Tax will make such adjustments to the tax liability to counteract the effects of the avoidance, reduction or deferral of the tax liability.

United Kingdom Taxation

The following statements are intended to apply only as a general guide to certain UK tax considerations, and are based on current UK tax law and current published practice of HM Revenue and Customs (“*HMRC*”), both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the UK taxation treatment of shareholders who are resident and, in the case of individuals, domiciled in (and only in) the UK for UK tax purposes (except to the extent that the position of non-UK resident shareholders, or non-UK domiciled shareholders, is expressly referred to), who hold the Shares as investments (other than under an individual savings account or a self-invested personal pension except where expressly referred to) and who are the beneficial owners of both the Shares and any dividends paid on them. The statements may not apply to certain classes of shareholders such as (but not limited to) persons acquiring their Shares in connection with an office or employment, dealers in securities, insurance companies and collective investment schemes.

Prospective subscribers for or purchasers of Shares who are in any doubt as to their tax position regarding the acquisition, ownership and disposition of the Shares or who are subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own tax advisers.

United Kingdom Taxation—The Company

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Company is not trading in the UK through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for UK taxation purposes and that all its trading transactions in the UK are carried out through a broker or investment manager acting as an agent of

independent status in the ordinary course of its business, the Company will not be subject to UK corporation tax or income tax on its profits. The Directors intend that the affairs of the Company are conducted so that these requirements are met, insofar as this is within their control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other amounts received by the Company which have a UK source may be subject to withholding or other taxes in the UK.

United Kingdom Taxation-Shareholders

Income tax

The Company will not be required to withhold amounts on account of UK tax at source when paying a dividend.

From 6 April 2016, an individual Shareholder who is resident for tax purposes in the UK is entitled to a new annual tax-free dividend allowance which exempts from tax the first £5,000 of his dividend income but does not reduce his total taxable income. Dividend income in excess of the £5,000 tax free allowance is taxed at 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers (for the tax year 2016/2017). The previous tax credit regime has been repealed.

Corporation tax

A corporate Shareholder resident in the UK for tax purposes which is a “small company” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will not be subject to UK corporation tax on any dividend received from the Company provided certain conditions are met (including an anti-avoidance condition).

Other corporate Shareholders resident in the UK for tax purposes will not be subject to UK corporation tax on any dividend received from the Company so long as the dividends fall within an exempt class and certain conditions are met. For example, (i) dividends paid on shares that are not redeemable and do not carry any present or future preferential rights to dividends or to a company’s assets on its winding up, and (ii) dividends paid to a person holding less than a 10 per cent. interest in the Company, should generally fall within an exempt class. However, the exemptions mentioned above are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or such a corporate Shareholder elects an otherwise exempt dividend to be taxable, the Shareholder will be liable to UK corporation tax (currently 20 per cent.) in respect of any dividend distribution received or deemed to be received. Shareholders within the charge to UK corporation tax are advised to consult with their own tax advisers to determine the UK corporation tax treatment of such dividends.

Taxation of capital gains

For Shareholders who are resident in the UK for tax purposes, a disposal or deemed disposal of Shares may, depending on the Shareholder’s circumstances and subject to any available exemptions and reliefs (such as the annual exemption for individuals and indexation allowance for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

Individuals are only liable to capital gains tax if their total chargeable gains (net of allowable losses) in the year of disposal exceed the annual exemption (£11,100 for the 2016/2017 tax year). If gains in excess of this exemption are realised the excess is taxable at the rate of UK capital gains tax applicable to the Shareholder, being either 10 per cent. (basic rate taxpayers) or 20 per cent. (higher and additional rate taxpayers).

An Individual Shareholder who is temporarily non-resident in the UK for tax purposes for a period of five years or less and who disposes of Shares during that period may, under anti-avoidance legislation, still be liable on his return to the UK to UK tax on any capital gain realised (subject to any available exemption or relief).

Shareholders within the charge to UK corporation tax are chargeable to UK corporation tax on all such gains and net chargeable gains will normally be added to the profits charged to UK corporation tax. Indexation relief will be available.

Offshore Funds

The Offshore Funds (Tax) Regulations 2009 (the “*Offshore Funds Regulations*”) set out the regime for the taxation of investments in offshore funds (as defined in the Taxation (International and Other Provisions) Act 2010 (“*TIOPA 2010*”)) which operates by reference to whether a fund opts into a reporting regime (“reporting funds”) or not (“non-reporting funds”).

The Company has been advised that it should not be treated as an offshore fund, on the basis that it meets both Condition D and Condition E of section 357 TIOPA 2010, but it does not make any commitment to Shareholders that it will not be treated as one. Condition D should be satisfied on the basis that the only occasion on which a reasonable investor would expect to be able to realise all or part of his Shares based entirely or almost entirely by reference to the Net Asset Value per Share or an index of any description is on a winding-up, dissolution or termination of the Company. Condition E should be satisfied on the basis that the arrangements in respect of the Company are not designed to wind up, dissolve or terminate on a date stated in or determinable under those arrangements. The Articles provide for discontinuation votes. However, published HMRC guidance indicates that, if a reasonable investor could not have any expectation that such a discontinuation vote would succeed, Condition E would still be satisfied.

Anti-avoidance

Individuals resident in the UK for taxation purposes should note the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are directed at the prevention of avoidance of income tax through transactions dealing with the transfer of assets or income to overseas persons (including companies) that may in certain circumstances render such individuals liable to taxation in respect of undistributed income and profits of the Company on an annual basis.

However, these provisions do not apply if such a Shareholder can satisfy HMRC, in accordance with the relevant provisions, that:

- it would not be reasonable to draw the conclusion, from all the circumstances, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the investment in the Company or other relevant transaction was effected;
- an investment in the Company or other relevant transaction was a “genuine commercial transaction” and it would not be reasonable to draw the conclusion, from all the circumstances, that such investment or other relevant transaction was more than incidentally designed for the purpose of avoiding liability to taxation; or
- it is protected by the treaty freedoms of the European Union and that its investment in the Company or other relevant transaction is a genuine transaction on arm’s length terms and, in the case of transactions for the purposes of a business establishment, gives rise to income attributable to economically significant activity that takes place overseas.

An individual Shareholder who is in any doubt as to the potential application of these provisions to his/her own circumstances should seek advice from their own professional tax adviser.

Persons resident in the UK for taxation purposes should note the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 (“section 13”). Section 13 could be material to any such person who has an interest in the Company as a “participator” for UK taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Company (such as on a disposal of any of its investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the UK for taxation purposes, be a “close” company for those purposes. The provisions of section 13 would result in any such person who is a Shareholder being treated for the purposes of UK taxation as if a part of any chargeable gain or offshore income gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain or an offshore income gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for UK taxation purposes does not exceed 25 per cent. of the gain. Section 13 will not apply to chargeable gains accruing on the disposal of an asset by the non-UK resident company where that asset was used only for the purposes of “economically significant activities” carried on by that company wholly or mainly outside the UK or where it is shown that neither the disposal of that asset nor the acquisition or holding of that asset by that

company formed part of a scheme or arrangements of which the main purpose, or one of the main purposes, was the avoidance of liability to capital gains tax or corporation tax. In the case of Shareholders who are individuals domiciled outside the UK, section 13 applies subject to the remittance basis in particular circumstances.

Companies resident in the UK for taxation purposes should note the “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 (the “CFC Rules”). The CFC Rules could in particular be material to any company that has (either alone or together with persons connected or associated with it for UK taxation purposes) an interest in 25 per cent. or more of the “chargeable profits” of the Company if the Company is controlled (as “control” is defined in section 371RA of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40 per cent. of the interests, rights and powers by which those persons control the Company, and the other of whom has at least 40 per cent. and not more than 55 per cent. of such interests, rights and powers. The effect of the CFC Rules could be to render such companies liable to UK corporation tax by reference to their proportionate interest in the chargeable profits of the Company. The chargeable profits of the Company do not include any capital gains.

Inheritance and Gift Taxes

The Shares are assets situated outside the UK for the purposes of UK inheritance tax. A gift or settlement of Shares by, or on the death of, an individual Shareholder may (subject to certain exemptions and relief depending on the Shareholder’s circumstances) give rise to a liability to UK inheritance tax if the Shareholder is domiciled or deemed to be domiciled in the UK for inheritance tax purposes.

The inheritance tax rules are complex and specialist advice should be taken.

Stamp duty and stamp duty reserve tax

Transfers of Shares will not be liable to UK stamp duty unless the instrument of transfer is executed within the UK or relates to something done or to be done in the UK, when the transfer will be liable to UK *ad valorem* stamp duty at the rate of 0.5 per cent. of the consideration paid rounded up to the nearest £5. No UK stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

ISAs

Ordinary Shares acquired by an account manager by purchase in the secondary market (but not Ordinary Shares allotted under the placing) should be eligible for inclusion in the stocks and shares component of an ISA, subject, where applicable, to the annual subscription limits for new investments into an ISA (for the tax year 2016/17 this is £15,240). Sums received by a Shareholder on a disposal of Ordinary Shares will not count towards the Shareholder’s annual limit, but a disposal of Ordinary Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year unless the ISA is a flexible ISA and certain other conditions are met. No taxation will be chargeable on an account investor in respect of any dividends, distributions or gains received in respect of Ordinary Shares held through an ISA. The tax credit on dividend distributions cannot be reclaimed.

The opportunity to invest in Ordinary Shares through an ISA is restricted to individuals. Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility. Individual investors contemplating investing in Ordinary Shares through an ISA should note that there is always a risk that their current rights to hold such Ordinary Shares through an ISA may be prejudiced by future changes to the regulations which govern ISAs.

Scrip shares

On the basis of case law, Shareholders who are resident for tax purposes in the UK should not receive any income liable to UK income tax or corporation tax to the extent that they elect to receive scrip shares instead of a cash dividend. In addition, they should not make any disposal for chargeable gains tax purposes at the time at which the scrip shares are allotted. Instead the scrip shares and the original registered holding of Ordinary Shares (the “Original Holding”) should be treated as a single holding acquired at the time of the Original Holding. There will be no allowable expenditure for chargeable gains tax purposes arising in respect of the scrip shares, and the allowable expenditure arising in respect of the Original Holding will be apportioned across the Original Holding and the

scrip shares. A disposal for chargeable gains tax purposes will only arise at the time at which the Shareholder subsequently disposes of the scrip shares or the Original Holding (a “Subsequent Disposal”).

Individual Shareholders who are resident for tax purposes in the UK may be subject to capital gains tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. Corporate Shareholders who are resident for tax purposes in the UK may be subject to corporation tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. UK tax resident exempt funds will not be liable to tax on chargeable gains arising upon a Subsequent Disposal of investments held for the purpose of the fund.

No UK stamp duty or stamp duty reserve tax will be payable on the issue of the scrip shares.

EU Savings Directive

The Council of the European Union has repealed Directive 2003/48/EC, which had implemented the EU Savings Directive (“*Directive*”). The repealing Council Directive (EU) 2015/2060 was made on 10 November 2015 and this decision will also affect the equivalent agreements that Guernsey has implemented with all EU Member States.

For most EU Member States, the Directive will cease to apply after 2015 (the 2016 exchange of 2015 data being the last). For these EU Member States, the intention is that the EU version of the CRS, which is the Directive on Administrative Cooperation (the “*DAC*”), will replace the Directive seamlessly from 1 January 2016 (with the first exchange of 2016 data, under the DAC, taking place in 2017). Although not part of the DAC, Guernsey implemented reporting under CRS from 1 January 2016 (with the first exchange of 2016 data, taking place in 2017). Consequently, Guernsey authorities have sent letters to these EU Member States to obtain their confirmation that the repeal of the Directive also suspends the equivalent agreements that they have with Guernsey.

FATCA and CRS

Under FATCA and any legislation enacted in Guernsey to implement the US-Guernsey IGA, the Company is required to report certain information about “Specified United States Persons” (as defined in the US-Guernsey IGA) that own, directly or indirectly, an interest in the Company. If the Company does not comply with these obligations, it will be subject to a FATCA Deduction on certain payments to it of US source income (including interest and dividends) (from 1 July 2014) and proceeds from the sale of property that could give rise to US source interest or dividends (from 1 January 2019).

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA then the Company could be subject to the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey.

A number of other jurisdictions are co-operating to develop and secure IGAs for the automatic cross-border exchange of tax information on a bilateral or multilateral basis. It is expected that such IGAs will be similar to the IGAs under FATCA. If such agreements are entered into and implemented, the Company may be required to report information, similar in nature to the information required to be reported under FATCA and the relevant Guernsey legislation implementing the US-Guernsey IGA, to the relevant tax authorities to avoid the imposition of financial penalties or other sanctions on the Company.

The CRS is a standard developed by the OECD for the automatic exchange of information. Guernsey joined in a joint statement issued on 28 November 2013 by 36 countries, and a further statement in March 2014 by 44 countries, committing to the early adoption of the CRS. On 6 May 2014, the OECD issued a Declaration signed by 48 jurisdictions welcoming the OECD Standard for Automatic Exchange of Financial Account Information. In total, 58 countries and jurisdictions have now formally committed to implementing the CRS for first exchange of information in 2017, in respect of accounts open at the end of 2015, and new accounts from 2016, with a further 35 jurisdictions committed to implementing the CRS by 2018.

Guernsey, along with approximately 60 other jurisdictions, including all EU Member States (with the exception of Austria, which will have an extra year before implementation of the CRS), has adopted the CRS with effect from 1 January 2016, with first reporting taking place in 2017.

The UK has indicated that it would wish to move from the existing intergovernmental agreement (the “UK IGA”) that it has with Guernsey (and the other Crown Dependencies and the Overseas Territories) to the CRS, as from 1 January 2016.

After consultation with financial institutions that are resident in Guernsey for the purposes of compliance with the UK IGA (“*Guernsey Financial Institutions*”), it has been agreed with the UK that for 2016 the CRS reporting requirements should be supplemented by the provision of information on pre-existing individual low value accounts and pre-existing entity accounts in respect of UK residents. This means that the UK can receive 2016 calendar year information in 2017 solely under the CRS, thus avoiding any need for Guernsey Financial Institutions having to make separate (and possibly duplicate) returns under both the UK IGA and the CRS.

The CRS does not provide for any special arrangements, such as the Alternative Reporting Regime (the “ARR”, for “Non-Doms”), which exists under the UK IGA. As a result of the adoption of the CRS from 1 January 2016, reporting of 2016 data for all relevant UK accounts will be required in 2017 including all UK non-domiciled account holders. The ARR will therefore be available only under the UK IGA, and for 2014 and 2015 only.

Whilst the Company will seek to satisfy its obligations under the US-Guernsey IGA, CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of Shares (if any). There can be no assurance that the Company will be able to satisfy such obligations.

All prospective investors should consult with their own tax advisers regarding the possible implications of FATCA, CRS and any other similar legislation and/or regulations on their investment in the Company.

CERTAIN IRISH TAX CONSIDERATIONS IN RESPECT OF THE IRISHCOS AND THE NOTES

The following is a summary of the Irish tax treatment of the IrishCos and the Notes. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant. The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only.

Taxation of the IrishCos

The IrishCos are tax resident in the Republic of Ireland. Each IrishCo is a ‘qualifying company’ for the purposes of Section 110. As a result, each IrishCo is subject to Irish corporation tax only on its profit calculated under generally accepted accounting practice, after deducting all of its revenue expenses (including interest payable to the Company in respect of the Notes). The IrishCos have taxable profits each year and pay Irish corporation tax on these profits at a rate of 25 per cent. As such, the IrishCos are not expected to be subject to a material amount of Irish corporation tax.

Withholding Tax

In general, withholding tax (currently 20 per cent.) must be deducted from interest payments made by an Irish tax resident company, such as the IrishCos. However, for so long as the Notes carry a right to interest and remains quoted on a recognised stock exchange, such as the Global Exchange Market of the Irish Stock Exchange, an exemption from this withholding tax, known as the ‘quoted Eurobond’ exemption should apply provided that the beneficial owner of the interest is not tax resident in Ireland and provides a declaration that confirms this, in the form prescribed by the Irish Revenue Commissioners, to the IrishCos. It is anticipated that the quoted Eurobond exemption will apply with respect to any payments of interest to be made by the IrishCos on the Notes.

Stamp Duty

For as long as each IrishCo is a ‘qualifying company’ for the purposes of Section 110, no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of the relevant IrishCo’s business.

General

The receipt of dividends (if any) by Shareholders, the redemption, exchange or transfer of Ordinary Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

PART 7: ADDITIONAL INFORMATION

1. Incorporation and administration

- 1.1 The Company was incorporated with liability limited by shares in Guernsey under the Companies Law, on 22 July 2015 with registration number 60680 and is a Registered Closed-ended Collective Investment Scheme declared pursuant to the POI Law and the Rules issued by the GFSC. Registered schemes are supervised by the Commission insofar as they are required to comply with the requirements of the Rules, including requirements to notify the Commission of certain events and the disclosure requirements of the Commission's Prospectus Rules 2008. The Company is not regulated by the FCA or any other regulator.
- 1.2 The registered office and principal place of business of the Company is Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey GY1 1WG, and the telephone number is +44 (0) 1481 739810. The statutory records of the Company are kept at this address. The Company operates under the Companies Law and ordinances and regulations made thereunder, has no employees and has no subsidiary undertakings.
- 1.3 The Company is not part of a group and has no subsidiaries.
- 1.4 The annual report and accounts are prepared according to IFRS.

2. Share Capital

- 2.1 On incorporation, the issued share capital of the Company was one share of no par value which was subscribed by Sanne Nominees (Guernsey) Limited. This subscriber share was redeemed and cancelled immediately following the IPO.
- 2.2 The share capital of the Company consists of an unlimited number of unclassified shares of no par value which upon issue the Directors may classify into such classes as they may determine.
- 2.3 Since the date of the Company's incorporation, the following issues of Shares have taken place:
 - (A) On 30 November 2015, the Company issued 150 million Ordinary Shares to investors in connection with the IPO;
 - (B) On 20 July 2016, the Company issued 14,285,000 Ordinary Shares to investors under the 2015 Share Issuance Programme; and
 - (C) On 31 October 2016, the Company issued 75,698 Ordinary Shares to an existing investor by way of scrip dividend.
 - (D) On 31 January 2017, the Company issued 609,365 Ordinary Shares to investors by way of scrip dividend.
- 2.4 As at the date of this Prospectus, the issued share capital of the Company is as below:

	Nominal Value	Number
Ordinary shares.....	£0.00	164,970,063

The Company does not hold any shares in treasury. No shares will be issued otherwise than fully paid. Each share will have the rights and restrictions as set out in the Articles.

No share or loan capital is under option or has been agreed to be put under option.

- 2.5 The Directors may issue up to 500 million Ordinary Shares and/or C Shares in aggregate pursuant to the Share Issuance Programme, subject to first obtaining appropriate disapplication of Shareholders' pre-emption rights.
- 2.6 Assuming the Share Issuance Programme is fully subscribed, the issued share capital of the Company following completion of the Share Issuance Programme will be 664,360,698 Shares.
- 2.7 By special resolutions passed on 16 January 2017 at the Company's annual general meeting:
 - (A) the Directors have authority to issue up to 49,308,209 Ordinary Shares as if the pre-emption rights of shareholders set out in the Articles did not apply to any such issue, such authority to expire at the conclusion of the annual general meeting of the Company to be held in 2018;

- (B) the Company is authorised to purchase up to 14.99 per cent. per annum of the Company's share capital in issue on 16 January 2017. The minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be £0.01. The maximum price which may be paid for an Ordinary Share must not be more than the higher of: (i) five (5) per cent. above the average of the middle-market quotations of Ordinary Shares taken from The London Stock Exchange Daily Official List for the five (5) trading days before the purchase is made; and (ii) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 (Commission Regulation (EC) No. 2273/2003) and such authorities shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date 18 months after the date on which the resolution was passed.
- 2.8 The Company intends that any material issue of shares will be executed in a manner which will allow existing Shareholders the opportunity to participate at least proportionately to their current holding.
- 2.9 Save as disclosed in paragraphs 2.1 to 2.7 of Part 7 of this Prospectus, since the date of its incorporation:
- (A) there has been no alteration in the share capital of the Company;
- (B) no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued for cash or any other consideration; and
- (C) no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.

3. Directors' and other Interests

- 3.1 Insofar as is known to the Company, the interests of each Director, including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company as at the Latest Practicable Date were as follows:

Director	Ordinary Shares held	Ordinary Shares held (%)
Richard Boléat	5,000	0.003
Jonathan Bridel ²²	5,000	0.003
Richard Burwood	5,000	0.003
Frederic Hervouet	107,000	0.065
Samir Desai	148,138	0.090
	<u>270,138</u>	<u>0.164</u>

- 3.2 The Company is not aware of any person who, immediately following the date of this Prospectus, could directly or indirectly, jointly or severally, exercise control over the Company.
- 3.3 The Company knows of no arrangements the operation of which may result in a change of control of the Company.
- 3.4 All Shareholders of the same class have the same voting rights in respect of the share capital of the Company.
- 3.5 There are no outstanding loans from the Company to any of the Directors or any outstanding guarantees provided by the Company in respect of any obligation of any of the Directors.

²² Jonathan Bridel holds his shares jointly with his spouse.

- 3.6 The aggregate remuneration paid by the Company to the Director's in respect of the Company's account period ended 31 March 2016 was, on an annualised basis, £155,000. Each Director's remuneration was as follows:

Director	Annual Fee (£,000)	Notes
Frederic Hervouet	35	Chairman of the Risk Committee
Jonathan Bridel	40	Chairman of the Audit Committee, Senior Independent Director
Richard Boléat	50	Chairman of the Board and Chairman of the Remuneration and Nominations Committee
Richard Burwood	30	Chairman of the Management Engagement Committee
Samir Desai	—	Waived annual Director's fee
Total	155	

Richard Burwood is also a director of the CE IrishCo and the UK IrishCo and is entitled to receive £5,000 per annum as director's fees from each of the Companies.

- 3.7 On 16 January 2017, the Remuneration Committee of the Company approved a resolution to increase Frederic Hervouet's fee to £40,000 per annum with effect from 1 January 2017 as well as a one off payment to Richard Burwood of £5,000 for his role as Chairman of the Management Engagement Committee.
- 3.8 On publication of the Prospectus, in recognition of the extra work undertaken by each of the Directors in relation to the Share Issuance Programme, each of the Directors (except Samir Desai) will receive an additional one-off payment of £10,000 each.
- 3.9 The Directors' remuneration is subject to a maximum aggregate amount of £300,000 in each financial year as specified in the Articles.
- 3.10 Each of the Directors has been appointed pursuant to individual letters of appointment. No Director has a service contract with the Company. Directors' appointments can be terminated in accordance with the Articles and the letters of appointment, and without compensation.
- 3.11 No loan has been granted to nor guarantee provided for the benefit of any Director by the Company.
- 3.12 No Director has or has had an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by it since incorporation.
- 3.13 Pursuant to the Articles, the Company has undertaken subject to certain limitations to indemnify each Director out of the assets and profits of the Company against losses, costs, charges, damages, expenses and liabilities arising out of claims made against him in connection with the performance of his duties as a Director.
- 3.14 In addition to their directorship of the Company the Directors hold or have held the directorships (or were once members of partnerships) as listed in the table below, within or over the last five years.

Name	Current	Previous
Richard Boléat	Airbnb International Holdings Limited Airbnb International Unlimited Airbnb 1 Unlimited Airbnb 2 Unlimited Autonomy Capital (Jersey) Limited Autonomy Capital Research Two Limited Autonomy Jersey Service Company Limited Cooperatie Bennelong Asia Pacific Multi Strategy Equity Fund Limited Bennelong Asia Pacific Multi Strategy Equity Master Fund Limited Bennelong General Partner Limited Bennelong Dragon Trading Fund Limited Bennelong Dragon Trading Master Fund	Cooperatie EMAC Illyrian Land Fund VII ua Cooperatie EMAC Illyrian Land Fund XVI ua Cooperatie EMAC Illyrian Land Fund XVII ua Cooperatie EMAC Illyrian Land Fund XIX ua Cooperatie EMAC Illyrian Land Fund IV ua EMAC Illyrian Land Fund VI ua Cooperatie EMAC Illyrian Land Fund XVIII ua EMAC Illyrian Land Fund VIII ua Cooperatie EMAC Illyrian Land Fund II ua GNL Offshore Limited Cooperatie EMAC Illyrian Land Fund XII ua Cooperatie EMAC Illyrian Land Fund XIII ua Cooperatie EMAC Illyrian Land Fund XIV ua EMAC 1 BV EMAC 2 BV

Name	Current	Previous
	Limited	EMAC 3 BV
	Brook Bay General Partner Limited	Delff Leveraged Loan Fund 2009 GP Limited
	Brook Bay General Partner II Limited	Delff Leveraged Loan Fund 2009 CIP Limited
	Buriti 1 Sarl	Securis Income Fund Limited
	Bybrook Capital Management Limited	City Litchfield ABS Fund Limited
	CVC Credit Partners European Opportunities Limited	Bennelong Asia Pacific (Mauritius) Limited
	EMAC Illyrian Duba Stonska GP Limited	Bennelong Global Special Opportunities (Mauritius) Limited
	Funding Circle SME Income Fund Limited	Autonomy Capital Holdings Limited
	GP2 Limited	Channel House Investments Limited
	Gorey Investments Limited	IPRS Limited
	GP Secretaries Limited	Bennelong Tempest General Partner Limited
	Habrok Master Ltd	AT General Partner Limited
	Habrok Fund Ltd	AT Founder Partner GP Limited
	Habrok India GP Ltd	Cannon Partners Fund
	Habrok India Ltd	New Energy Fund GP Limited
	Habrok Ltd	Bennelong Global Special Opportunities Master Fund Limited
	ILF Carryco Limited	Bennelong Global Special Opportunities Fund Limited
	ILF Limited	Bennelong Agricultural Investments Limited
	ILF 1 Sarl	Cazenove Capital Management Jersey Limited
	ILF 1 Limited	Lerisson Nominees Limited
	ILF 2 Limited	Asian Leaders Fund
	ILF DVA Sarl	K2B Retail Limited
	K2 Property Limited	Cooperatie Eurserland ua
	KAO Corporate Limited	Cosford Global Opportunities GP Limited
	Landsdowne Road Investments	Cosford Global Opportunities Master Fund K2B
	Mortality Fund 1	Retail Limited
	Noemi Limited	CDPC Holdings Limited
	PI Power International Limited (in liquidation)	Standsure Fund PCC
	Primestone Capital Management (GP) Limited	EMAC Illyrian Land Fund 2 EXUS GP Limited
	Profounders Capital II General Partner Limited	EMAC Illyrian Land Fund 2 USTP GP Limited
	Rathbone Investment Management International Strategies PCC	K2A Hospitality Limited
	Securis 1 Fund	K2A Private Equity Limited
	Securis 1 Master Fund	K2A Residential Limited
	Securis General Partner Limited	K2A Retail Limited
	Securis Investment Partners Limited	K2B Commercial Limited
	Securis 2 Fund SPC	K2C Hospitality Limited
	Securis Non-Life Fund	K2C Residential Limited
	Securis Non-Life Master Fund	K2C Retail Limited
	Securis Life Fund	K2E Residential Limited
	Securis Life Master Fund	K2F Residential Limited
	Securis Event Fund	K2G Residential Limited
	Securis Event Master Fund	Cooperatie Duba Stonska UA
	Securis Opportunities Fund	Cooperatie EMAC Illyrian Land Fund III UA
	Securis Opportunities Master Fund	Cooperatie EMAC Illyrian Land Fund UA
	Securis Re I Limited	Cooperative EMAC Illyrian Land Fund X UA
	Securis Re II Limited	Cooperatie EMAC Illyrian Land Fund XIV UA
	Securis Re III Limited	Cooperatie EMAC Illyrian Land Fund XV UA
	Securis Re IV Limited	Bennelong Tempest Fund Limited
	Securis Re V Limited	Bennelong Tempest Master Fund Limited
	Securis Re VI Limited	Securis Investments Switzerland Sarl
	Securis Re VII Limited	Tradinvest Fund Limited
	Securis Re LCM Limited	AI Airports International Limited
	Securis LCM Fund	Druggability Technologies IP Holdco (Jersey) Limited
	Securis LCM Holdings Limited	Habrok GP Ltd
	Securis (Bermuda) Holdings Limited	Ignition Romanian Land Fund1 Limited
	Securis ILS Management Limited	Jetstone General Partner Limited
	Securis Private Life Fund	The LEMA Jersey Fund Limited
	Securis Special Opportunities Fund	THS General Partner Limited
	Securis Special Opportunities Master Fund	
	Sole Shipping SO GP II Limited	
	Sole Shipping SO Advisor Limited	
	Tannay Jersey Limited	
	Taxim Capital Advisors Limited	
	Taxim Capital Partners I GP Limited	
	TPR 1 Limited	
	TPR 2 Limited	
	Valiance Farmland GP Sarl	
	Valiance Farmland Luxembourg Sarl	

Name	Current	Previous
	Valiance Life Sciences Growth Investments GP Sarl Viva Partners Sarl Yatra Capital Limited Zynga Game International Limited	
Richard Burwood	TwentyFour Income Fund Ltd RoundShield Fund I GP Ltd Roundshield Luxembourg I SARL Basinghall Lending Designated Activity Company Tallis Lending Designated Activity Company Funding Circle SME Income Fund Limited Habrok Master Ltd Habrok Fund Ltd Habrok GP Ltd Habrok India GP Ltd Habrok India Ltd Habrok SPV Ltd	None
Jonathan Bridel.....	AnaCap Credit Opportunities GP II Limited AnaCap Credit Opportunities II Limited AnaCap Credit Opportunities GP III Limited AnaCap Credit Opportunities III Limited AnaCap Investment Manager Limited AnaCap Credit Income Fund GP Limited Alcentra European Floating Rate Income Fund Limited BWE GP Limited Starwood European Real Estate Finance Limited and Starfin Public GP Limited The Renewables Infrastructure Group Limited DP Aircraft I Limited DP Aircraft Guernsey I Limited DP Aircraft Guernsey II Limited DP Aircraft Guernsey III Limited DP Aircraft Guernsey IV Limited Vision Capital Management Limited Fair Oaks Income Fund Limited Funding Circle SME Income Fund Limited Sequoia Economic Infrastructure Income Fund Limited	Royal Bank of Canada Investment Management (Guernsey) Limited (became RBC Investment Solutions (CI) Limited on 1 July 2008) RBC Offshore Fund Managers Limited RBC Fund Services (Jersey) Limited RBC Investment Services Limited RBC Regent Fund Managers Limited FTSE UK Commercial Property Index Fund Limited GLF (GP) Limited Rhodium Stone PCC Limited Perpetual Global Limited Impax Renewable Power Infrastructure Limited MGI (Guernsey) Limited Palio Capital Management Guernsey Limited Palio Capital Founding Partners Limited Altus Global Gold Limited Aurora Russia Limited
Frederic Hervouet	Tetragon Financial Group Limited Tetragon Group Master Fund Limited Lakestar (G.P) Limited Lakestar II (G.P.) Limited BCGSS 2 Guernsey Ltd – Babson Capital Global Special Situations Credit 2 Toro Limited Funding Circle SME Income Fund Limited Lakestar II Limited Terra Firma Holdings Limited Terra Firma Investments (GP) 2 Limited Terra Firma Investments (GP) 3 Limited Terra Firma Investments Limited Terra Firma Investments (Support Capital) Limited Terra Firma Investments (RE) Limited Terra Firma Executive Investments (GP) Limited Terra Firma DA Assignment CO Limited TF Executive Investments 2 Limited Terra Firma Capital Investment (GP) Limited London 58 Limited Island Sky Holdings Limited Island Sky 2 (Guernsey) Limited Terra Firma Investments 3 Limited Terra Firma Capital Advisers Limited Terra Firma Investments (Special Opportunities Fund I) Annington Holdings Guernsey Limited	HIG Global Corporate Credit Fund Limited Brightwood US Middle Market Credit Fund Ltd Terra Firma Azzura Holdings Limited

Name	Current	Previous
	Terra Firma 3 Limited Island Sky Investment Limited	
Samir Desai	Funding Circle CE GmbH Funding Circle Connect GmbH Funding Circle Deutschland GmbH Funding Circle Limited Funding Circle Holdings Limited Funding Circle Trustee Limited Funding Circle Espana SLU Funding Circle Asset Finance Limited Funding Circle Nederland B.V. Funding Circle Property Finance Limited Funding Circle SME Income Fund Limited Funding Circle Solutions Limited Funding Circle Notes Program, LLC Funding Circle USA Inc Stichting Derdengelden Funding Circle Neil Desai Foundation	None

3.15 As at the date of this Prospectus:

- (A) none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;
- (B) none of the Directors is or was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or insolvent liquidation proceedings;
- (C) none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years;
- (D) none of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this Prospectus; and
- (E) Richard Boléat is a named defendant (amongst five others) in claims brought by the liquidators of two Jersey companies: Special Opportunity Holdings Limited and Level One Residential (Jersey) Limited (together, the “Companies”). Mr Boléat was, for a short time during the period to which the claims relate, a director of the Companies by virtue of his employment at the relevant time by the Companies’ corporate service provider. The liquidators allege that a number of payments made by the Companies between March 2007 and August 2008 for the benefit of their sole beneficial owner were made by the directors of the Companies either negligently or in breach of their duties to the Companies. Mr Boléat vigorously denies the allegations made against him and is defending them. Whilst Mr Boléat is confident that the claims will be resolved without any liability on his part, should the claim result in a final finding by the courts of wrongdoing on the part of Mr Boléat, Mr Boléat would stand down as a Director and a replacement Director would be appointed in accordance with the Articles²³.

The Company maintains directors’ and officers’ liability insurance on behalf of the Directors at the expense of the Company.

4. Memorandum of Incorporation and Articles of Incorporation of the Company

The Company’s Memorandum does not restrict the objects of the Company. The Memorandum is available for inspection at the address specified in paragraph 1.2 above of Part 7 of this Prospectus. The liability of the members is limited to the amount, if any, unpaid on the shares in the Company respectively held by them. The Articles contain provisions, among others, to the following effect:

²³ Richard Boléat to review and update.

4.1 Share Capital

The Company may issue an unlimited number of shares in any currency which may be designated and issued as Ordinary Shares, C Shares or otherwise as the Directors may from time to time determine.

Ordinary Shares

The rights attaching to the Ordinary Shares shall be as follows:

- (A) As to income—subject to compliance with the Companies Law and to the rights of any Ordinary Shares which may be issued with special rights or privileges, the Ordinary Shares of each class carry the right to receive all income of the Company attributable to the Ordinary Shares, and to participate in any distribution of such income by the Company, *pro rata* to the relative net asset values of each of the classes of Ordinary Shares and, within each such class, income shall be divided *pari passu* amongst the holders of Ordinary Shares of that class in proportion to the number of Ordinary Shares of such class held by them. ‘Net asset value’ means the value of the assets of the Company or a class of shares of the Company (as the case may be), less its liabilities (including accrued but unpaid fees), determined by the Directors, in their absolute discretion, in accordance with the accounting principles adopted by the Directors.
- (B) As to capital—on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Ordinary Shares in accordance with the provision of the Articles and the Companies Law), the surplus assets of the Company attributable to the Ordinary Shares remaining after payment of all creditors shall, subject to the rights of any Ordinary Shares that may be issued with special rights or privileges, be divided amongst the holders of Ordinary Shares of each class *pro rata* to the relative NAVs of each of the classes of Ordinary Shares and, within each such class, such assets shall be divided *pari passu* amongst the holders of Ordinary Shares of that class in proportion to the number of Ordinary Shares of that class held by them.
- (C) As to voting—the holders of the Ordinary Shares shall be entitled to receive notice of and to attend, speak and vote (in accordance with the Articles) at general meetings of the Company.

C Shares

The rights attaching to the C Shares shall be as set out in paragraph 4.19.

General

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share (or option, warrant or other right in respect of a share) in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may determine.

4.2 Offers to Shareholders on a pre-emptive basis

- (A) The Company shall not allot equity securities to a person on any terms unless:
 - (1) it has made an offer to each person who holds shares of the relevant class to allot to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of that class of shares; and
 - (2) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- (B) Equity securities that the Company has offered to allot to a holder of shares in accordance with paragraph 4.2(A) may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening paragraph 4.2(A), and, if paragraph 4.2(A) applies in relation to the grant of such right, it will not apply in relation to the allotment of equity securities in pursuance of that right.
- (C) Shares held by the Company as treasury shares shall be disregarded for the purposes of paragraph 4.2(A), so that the Company is not treated as a person who holds shares; and the treasury shares are not treated as forming part of the share capital of the Company.

- (D) Any offer required to be made by the Company pursuant paragraph 4.2(A) should be made by a notice (given in accordance with paragraph 4.11) and such offer must state a period during which such offer may be accepted and such offer shall not be withdrawn before the end of that period. Such period must be a period of at least twenty one (21) days beginning on the date on which such offer is deemed to be delivered or received (as the case may be), pursuant to paragraph 4.11.
- (E) Paragraph 4.2(A) shall not apply in relation to the allotment of bonus shares, shares issued pursuant to the provisions of paragraph 4.7 nor to a particular allotment of equity securities if these are, or are to be, wholly or partly paid otherwise than in cash. For the avoidance of doubt, and for the purposes of paragraph 4.2(A), C Shares shall not constitute the same class of shares as the Ordinary Shares into which they may or will convert pursuant to paragraph 4.19(K).
- (F) The Company may by special resolution resolve that paragraph 4.2(A) shall be excluded or that paragraph 4.2(A) shall apply with such modifications as may be specified in the resolution:
 - (1) generally in relation to the allotment by the Company of equity securities;
 - (2) in relation to allotments of a particular description; or
 - (3) in relation to a specified allotment of equity securities;
 and any such resolution must: (i) state the maximum number of equity securities in respect of which paragraph 4.2(A) is excluded or modified; and (ii) specify the date on which such exclusion or modifications will expire, which must be not more than five years from the date on which the resolution is passed.
- (G) Any resolution passed pursuant to the provisions referred to in paragraph 4.2(F) may:
 - (1) be renewed or further renewed by special resolution of the Company for a further period not exceeding five years; and
 - (2) be revoked or varied at any time by special resolution of the Company.
- (H) Notwithstanding that any such resolution referred to in paragraph 4.2(F) or 4.2(G) has expired, the Directors may allot equity securities in pursuance of an offer or agreement previously made by the Company if the resolution enabled the Company to make an offer or agreement that would or might require equity securities to be allotted after it expired.
- (I) In this paragraph 4.2, in relation to an offer to allot securities a reference (however expressed) to the holder of shares of any description is to whoever was the holder of shares of that description at the close of business on a date to be specified in the offer and the specified date must fall within the period of 28 days immediately before the date of the offer.

4.3 Issue of Shares

Subject to the authority to issue shares referred to in paragraph 4.1 or any extension thereof, and to paragraph 4.2, the unissued shares shall be at the disposal of the Board which may allot, grant options, warrants or other rights over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that no share shall be issued at a discount to par value (if applicable) except in accordance with the Companies Law and so that the amount payable on application on each share shall be fixed by the Board.

4.4 Variation of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

4.5 Winding Up

- (A) Subject to paragraph 4.23, the Company shall have an indefinite life.

- (B) If the Company is wound up whether voluntarily or otherwise the liquidator may with the sanction of a special resolution divide among the Shareholders in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Shareholders as the liquidator with the like sanction shall think fit.
- (C) If any of the securities or other assets to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said assets may within fourteen (14) clear days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

4.6 Dividends

- (A) Subject to compliance with section 304 of the Companies Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.
- (B) The method of payment of dividends shall be at the discretion of the Board.
- (C) No dividend shall be paid in excess of the amounts permitted by the Companies Law or approved by the Board.
- (D) Unless and to the extent that the right attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid *pro rata* according to the number of shares held by each Shareholder.
- (E) The Board may deduct from any dividend payable to any Shareholder on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- (F) The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- (G) The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Shareholder until such person has become a Shareholder.
- (H) With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up shares of the Company. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the value so fixed in order to adjust the rights of Shareholders and may vest any such specific assets in trustees for the Shareholders entitled as may seem expedient to the Board.
- (I) Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Company's register of shareholders kept pursuant to the Companies Law. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other monies payable in respect of their joint holdings.
- (J) No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- (K) All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared shall be forfeited and shall revert to the Company.

4.7 Scrip Dividends

- (A) The Board may, pursuant to section 306 of the Companies Law or if authorised by an ordinary resolution of the Company, offer any holders of any particular class of shares (excluding treasury shares) the right to elect to receive further shares (whether or not of

that class), credited as fully paid, instead of cash in respect of all or part of any dividend (a “Scrip Dividend”) in accordance with the following provisions of this paragraph 4.7 and the Articles.

- (B) The Board shall give notice to the Shareholders of their rights of election in respect of the Scrip Dividend and shall specify the procedure to be followed in order to make an election.
- (C) The dividend or that part of it in respect of which an election for the Scrip Dividend is made shall not be paid and instead further shares of the relevant class shall be allotted in accordance with elections duly made.

4.8 Transfer and transmission of shares

- (A) The Directors may implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST system. The Articles are subject to, and do not limit or restrict the Company’s powers to transfer shares in accordance with the CREST Regulations.
- (B) All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board or by any other manner as the Board may accept and permitted by the Companies Law and the rules of each stock exchange on which the relevant shares may be listed. Any instrument of transfer shall be signed by or on behalf of the transferor who shall be deemed to remain the holder until the name of the transferee is entered in the Company’s register. A transfer in respect of shares which are not fully paid shall also be signed by the transferee.
- (C) The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in certificated form which is not fully paid or on which the Company has a lien, provided, in the case of a listed or publicly traded share that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the Directors may refuse to register a transfer of shares unless:
 - (1) it is in respect of only one class of shares;
 - (2) it is in favour of a single transferee or not more than four joint transferees; and
 - (3) it is delivered for registration to the registered office of the Company or such other place as the Board may decide, accompanied by the certificate(s) for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- (D) Subject to the provisions of the CREST Regulations the registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any one year) as the Board may decide and either generally or in respect of a particular class of share. Any such suspension shall be communicated to shareholders, giving reasonable notice of such suspension, by means of a Regulatory Information Service.

4.9 Sanctions of Shareholders

- (A) If at any time the holding or beneficial ownership of any shares in the Company by a person (whether on its own or taken with other shares), in the opinion of the Directors (i) would cause the assets of the Company to be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA or the Code; (ii) would or might result in the Company and/or its shares being required to register or qualify under the US Investment Company Act and/or the US Securities Act and/or the US Exchange Act and/or any laws of any State of the US that regulate the offering and sale of securities; (iii) may cause the Company not to be considered a “Foreign Private Issuer” under the US Exchange Act; (iv) would result in a person holding shares in violation of any transfer restrictions put forth in any prospectus published by the Company from time to time; (v) may cause the Company to be a “controlled foreign corporation” for the purposes of the Code; (vi) may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the Code, including as a result of the Company’s failure to comply with the relevant law as a result of that person failing to provide information concerning itself as requested by the Company in accordance with the Articles), then any shares which the Directors decide are shares which are so held or

beneficially owned; or (vii) may cause the Company to become subject to any withholding tax or reporting obligation under FATCA or any similar legislation in any territory or jurisdiction or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligation) (“Prohibited Shares”) may be dealt with in accordance with paragraph 4.9(B) below. The Directors may at any time give notice in writing to a holder of a share requiring him to make a declaration as to whether or not the Share is a Prohibited Share.

- (B) The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend, speak and vote at a general meeting of the Company and of any class of shareholders and those rights will vest in the chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion.
- (C) If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company’s costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).
- (D) Upon transfer of a share, the transferee of such share shall be deemed to have represented and warranted to the Company that he is (i) not a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as “plan assets” of any benefit plan investor under Section 3(42) of ERISA or under the Code; (ii) either (a) not a US Person, located in the United States or acquiring the shares for the account or benefit of a US Person and acquiring shares in an offshore transaction meeting the requirements of Regulation S; or (b) a person to whom such shares may otherwise be lawfully transferred pursuant to an exemption from the registration requirements of the US Securities Act; and (iii) a “qualified purchaser” for the purposes of the US Investment Company Act.

4.10 Alteration of capital

- (A) The Company may by ordinary resolution:
 - (1) consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing shares;
 - (2) subject to paragraph 4.10(B), subdivide all or any of its shares into shares of a smaller amount;
 - (3) cancel shares which, at the date of the passing of the resolution, have not been taken up by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
 - (4) convert all or any of its shares the nominal amount which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other day as may be specified herein;
 - (5) where its share capital is expressed in a particular currency or former currency, denominate or redenominate, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise; and
 - (6) convert shares into stock and vice versa.

- (B) In any subdivision under paragraph 4.10(A)(2), the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived.
- (C) The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authorisation or consent required by the Companies Law.
- (D) The Board on any consolidation of shares may deal in fractions of shares in any manner.

4.11 Notices

- (A) A notice or other communication may be given by the Company to any Shareholder by any means as set out in section 523 of the Companies Law.
- (B) A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of shareholders in respect of the share.
- (C) Any notice or other communication sent to the address of any Shareholder shall, notwithstanding the death, disability or insolvency of such shareholder and whether the Company has notice thereof, be deemed to have been duly served in respect of any share registered in the name of such shareholder as sole or joint holder and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.
- (D) All Shareholders shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with sections 524 and 526 and schedule 3 of the Companies Law unless a Shareholder notifies the Company otherwise. Notice under this paragraph must be in writing and signed by the Shareholder and delivered to the Company's registered office or such other place as the Board directs.
- (E) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person to which he derives his title.

4.12 Notice of general meetings

- (A) A general meeting (including an annual general meeting) of the Company (other than an adjourned meeting) must be called by notice of at least fourteen (14) clear days.
- (B) A general meeting may be called by shorter notice than otherwise required if all the Shareholders entitled to attend, speak and vote so agree.
- (C) Notices and other documents may be sent in electronic form or published on a website in accordance with section 208 of the Companies Law.
- (D) Notice of a general meeting of the Company must be sent to every Shareholder entitled to attend, speak and vote thereat, every Director and every alternate Director registered as such.
- (E) In paragraph 4.12(D) above, the reference to Shareholders includes only persons registered as a Shareholder.
- (F) Notice of a general meeting of the Company must state the time and date of the meeting, state the place of the meeting, specify any special business to be put to the meeting, contain the information required under section 178(6)(a) of the Companies Law in respect of a resolution which is to be proposed as a special resolution at the meeting, contain the information required under section 179(6)(a) of the Companies Law in respect of a resolution which is to be proposed as a waiver resolution at the meeting, and contain the information required under section 180(3)(a) of the Companies Law in respect of a resolution which is to be proposed as a unanimous resolution at the meeting.
- (G) Notice of a general meeting must state the general nature of the business to be dealt with at the meeting.
- (H) The accidental omission to give notice of any meeting to or the non-receipt of such notice by any Shareholder shall not invalidate any resolution or any proposed resolution otherwise duly approved.

4.13 Conflicts of interest

- (A) A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with section 162 of the Companies Law, the nature and extent of that interest.
- (B) The obligation referred to in paragraph 4.13(A) does not apply if:
 - (1) the transaction or proposed transaction is between the Director and the Company; and
 - (2) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.
- (C) A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.
- (D) Nothing in paragraphs 4.13(A), (B) or (C) applies in relation to:
 - (1) remuneration or other benefit given to a Director;
 - (2) insurance purchased or maintained for a Director in accordance with section 158 of the Companies Law; or
 - (3) qualifying third party indemnity provision provided for a Director in accordance with section 159 of the Companies Law.
- (E) A Director who is interested in a transaction entered into, or to be entered into, by the Company, may:
 - (1) vote on a matter relating to the transaction;
 - (2) attend a meeting of Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purpose of a quorum;
 - (3) sign a document relating to the transaction on behalf of the Company; and
 - (4) do any other thing in his capacity as Director in relation to the transaction.
- (F) Subject to paragraph 4.13(G), a Director is interested in a transaction to which the Company is a party if the Director:
 - (5) is a party to, or may derive a material benefit from, the transaction;
 - (6) has a material financial interest in another party to the transaction;
 - (7) is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;
 - (8) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or
 - (9) is otherwise directly or indirectly materially interested in the transaction.
- (G) A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.
- (H) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (I) Subject to due disclosure in accordance with the provisions referred to in this paragraph 4.13, no Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

- (J) Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director provided that nothing contained in the Articles shall authorise a Director or his firm to act as auditor to the Company.
- (K) Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager or other officer or member of any such other company.

4.14 Remuneration of Directors

- (A) The Directors shall be paid out of the funds of the Company by way of fees up to a maximum aggregate amount of £300,000 in each financial year. Directors' fees shall be deemed to accrue from day to day.
- (B) The Directors shall also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.
- (C) The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

4.15 Indemnities

The Directors, secretary and officers (excluding, for the avoidance of doubt, the auditors) for the time being of the Company and their respective heirs and executors shall, to the extent permitted by section 157 of the Companies Law, be fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

4.16 Proceedings of the directors

- (A) The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman at the meeting shall not have a second or casting vote.
- (B) A Director in communication with one or more other Directors so that each Director participating in the communication can hear or read what is said or communicated by each of the others, is deemed to be present at a meeting with the other Directors so participating and, where a quorum is present, such meeting shall be treated as a validly held meeting of the Board. Where any of the Directors attending the meeting is present in Guernsey, such meeting shall be deemed to have been held in Guernsey. If no Director attending the meeting is present in Guernsey, such meeting shall be deemed to have been held in the place where the chairman is present, unless otherwise determined by the Directors. A Director at the time of any such meeting may participate in a meeting by means of video link, telephone conference call or other electronic or telephonic means of communication.
- (C) The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.

- (D) A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.
- (E) The Board may elect a chairman of their meetings and determine the period for which he is to hold office. If no such chairman be elected, or if at any meeting the chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
- (F) The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed, shall be two (2) except that where the minimum number of Directors has been fixed at one a sole Director shall be deemed to form a quorum and provided that if a majority of Directors present are resident in the UK, the Directors present, irrespective of number, shall not constitute a quorum. For the purposes of this paragraph 4.16, an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
- (G) The Board may delegate any of their powers to committees consisting of one or more Directors as they think fit, provided that a majority of members of such committees are not resident in the UK. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board. Subject thereto, article 36 of the Articles (summarised within this paragraph) shall apply *mutatis mutandis* to the proceedings of such committees.

4.17 Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party. The Board may exercise all the powers of the Company to engage in currency or interest rate hedging in the interests of efficient portfolio management.

4.18 Audit

Auditors shall be engaged in accordance with Part XVI of the Companies Law.

4.19 C Shares

- (A) The following definitions apply for the purposes of this paragraph 4.19: “Calculation Date” means the earliest of the:

- (1) close of business on the date to be determined by the Directors after the day on which the Administrator shall have given notice to the Directors that at least 90 per cent. of the Net Proceeds attributable to the relevant class of C Shares (or such other percentage as the Directors and the Administrator shall agree) shall have been invested in line with the Company’s Investment Objective; or
- (2) close of business on the date falling 9 calendar months after the allotment of the relevant class of C Shares or if such a date is not a Business Day the following Business Day; or
- (3) close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or
- (4) close of business on such date as the Directors may determine;

“Conversion” means, in relation to any class of C Shares, conversion of that class of C Shares in accordance with paragraph 4.19(K) below;

“Conversion Date” means a date which falls after the Calculation Date and is the date on which the admission of the new Ordinary Shares arising on Conversion to trading on the London Stock Exchange becomes effective and which is the earlier of:

- (1) the opening of business on such Business Day as may be selected by the Directors provided that such day shall not be more than twenty Business Days after the Calculation Date; and
- (2) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances have arisen or are imminent;

“Conversion Ratio” is the ratio of the NAV per C Share of the relevant class of C Share to the NAV per Ordinary Share, which is calculated to 7 decimal places as at the Calculation Date as:

$$\text{Conversion Ratio} = \frac{A}{B}$$

where:

$$A = \frac{(C - d) - D}{E}$$

$$B = \frac{(F - d) - G}{H}$$

where:

“C” is the value of the investments of the Company attributable to the C Shares of the relevant class calculated in accordance with the accounting principles adopted by the Company from time to time (as if that class was equity);

“D” is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares of the relevant class on the Calculation Date) which, in the Directors’ opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant class on the Calculation Date;

“E” is the number of C Shares of the relevant class in issue on the Calculation Date;

“F” is the value of the investments of the Company attributable to the Ordinary Shares of the relevant class calculated in accordance with the accounting principles adopted by the Company from time to time;

“G” is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors’ opinion, fairly reflects the amount of the liabilities of the Company attributable to the Ordinary Shares of the relevant class on the Calculation Date;

Notwithstanding the accounting treatment of the C Shares as a liability of the Company, for the purposes of calculating the Conversion Ratio (and in particular G), the C Shares will be treated as a class of equity issued by, and not a liability of, the Company;

“H” is the number of Ordinary Shares of the relevant class in issue on the Calculation Date (excluding any Ordinary Shares of the relevant class held in treasury); and

“d” is, to the extent not already taken into account in D or G (as appropriate) the amount of any dividend payable in respect of the relevant class of Share in respect of any period ending before the Conversion Date and payable by reference to a record date falling on or prior to the Conversion Date, provided that the Directors shall make such adjustments to the value or amount of A and B as the auditors of the Company shall report to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the Net Proceeds relating to the C Shares of the relevant class and/or to the reasons for the issue of the C Shares of the relevant class;

“Existing Shares” means the Ordinary Shares in issue immediately prior to Conversion;

“Force Majeure Circumstances” means in relation to any class of C Shares (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of that class with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

“Net Proceeds” means the net cash proceeds of the issue of the C Shares of the relevant class (after deduction of those commissions and expenses relating thereto and payable by the Company).

References to the auditors confirming any matter should be construed to mean confirmation of their opinion as to such matter whether qualified or not.

References to “shareholders” and “C shareholders” in this paragraph 4.19 should be construed as references to holders for the time being of Ordinary Shares of the relevant class and C Shares of the relevant class respectively.

- (B) For the purposes of paragraph (i) of the definition of Calculation Date and the definition of Force Majeure Circumstance in relation to any class of C Shares, the assets attributable to the C Shares of that class shall be treated as having been “invested” if they have been expended by or on behalf of the Company in the acquisition or making of an investment (whether by subscription or purchase) or if an obligation to make such payment has arisen or crystallised (in each case unconditionally or subject only to the satisfaction of normal pre-issue conditions) in relation to which the consideration amount has been determined or is capable of being determined by operation of an agreed contractual mechanism.
- (C) The holders of the C Shares shall, subject to the provisions of the Articles, have the following rights as to income:
 - (1) subject to the rights of any C Share which may be issued with special rights or privileges, the C Shares of each class carry the right to receive all income of the Company attributable to the C Shares, and to participate in any distribution of such income by the Company, *pro rata* to the relevant NAVs of each of the classes of C Share and within each such class income shall be divided *pari passu* amongst the holders of that class in proportion to the number of C Shares of such class held by them;
 - (2) the Ordinary Shares of the relevant class into which C Shares of the relevant class shall convert shall rank *pari passu* with the Existing Shares of the relevant class for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and
 - (3) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Date and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).
- (D) At a time when any C Shares are for the time being in issue and prior to the Conversion Date, on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of C Shares in accordance with the provisions of the Articles and the Companies Law) the surplus capital and assets of the Company attributable to the C Shares remaining after payment of all creditors shall, subject to any rights of C Shares that may be issued with special rights or privileges, be divided amongst the holders of C Shares of each class *pro rata* to the relative NAVs of each of the classes of C Share and within each such class such assets shall be distributed *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of that class held by them.
- (E) As regards voting the C Shares shall carry the right to receive notice of and to attend, speak and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as those applying to holders of Ordinary Shares as set out in the Articles, as if the C Shares and Ordinary Shares were a single class.
- (F) Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Ordinary Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Articles:
 - (1) no alteration shall be made to the Memorandum or the Articles;
 - (2) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares;
 - (3) no resolution of the Company shall be passed to wind-up the Company; and

- (4) no change shall be made to the accounting reference date.

For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Ordinary Shares and C Shares, as described above, shall not be required in respect of:

- (1) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Ordinary Shares by the issue of such further Ordinary Shares); or
 - (2) the sale of any shares held as treasury shares or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- (G) For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws the Company shall in relation to each class of C Shares:
 - (1) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of the relevant class can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant class;
 - (2) allocate to the assets attributable to the C Shares of the relevant class such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds attributable to such C Shares and the Calculation Date relating to such C Shares of the relevant class (both dates inclusive) as the Directors fairly consider to be attributable to such C Shares; and
 - (3) give appropriate instructions to the Administrator to manage the Company's assets so that such undertakings can be complied with by the Company.
- (H) The C Shares are issued on such terms that they shall be redeemable by the Company in accordance with the terms set out in the Articles. At any time prior to Conversion, the Directors may determine to redeem the C Shares then in issue by agreement with holders thereof in accordance with such procedures as the Directors may determine (subject to the facilities and procedures of the CREST system), in accordance with the provisions of the Articles and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant C Shareholders.
- (I) In relation to each class of C Shares, the C Shares of that class for the time being in issue shall be sub-divided and converted and redesignated into Ordinary Shares of the corresponding class on the Conversion Date in accordance with the following provisions of this paragraph 4.19:
 - (1) the Directors shall procure that within ten (10) Business Days of the Calculation Date;
 - (a) the Conversion Ratio as at the Calculation Date and the numbers of Ordinary Shares of the relevant class to which each C Shareholder shall be entitled on Conversion shall be calculated; and
 - (b) the Auditors or, failing which, an independent accountant selected for the purpose by the Directors, shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of 'd' in the definition of Conversion Ratio above. If the Auditors are not able to confirm the calculations of the administrator or independent accountant, as described above, the Conversion shall not proceed.

- (J) The Directors shall procure that, as soon as practicable following such confirmation, an announcement is made to a Regulatory Information Service, advising holders of C Shares of the relevant class of the Conversion Date, the Conversion Ratio and the aggregate number of new Ordinary Shares of the relevant class to which holders of C Shares of the relevant class are entitled on Conversion.
- (K) Conversion shall take place on the Conversion Date. On Conversion:
- (1) each issued C Share shall automatically convert and be redesignated into such number of new Ordinary Shares of the corresponding class as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of new Ordinary Shares equals the number of C Shares of that class in issue at the Conversion Date multiplied by the Conversion Ratio (rounded down to the nearest whole new Ordinary Share);
 - (2) the new Ordinary Shares arising upon Conversion shall be divided amongst the former holders of C Shares of the relevant class *pro rata* according to their respective former holdings of C Shares of the relevant class (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to new Ordinary Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares of the relevant class, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares of the relevant class who shall be bound by them;
 - (3) forthwith upon Conversion, any certificates relating to the C Shares of the relevant class shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the new Ordinary Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold their new Ordinary Shares in uncertificated form;
 - (4) the Company will use its reasonable endeavours to procure that, upon Conversion, the new Ordinary Shares are admitted to trading on the main market for listed securities of the London Stock Exchange and will be issued on the premium segment of the Official List; and
 - (5) the Directors may make such adjustments to the terms and timings of Conversion as they, in their discretion, consider fair and reasonable having regard to the interest of all Shareholders.

4.20 Disclosure of third party interests in shares

- (A) The Directors shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder (an interested party) who has any interest in the shares held by the Shareholder and the nature of such interest.
- (B) Any such notice shall require any information in response to such notice to be given in writing within the prescribed period which shall be twenty-eight (28) days after the service of the notice, or fourteen (14) days if the shares concerned represent 0.25 per cent. or more in value of the issued shares of the relevant class, or such other reasonable time period as the Directors may determine.
- (C) If any Shareholder has been duly served with a notice given by the Directors in accordance with paragraph 4.20(A) and is in default for the prescribed period in supplying to the Company the information thereby required the Directors may in their absolute discretion at any time thereafter serve a notice (a “Direction Notice”) upon such Shareholder as follows:
- (1) a Direction Notice may direct that, in respect of: (i) the shares comprising the shareholder account in the register of members which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the “default shares”); and (ii) any other shares held

by the Shareholder, the Shareholder shall not be entitled to attend or vote (either personally or by representative or by proxy) at any general meeting or meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to any such meetings; and

- (2) where the default shares represent at least 0.25 per cent. of the class of shares concerned, then the direction notice may additionally direct that: (i) in respect of the default shares, any dividend or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the shareholder; and (ii) no transfer other than an approved transfer of any of the shares held by such Shareholder shall be registered except in limited circumstances.

4.21 Untraced Shareholders

(A) The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable at that time) the shares of a Shareholder or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

- (1) during the period of not less than twelve (12) years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three (3) dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and
- (2) the Company shall following the expiry of such period of twelve (12) years have inserted advertisements in a national newspaper and/or in a newspaper circulating in the area in which the last known address of the Shareholder or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell the said shares; and
- (3) during the period of three (3) months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such shareholder or person; and
- (4) notice shall have been given to the stock exchanges on which the Company is listed, if any.

(B) The foregoing provisions are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.

4.22 Disclosure of Beneficial Interests

For so long as the Company has any of its shares admitted to trading on the main market for listed securities of the London Stock Exchange, every Shareholder shall comply with the notification and disclosure requirements set out in Chapter 5 of the Disclosure Guidance and Transparency Rules as if the Company were classified as an “issuer” whose “Home State” is the “United Kingdom” but not a “non UK issuer” (as such terms are defined in the FCA’s handbook of Rules and guidance published from time to time).

4.23 Discontinuation Resolution

On the seventh anniversary of the IPO and on the date of the expiry of each subsequent five-year period thereafter, or if for any financial year of the Company after the financial year ended 31 March 2017, the Ordinary Shares have traded, on average over that financial year, at a discount in excess of ten per cent. to the Net Asset Value per Ordinary Share, then the Board shall propose a special resolution (the “Discontinuation Resolution”) at the Company’s next annual general meeting that the Company ceases to continue its business in its present form.

If such Discontinuation Resolution is passed the Board, in consultation with Funding Circle, shall be required to put forward proposals to Shareholders at a general meeting (to be held no more than four months following the passing of the Discontinuation Resolution) intended to address the circumstances which gave rise to that Discontinuation Resolution, which proposals may include (without limitation) the reorganisation, reconstruction or winding up of the Company.

For the purposes of 4.23(B), above, the discount prevailing on each Business Day will be determined by reference to the closing market price of Shares on that day and the most recently published Net Asset Value per Share.

4.24 Disqualification and Retirement of Directors

(A) A Director shall cease to hold office:

- (1) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases for any reason to be a Director) resigns his office by written notice signed by him sent to or deposited at the registered office;
- (2) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve (12) months and the Board resolves that his office shall be vacated;
- (3) if he dies or becomes of unsound mind or incapable;
- (4) if he becomes insolvent suspends payment or compounds with his creditors;
- (5) if he is requested to resign by written notice signed by all his co-Directors;
- (6) if the Company in general meeting shall declare that he shall cease to be a Director;
- (7) if he becomes resident in the United Kingdom and, as a result thereof, a majority of the Directors are resident in the United Kingdom; or
- (8) if he becomes ineligible to be a Director in accordance with Section 137 of the Companies Law.

(B) At each annual general meeting of the Company:

- (9) any Director who has been appointed pursuant to a nomination from Funding Circle UK; or
 - (10) any other Director for whom it is the second annual general meeting following the annual general meeting at which he was elected or last re-elected,
- shall retire from office but shall be eligible for re-appointment.

(C) A Director who retires at an annual general meeting shall (unless he is removed from office or his office is vacated in accordance with the Articles) retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to elect another person in his place or the resolution to re-appoint him is put to the meeting and lost.

4.25 FATCA and other Relevant Law

The Company may require that members provide, and the Company (and any authorised third party agent or delegate of the Company) shall be entitled to use and disclose, any information or documentation in relation to members and, if and to the extent required, the direct and indirect beneficial owner(s) (if any) of shares held by members (if any), as may be necessary or desirable for the Company to comply with any reporting or other obligations and/or prevent or mitigate the withholding of tax under Relevant Law or other law.

If, and to the extent that, the Company suffers a Relevant Law Deduction or is required to make a Relevant Law Deduction, or the Directors consider that such a Relevant Law Deduction will or may be directly or indirectly suffered or required to be made by the Company as a result, directly or indirectly of the action or inaction of a member, or any related person, including such member, or any related person, not being compliant with Relevant Law or failing to provide in a timely manner such information as the Directors consider necessary or desirable for the Company, or any authorised agent or delegate of the Company, to comply with Relevant Law, or there has otherwise been non-compliance by the Company with Relevant Law, the Company may, in the absolute discretion of the Directors:

- (A) require the compulsory transfer of some or all of a member's shares under the Articles; and
- (B) reduce any dividend or other distributions otherwise payable to a member by up to the amount of the Relevant Law Deduction or decline or delay payment of such dividends or other distributions to such member.

5. Major Shareholders

Insofar as the Company has been notified under the DGTRs of the FCA, as at 31 December 2016, the names of each person who directly or indirectly has an interest in 5.0 per cent. or more of the Company's issued share capital, and the amount of such person's interests are as follows:

Name	Number of Shares held	% of Shares held
Invesco Asset Management	48,131,639	29.28
Railways Pension Investment Limited.....	32,739,239	19.92
SG Hambros Bank	14,831,317	9.02
Blackrock Investment Mgt (UK).....	13,115,976	7.98
Aberdeen Asset Management	11,363,124	6.91

All shareholders have the same voting rights.

As at the date of this Prospectus, the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

6. EIB Transaction

6.1 Overview

In exercise of the Company's powers to make indirect investments, on 16 June 2016, the Company agreed to participate in a £125,000,000 structured finance transaction with the EIB. The Company participated as a junior noteholder in a new structure into which EIB provided senior finance. EIB advanced a senior, floating rate loan of £100,000,000 (the "EIB Senior Loan") to the EIB Transaction IrishCo. Subject to there being no prior event of default or acceleration or enforcement event ("Acceleration Event"), the EIB Senior Loan may be drawn down over a period of 18 months. Interest accrues on the EIB Senior Loan at a floating rate equal to LIBOR (as defined in the EIB Finance Agreement plus a spread per annum, and is payable monthly (during the drawdown period under the EIB Senior Loan (the "Availability Period")) and quarterly (following the Availability Period) in accordance with the terms of the EIB Transaction Documents. As at the Latest Practicable Date, the EIB Transaction IrishCo has not entered into any interest rate swap or other hedging transaction in relation to the EIB Senior Loan (although both EIB and the Company have provided their consent to put in place an interest cap arrangement). Advances made under the EIB Senior Loan, to the extent not already pre-paid or repaid under the EIB Finance Agreement, shall be repaid in full on 16 June 2023. Any amounts drawn down under the EIB Senior Loan but not applied to fund Credit Assets (as described below) within 18 months after entering into the EIB Senior Loan (or, if earlier, the occurrence of an Acceleration Event or the breach of certain SME loan delinquency triggers) shall be repaid on the following payment date.

The Company has subscribed for the Class B Notes. Interest shall accrue on the Class B Notes at a fixed rate of 20 per cent. per annum and is payable monthly during the Availability Period and thereafter on a quarterly basis in accordance with the terms of the EIB Transaction Documents. Unless previously redeemed, purchased or cancelled, the Class B Notes shall be redeemed in full at their principal amount on 16 June 2023.

The EIB Transaction IrishCo was incorporated in the Republic of Ireland as a designated activity company limited by shares for the purpose of acquiring and investing in Credit Assets as described below. It is not an Affiliate of the Company.

Advances under the EIB Senior Loan and the proceeds of the issue of the Class B Notes will be used by the EIB Transaction IrishCo to fund Credit Assets originated through the UK Marketplace that satisfy certain concentration limits and eligibility criteria (including a prohibition on the EIB Transaction IrishCo from originating or acquiring Credit Assets relating to real property).

As contemplated in the Prospectus in respect of indirect investment in Credit Assets more generally, the Company and EIB Transaction IrishCo have agreed, through the EIB Transaction, to invest in Credit Assets initially funded or held by the EIB Transaction IrishCo (and subsequently transferred to the EIB Transaction IrishCo). Accordingly, in consideration of the Company's subscription for the Class B Notes, IrishCo has transferred certain sterling denominated Credit Assets which satisfy the concentration limits and eligibility criteria referred

to above, with a value (based on the aggregate outstanding amount of principal and accrued but unpaid interest in respect of such Credit Assets), and taken together with a small balance of cash to be transferred by the Company to the EIB Transaction IrishCo, of £25,000,000.

In approving the Company's and IrishCo's participation in this indirect investment, the Board and the IrishCo Board satisfied themselves that the terms of the EIB Transaction were such that this indirect investment would not result in a breach, on a "look-through" basis, of the Investment Policy or any Portfolio Limits.

Accordingly, as this indirect investment in Credit Assets was to be made alongside a third party participant (EIB), the Investment Policy and any Portfolio Limits will be applied to the relevant indirect investments on a *pro rata* basis, proportionate to the Company's indirect interest in the underlying Credit Assets.

Whilst the borrowing or leverage by the EIB Transaction IrishCo does not count towards the borrowing limits applicable to the Company (as the EIB Transaction IrishCo is neither an Affiliate nor a Near Affiliate of the Company), the Board has required that such borrowing or leverage limits are applied indirectly, so that the Company will only hold such principal amount of Class B Notes so as to maintain the aggregate borrowing or leverage of the Company on a "look-through" basis at 50 per cent. or below.

The risk and return profile of the Company's investment in (unlevered) Credit Assets differs from that of the investment in the Class B Notes, which are highly levered.

In addition, the maximum aggregate percentage (by number) of Credit Assets originated on the UK Marketplace which can be randomly allocated to the Company (in respect of the Ordinary Shares and any future C Share issue) and to the EIB Transaction IrishCo, when measured over each calendar quarter, are less than 49 per cent.

At 31 December 2016, £82 million had been drawn down pursuant to the EIB Transaction Documents, amounting to "look-through" fund leverage of 49.98 per cent. of the current NAV.

6.2 Summary of the principal terms of the Class B Notes and the priority of rights between EIB and the holders of Class B Notes

The following is a summary of the principal terms of the Class B Notes in the context of the EIB Transaction pursuant to: (i) the EIB Note Subscription Agreement; and (ii) certain other related agreements, including (a) the EIB Finance Agreement, (b) an intercreditor agreement between EIB, the Company, the EIB Transaction IrishCo and the Cash Manager (the "EIB Intercreditor Agreement") setting out the rights and priorities between EIB and the holders of the Class B Notes, (c) a SME loan sale and assignment agreement between the UK IrishCo, the EIB Transaction IrishCo, the Cash Manager and Funding Circle UK under which the UK IrishCo agreed to sell certain Credit Assets to the EIB Transaction IrishCo as referred to in paragraph A above (the "EIB SME Loan Sale and Assignment Agreement"), (d) a cash management agreement between the Cash Manager and the EIB Transaction IrishCo under which the Cash Manager has agreed to provide certain cash management services to the EIB Transaction IrishCo in relation to the EIB Transaction (the "EIB Cash Management Agreement") and (e) a master definitions agreement between, amongst others, the EIB Transaction IrishCo, EIB, the Company and the Cash Manager setting out definitions used in the above documents (the "EIB Master Definitions Agreement"), each such document being dated 16 June 2016 (together the "EIB Transaction Documents"). The principal parties to the EIB Transaction Documents have also entered into origination and servicing agreements, the substantive terms of which are similar to those contained in the Origination Agreements and the Servicing Agreements (which are summarised in paragraph 7 of Part 7 of this Prospectus).

(A) Form and Status

Pursuant to the terms of the EIB Note Subscription Agreement, the EIB Transaction IrishCo has issued the Class B Notes to the Company. The Class B Notes are in registered form and are represented by a note certificate.

The EIB Transaction IrishCo has used the subscription price of the Class B Notes (being £25,000,000) to purchase, pursuant to the EIB SME Loan Sale and Assignment Agreement, an agreed list of Credit Assets originated by Funding Circle UK in the UK from UK IrishCo which satisfied the concentration limits and eligibility criteria. Pursuant to the EIB SME Loan Sale and Assignment Agreement, UK IrishCo transferred to the EIB Transaction IrishCo, Credit Assets with a value (based on the aggregate outstanding amount of principal and accrued but

unpaid interest in respect of such Credit Assets) (the “Current Value”) of or about (but no more than) £25,000,000. Under the terms of the netting letter, the principal amount outstanding of the UK IrishCo Note held by the Company shall be written down by the Current Value (in consideration for the UK IrishCo’s transfer of the Credit Assets to the EIB Transaction IrishCo) and the Company shall transfer to the EIB Transaction IrishCo a small balance of cash (the “Additional Cash Amount”) equal to the greater of (i) £25,000,000 minus the Current Value, and (ii) zero. The transfer of the Credit Assets and the Additional Cash Amount to the EIB Transaction IrishCo shall be made in lieu of the Company paying an amount in cash equal to £25,000,000 to the EIB Transaction IrishCo in respect of the subscription price of the Class B Note.

Each of the UK IrishCo and Funding Circle UK have provided certain asset warranties in respect of the Credit Assets transferred by it to the EIB Transaction IrishCo under the EIB SME Loan Sale and Assignment Agreement in respect of the origination, assignment and other characteristics of the SME Loans. The UK IrishCo, or Funding Circle UK (or an affiliate thereof) on the UK IrishCo’s behalf, shall be liable to repurchase any Credit Assets which do not comply with the asset warranties at the time of transfer. Certain indemnities have also been given to the EIB Transaction IrishCo by the UK IrishCo in respect of Credit Assets sold by it under the EIB SME Loan Sale and Assignment Agreement. If the UK IrishCo is required to repurchase any Credit Asset sold by it to the EIB Transaction IrishCo under the EIB SME Loan Sale and Assignment Agreement, or is required to make a payment to the EIB Transaction IrishCo in respect of any indemnity given by it under the EIB SME Loan Sale and Assignment Agreement, this will reduce the funds available to the UK IrishCo to make payments to the Company under the UK IrishCo Note.

(B) Interest

Interest shall accrue on the Class B Notes at a fixed rate of 20 per cent. per annum. Subject to there being no Acceleration Event prior to a relevant Payment Date (as described below) and subject to payment by the EIB Transaction IrishCo of all other prior ranking amounts (including payment of certain taxes, commitment and arrangement fees, administrative expenses, interest due on the EIB Senior Loan, payments of amounts to meet losses on the EIB Senior Loan and payment of the prescribed amount into a reserve account as liquidity support in respect of the EIB Senior Loan and senior expenses), interest shall be payable on the Class B Notes in respect of each Interest Period (as defined in the EIB Note Subscription Agreement) on a Payment Date (other than the First Payment Date).

Each Interest Period shall run from (and include) a Payment Date to (but excluding) the immediately following Payment Date (or any redemption date), other than the first Interest Period, which shall commence on (and include) the Closing Date and end on (and exclude) the Payment Date falling on 11 August. During the Availability Period, Payment Dates shall fall on the 11th day of each calendar month. After such period, Payment Dates shall fall quarterly on 25 January, 25 April, 25 July and 25 October in each year. If a Payment Date is not a Business Day, payment shall be made on the next succeeding day which is a Business Day. Following an Acceleration Event, interest on the Class B Notes shall be paid as described in paragraphs (E) and (G) of this paragraph 6. Amounts which have been applied by the EIB Transaction IrishCo pursuant to the priorities of payments set out in the EIB Cash Management Agreement which are remaining on any Payment Date after paying interest and principal on the Class B Notes and any prior ranking amounts, shall be credited into a segregated account of the EIB Transaction IrishCo. Following the Reinvestment Period (as defined in paragraph (C) of this paragraph 6)) and provided certain criteria are met, amounts credited to such account will be paid to Funding Circle UK on each Payment Date as a performance-based servicing fee in accordance with the EIB Transaction Documents. Following enforcement of the security, any amount credited to such account after payment of all prior ranking amounts shall be paid to the EIB as a deferred arrangement fee.

(C) Redemption

Unless previously redeemed, purchased or cancelled, the Class B Notes will be redeemed on 16 June 2023.

Subject to no Acceleration Event and no Sequential Trigger Event (which is continuing) (as described in more detail in paragraph (F) of this paragraph 6) having occurred on or prior to the relevant Payment Date, on each Payment Date amounts equal to the proceeds of the SME

loans originated on the UK Marketplace and allocated to the EIB Transaction IrishCo (the “SME Loans”) received during the immediately preceding collection period, excluding (i) any interest received in respect of such SME Loans, other than that applied to meet any losses on the Class B Notes on such Payment Date, and (ii) any amounts reinvested in SME Loans by the EIB Transaction IrishCo, in each case, during the relevant collection period) (the “Available Capital Receipts”) shall be applied in repaying on a *pro rata* and *pari passu* basis the EIB Senior Loan and redeeming the Class B Notes. The EIB Transaction IrishCo shall reinvest receipts it receives on the SME Loans during the reinvestment period (which shall run from 16 June 2016 to 16 June 2018, being the second anniversary of the EIB Transaction closing date) (or, if earlier, the date on which any Acceleration Event occurs or certain SME Loan delinquency triggers are breached) (the “Reinvestment Period”) in new Credit Assets and, as such, any such amounts will not be available for repaying the EIB Senior Loan and Class B Notes as described above. Any amounts drawn down under the EIB Senior Loan but not applied to originate SME Loans within the Availability Period shall be repaid on the following Payment Date.

The EIB Transaction IrishCo may (subject to limited conditions) opt to prepay the EIB Senior Loan (in whole or in part) on any Payment Date. The EIB Senior Loan will also be subject to compulsory prepayment (in whole or in part, as specified in the EIB Finance Agreement) upon the occurrence of certain illegality events, Acceleration Events and, if on any Payment Date falling after the end of the Availability Period, the amount outstanding under the EIB Senior Loan, together with any prior ranking amounts, is equal to or less than the amounts standing to the credit of the reserve account. Subject, *inter alia*, to all liabilities due to EIB pursuant to the EIB Finance Agreement having been fully and fairly discharged to the satisfaction of EIB, the EIB Transaction IrishCo may redeem the Class B Notes in whole or part on any Payment Date by giving not less than five (5) nor more than ten (10) days’ notice to the Company. In such circumstances the redemption will be at a price equal to 100 per cent of the principal amount of the Class B Notes together with interest accrued to the relevant Payment Date.

Subject to certain conditions, if the EIB Transaction IrishCo (or the security trustee on its behalf) is required to dispose of any SME Loans in accordance with the EIB Transaction Documents, the holders of the Class B Notes or its nominee shall have the right to purchase such SME Loans at the disposal price (and on substantially the same terms) as the pricing (and terms) at which the EIB Transaction IrishCo (or the security trustee, as the case may be) intends to dispose of the asset to a *bona fide* potential purchaser.

(D) Events of default

Subject to the terms of the EIB Intercreditor Agreement (which limits the rights of the holders of the Class B Notes to enforce their rights under the EIB Transaction Documents whilst the EIB Senior Loan is outstanding), on an Event of Default (as defined below) the Company may declare the Class B Notes (together with accrued interest and other amounts accrued or outstanding) to be immediately due and payable and exercise its rights under the EIB Note Subscription Agreement, including enforcing security in relation to the same. The following, amongst other things, are events of default under the EIB Note Subscription Agreement (together, “Events of Default”):

- (1) the EIB Transaction IrishCo fails to pay any amount due under the EIB Note Subscription Agreement on the due date, unless (i) such default is as a result of certain disruption events (including, but not limited to, a material disruption to relevant payment and communication systems) and (ii) payment is made within 3 Business Days of its due date;
- (2) the EIB Transaction IrishCo fails to perform or observe any other term of the EIB Note Subscription Agreement in any material respect and such failure remains un-remedied for 20 Business Days after the date on which the EIB Transaction IrishCo has knowledge of such failure or is otherwise notified of the same in writing;
- (3) the EIB Transaction IrishCo is in material breach of any representation or warranty given by it to the Company under the EIB Note Subscription Agreement or any information or report delivered by it pursuant to the EIB Note Subscription Agreement proves to be incorrect or untrue in any material respect when delivered and continues to be incorrect or untrue for seven (7) Business Days after the date on which the EIB Transaction IrishCo becomes aware thereof;

- (4) it becomes unlawful for the EIB Transaction IrishCo to perform any of its obligations under the EIB Note Subscription Agreement or the other EIB Transaction Documents or the EIB Note Subscription Agreement or the other EIB Transaction Documents are not effective in accordance with their terms;
- (5) if a servicing termination event occurs and a replacement servicer approved by EIB is not appointed on substantially similar terms to the existing Servicing Agreement within 45 days;
- (6) certain insolvency events occur in relation to the EIB Transaction IrishCo; or
- (7) the validity of the EIB Note Subscription Agreement or any other Transaction Document (or any part thereof) or the security is contested, terminated or set aside or any Transaction Document (or any part thereof) is repudiated or rescinded.

(E) Priority of Payments following an Acceleration Event

In the event of an Acceleration Event, on each Payment Date (and subject to payment of any prior ranking amounts) amounts payable under the EIB Senior Loan and the Class B Notes shall be paid in the following order of priority:

- (1) to pay interest due and payable under the EIB Senior Loan;
- (2) to repay principal on the EIB Senior Loan until the EIB Senior Loan is repaid in full;
- (3) to pay interest due and payable on the Class B Notes; and
- (4) to repay principal on the Class B Notes until the Class B Notes are repaid in full.

An Acceleration Event comprises any of the following circumstances, events or occurrences:

- (1) if on certain quarterly dates the percentage ratio computed by (i) dividing the aggregate principal amount of all SME Loans which at that time are Distressed Loans (as defined in the EIB Master Definitions Agreement) by (ii) the higher of £50 million and the aggregate principal amount of all SME Loans on the date of the advance of such loans is greater than 20%;
- (2) if there is a material breach of the origination agreement by Funding Circle UK and such breach is, in the opinion of EIB, incapable of remedy or being a breach which is, in the opinion of EIB, capable of remedy, but remains unremedied for an agreed period after EIB has given written notice of such default to Funding Circle UK; or
- (3) The occurrence of a standard set of events of default under the EIB Finance Agreement.

(F) Sequential Trigger Events

Following the occurrence of a “Sequential Trigger Event” which is continuing, on each Payment Date an amount equal to the Available Capital Receipts shall be applied first in repaying the EIB Senior Loan until the EIB Senior Loan is repaid in full and second to redeem the Class B Notes until the Class B Notes are redeemed in full. “Sequential Trigger Events” include (i) the failure of the SME Loans to achieve certain prescribed performance ratios, (ii) the principal amount under the EIB Senior Loan falling below £10,000,000 on certain quarterly dates following the end of the Reinvestment Period, (iii) the ratio of available interest receipts to be applied by the EIB Transaction IrishCo pursuant to an interest priority of payments on a Payment Date falling after the Reinvestment Period to the amount of interest payable on the EIB Senior Loan on such Payment Date falling below 3:1; and (iv) the principal amount outstanding under the EIB Senior Loan is greater than the aggregate principal balance of the SME Loans on certain quarterly dates falling after the Reinvestment Period.

(G) Ranking and priority

The Class B Notes constitute direct, secured and (subject to the limited recourse provisions described below) unconditional obligations of the EIB Transaction IrishCo. The Class B Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times but subordinate to the EIB Senior Loan in relation to payment of interest. The Class B Notes rank *pari passu* to payments of principal on the EIB Senior Loan, provided that following the occurrence of an Acceleration Event or a Sequential Trigger Event (which is continuing), the Class B Notes will rank subordinate to all payments due in respect of the EIB Senior Loan. Payments of all liabilities owed by the EIB Transaction

IrishCo to EIB and holders of Class B Notes shall be made by the Cash Manager in accordance with the EIB Cash Management Agreement. Those payments are summarised above in paragraphs (B), (C), (E) and (F) of this paragraph 6.

(H) Enforcement of security

The Class B Notes are limited recourse obligations of the EIB Transaction IrishCo. Other than receipts from the underlying Credit Assets, interest earned on accounts of the EIB Transaction IrishCo and the availability of certain reserve funds, the EIB Transaction IrishCo is not expected to have any other funds available to it to meet its obligations under the Class B Notes. Upon enforcement of the security created by the EIB Transaction IrishCo over its assets (the “Charged Assets”) in favour of certain secured parties (including EIB and the holders of the Class B Notes) (the “Secured Parties”), if:

- (1) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (2) all amounts available from the Charged Assets have been applied to meet or provide for the secured obligations of the EIB Transaction IrishCo; and
- (3) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with certain priorities of payments, the EIB Transaction IrishCo’s secured obligations (including payments of principal and interest on the Class B Notes),

then the Secured Parties shall have no further claim against the EIB Transaction IrishCo or its directors, shareholders, officers or successors in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be extinguished.

The holders of the Class B Notes shall not be entitled to proceed directly against the EIB Transaction IrishCo or any other party to enforce the performance of any of the terms and conditions of Class B Notes and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the EIB Transaction IrishCo other than in certain limited circumstances, including (whilst the EIB Senior Loan is still outstanding) with the consent of EIB or where certain insolvency events have occurred in respect of the EIB Transaction IrishCo.

(I) Representations and Warranties

Customary representations, warranties and covenants have been given by the EIB Transaction IrishCo to the Company and by the Company to the EIB Transaction IrishCo in the EIB Note Subscription Agreement, in each case, as at 16 June 2016.

7. Material Contracts

The following are all of the contracts (other than the EIB Transaction Documents), not being contracts entered into in the ordinary course of business, that have been entered into by the Company since the incorporation of the Company and the IrishCos and are, or may be, material or that contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this Prospectus:

7.1 Previous Placing Agreement

A placing and sponsor’s agreement dated 12 November 2015 between: (i) the Company; (ii) Funding Circle UK and Funding Circle US; (iii) the Directors; (v) Goldman Sachs International (“Goldman Sachs”); and (vi) Numis (the “Previous Placing Agreement”), whereby the Company was appointed, subject to certain conditions that are typical for an agreement of this nature, Goldman Sachs as bookrunner, global co-ordinator and underwriter to the 2015 Placing and any subsequent placing under the 2015 Share Issuance Programme, and Numis as bookrunner and underwriter in connection with the 2015 Placing. Under the Placing Agreement, the Company also appointed Goldman Sachs as sponsor in connection with the application for admission of the Shares to the Official List.

Goldman Sachs and Numis severally agreed (in the case of Numis, in relation to the 2015 Placing), subject to: (a) the Company and Goldman Sachs executing and delivering the Purchase Agreement in respect of the Placing or a Subsequent Placing; and (b) certain other conditions that are typical for an agreement of this nature, to use their reasonable endeavours to procure

subscribers for the Shares issued under such Placing at the relevant placing price and, to the extent that any placees procured by Numis failed to subscribe for any of the Shares which the placees agreed to subscribe for at the relevant placing price, each Bookrunner was obliged to subscribe itself for its applicable proportion of such Shares at such price. The Bookrunners were not obliged whatsoever to procure subscribers for, or themselves subscribe for, any Shares under the Offer.

In consideration of their services under the Previous Placing Agreement, and subject to their obligations under the Previous Placing Agreement becoming unconditional and the Previous Placing Agreement not being terminated, the Company agreed to pay to Goldman Sachs and any other Bookrunner appointed in respect of the Previous Issue and any Previous Subsequent Placing under the Previous Share Issuance Programme (including Numis in respect of the 2015 Placing), in aggregate:

- (A) a fixed commission of up to 1.70 per cent. of the Gross Issue Proceeds in respect of the Issue and the Subsequent Placing under the Previous Share Issuance Programme; and
- (B) a discretionary commission, in the Company's sole direction, of up to 0.3 per cent. of Gross Issue Proceeds raised in relation to the Issue and the Subsequent Placing under the Previous Share Issuance Programme.

In addition, all costs and expenses of the Issue (including the commissions set out above) up to 2 per cent. of the gross proceeds in respect of the 2015 Placing was payable out of the proceeds of the Issue. In the event the costs and expenses (including placing commissions) exceeded the 2 per cent. cap in respect of the 2015 Placing, Funding Circle UK and Funding Circle US would have had to, on a joint and several basis, reimburse Numis for such additional costs and expenses in respect of the Issue above the cap.

The obligations of Goldman Sachs and Numis only become effective upon the execution and delivery by the Company, Goldman Sachs and the relevant bookrunner of the relevant Purchase Agreement and was subject to certain conditions that are typical for an agreement of this nature, including amongst others, for the 2015 Placing and (in respect of the Ordinary Shares to be issued pursuant to the 2015 Placing and Previous Offer) having occurred by not later than 8.00 a.m. on 30 November 2015 (or such later time and/or date as Goldman Sachs may agree with the Company).

The Company, the Directors, Funding Circle UK and Funding Circle US gave certain customary representations and warranties, and the Company, Funding Circle UK and Funding Circle US gave certain customary indemnities, to Goldman Sachs and Numis (and to any bookrunner appointed in respect of a Previous Subsequent Placing) in the Previous Placing Agreement.

7.2 UK Origination Agreement

Under an agreement dated 12 November 2015 between the UK IrishCo, Funding Circle UK and the Company, Funding Circle UK has been appointed to allocate to the UK IrishCo (on a randomised basis) a portion of the Credit Assets approved by Funding Circle UK for listing on the UK Marketplace. The UK IrishCo has agreed to fund certain of such Allocated Assets by making advances of credit to the relevant borrower(s) to the extent that such Allocated Assets comply with the Investment Policy and any Portfolio Limits, and that the UK IrishCo has sufficient Available Cash.

During the term of the UK Origination Agreement, Funding Circle UK shall originate Credit Assets through the UK Marketplace in a manner consistent with the lending policy (as described in the UK Origination Agreement), and shall then allocate a portion of such Credit Assets to the UK IrishCo.

Funding Circle UK may supplement or amend its lending policy (as described in the UK Origination Agreement) from time to time, in its sole discretion, provided that Funding Circle UK shall, as soon as reasonably practicable, notify the other parties to the UK Origination Agreement of any such supplement or amendment.

Funding Circle UK may amend its UK Terms and Conditions for Investors and its UK Standard Asset Documentation in its absolute discretion, provided that:

- (A) no such amendment shall be effective, as between Funding Circle UK and the UK IrishCo, to the extent it conflicts with any provision of the UK Origination Agreement (including, for the avoidance of doubt the Terms and Conditions for Investors) or this

Prospectus unless (i) such amendment has been approved as a variation to the UK Origination Agreement in accordance with its terms; or (ii) to the extent that Funding Circle UK determines (acting reasonably) that such amendment is necessary (a) to preserve the enforceability of any such UK Standard Asset Documentation; or (b) to facilitate or ensure compliance with, or prevent any violation of, any applicable law; or (iii) to preserve the transferability, registration or tax treatment of any Credit Asset; and

- (B) Funding Circle UK shall promptly notify the other parties to the UK Origination Agreement of any such supplement or amendment, to the extent it wishes to apply such amendment to the transactions envisaged in the UK Origination Agreement.

Subject to the foregoing, no variation of the UK Origination Agreement shall be effective unless it is in writing and signed by (or by some person duly authorised by) all the parties to the UK Origination Agreement.

No fees are payable to Funding Circle UK by the Company or the UK IrishCo pursuant to the UK Origination Agreement. However, pursuant to its terms and conditions for borrowers, Funding Circle UK is entitled to receive from each borrower certain fees and charges. In particular, fees charged in relation to running the Funding Circle website and administering the loan under the standard Funding Circle Terms and Conditions are also included in the rate of interest and the total charge for credit.

Other fees or charges may be charged to borrowers in respect of outstanding sums or other defaults. the UK IrishCo has agreed to make advances of credit in respect of each Allocated Asset:

- (A) the funding of which, if undertaken by the UK IrishCo, will not result in the Company breaching the Investment Policy or any Portfolio Limits; and
- (B) to the extent that the UK IrishCo has, at the relevant time, Available Cash (as defined for the purpose of the UK IrishCo Note) sufficient to satisfy the advance of credit required in full,

each such Allocated Asset being a “UK Qualifying Asset”.

On each date upon which an Advance is due to be made by the UK IrishCo in accordance with the loan agreement for the relevant UK Qualifying Asset, the UK IrishCo shall pay the Advances in respect of each UK Qualifying Asset to Funding Circle UK for application by Funding Circle UK (on the UK IrishCo’s behalf) in accordance with the loan agreement for the relevant UK Qualifying Asset.

Funding Circle UK shall perform its services under the UK Origination Agreement with at least the standard of care reasonably to be expected of a reasonably prudent operator of a peer-to-peer lending platform facilitating loans similar to the Credit Assets in the portfolio (as specified in the UK Origination Agreement) or, where it is a higher standard, with the equivalent care that Funding Circle UK would exercise in respect of similar services for a similar client in respect of Credit Assets originated on the UK Marketplace.

Funding Circle UK shall provide its services under the UK Origination Agreement and the Credit Assets shall be originated in all material respects in accordance with all then-current applicable laws and mandatory regulations of binding effect.

Subject to Funding Circle UK having complied in all material respects with its duties and obligations under the UK Origination Agreement, if at any time the UK IrishCo fails to fund any Advance which it is obliged to make on the relevant Advance Date, and such failure continues unremedied for at least five (5) Business Days (as defined for the purposes of the UK Origination Agreement, and all references to Business Days in this paragraph 7.2 are as so defined) following the date on which written notice of such failure was given to the UK IrishCo by Funding Circle UK (a “Payment Default”), Funding Circle UK may in its sole discretion charge the UK IrishCo on the relevant unpaid amount at the rate of the UK Reference Rate plus four percent (4.0 per cent.), calculated from such due date to the date on which payment of the outstanding balance is made, provided that, following a Payment Default, Funding Circle UK must give the UK IrishCo prior written notice of its intention to apply such charges.

Each of the parties to the UK Origination Agreement acknowledges the interest of the Company, as the sole holder of the UK IrishCo Note, in the proper performance by each of Funding Circle UK and the UK IrishCo of their respective obligations thereunder. Accordingly, each of Funding Circle UK and the UK IrishCo (for themselves) undertakes to the Company that it shall:

- (A) observe and perform, and comply with each of its obligations set out in the UK Origination Agreement; and
- (B) exercise all proper care, skill and diligence in performing such obligations.

The parties to the UK Origination Agreement have given certain customary warranties under that agreement. In addition:

- (A) the UK IrishCo warrants to Funding Circle UK and the Company that it shall at all time and in all respects comply with the applicable Terms and Conditions for Investors; and
- (B) Funding Circle gives the following warranties (the “Warranties”):
 - (1) Each UK Qualifying Asset will be made on the terms of the Funding Circle UK Standard Asset Documentation in all material respects;
 - (2) Each UK Qualifying Asset satisfies the Investment Policy and any Portfolio Limits as at the time of entry by the UK IrishCo into a legally binding commitment to fund that UK Qualifying Asset;
 - (3) The origination of each UK Qualifying Asset was in all material respects in compliance with the lending policy (as described in the UK Origination Agreement); and
 - (4) The relevant borrower is, to the best of Funding Circle UK’s knowledge having made reasonable enquiries, not a natural person within Ireland.

If a breach of Warranty occurs (an “Affected Asset Event”) in relation to a particular UK Qualifying Asset (an “Affected Asset”) then the UK IrishCo shall, as soon as reasonably practicable after becoming aware of the same (and in any event within 30 calendar days of so becoming aware), give notice in writing thereof to Funding Circle UK requesting Funding Circle UK purchase (or procure that an Affiliate purchase) such UK Qualifying Asset for a purchase price equal to the breach of warranty repurchase price (as set out in the UK Origination Agreement) (the “Affected Asset Remedy”).

If Funding Circle UK decides (in its sole discretion) to effect the purchase of the UK Qualifying Asset (and so implement the Affected Asset Remedy), it shall exercise and discharge the Affected Asset Remedy as described above on the date falling not later than 30 Business Days following the date on which notice was given in accordance with the paragraph above.

The exercise and discharge by Funding Circle UK of an Affected Asset Remedy shall constitute a full discharge and release of Funding Circle UK from all claims which the UK IrishCo and/or the Company may have against Funding Circle UK in respect of that Affected Asset arising from the occurrence of the related Affected Asset Event but shall not affect its rights arising from the occurrence of an Affected Asset Event in relation to any other Allocated Asset. Funding Circle UK shall not be required to repurchase any UK Qualifying Asset due to the lack of performance, decline in value or as a result of the insolvency, credit loss, fraud or general inability or unwillingness to pay off or by the borrower or any guarantor of a borrower.

The UK IrishCo acknowledges to and agrees with Funding Circle UK that:

- (A) if the Affected Asset Remedy is exercised by Funding Circle UK in its sole discretion, the UK IrishCo shall have no further claim for damages or other remedy against Funding Circle UK;
- (B) Funding Circle UK shall not have any liability or responsibility (whether contractual, tortious or otherwise, express or implied) for or in respect of any loss or damage suffered by the UK IrishCo resulting from or arising out of any breach by any borrower of any of the obligations in respect of any UK Qualifying Asset unless (and to the extent) such matter constitutes a breach of Warranty; and
- (C) other than a purchase of an Affected Asset following a breach of Warranty as described above, where Funding Circle UK decides to do so in its sole discretion, Funding Circle UK is under no obligation to purchase any UK Qualifying Asset from the UK IrishCo.

The UK Origination Agreement will continue in full force and effect until terminated (automatically and without further action by any party) on the first to occur of:

- (A) the expiry of one year's written notice from one party to the others, such notice not to be given before the fifth anniversary of the IPO; and
- (B) termination for a Basic Termination Event (as defined below).

On the occurrence (and subject to the continuance) of a Basic Termination Event referred to in (A) to (F) below, in respect of either Funding Circle UK or the UK IrishCo, the other one of them may terminate the UK Origination Agreement by giving ten days' written notice to all the other parties thereto. Notwithstanding the foregoing, on the occurrence of the Basic Termination Event referred to in (E) and (F) below, only Funding Circle UK shall be entitled to terminate the UK Origination Agreement with immediate effect.

The occurrence at any time with respect to either Funding Circle UK or the UK IrishCo of the following events constitutes a "Basic Termination Event" with respect to such party:

- (A) Failure by such party to comply with or perform any material agreement or obligation to be complied with or performed by such party in accordance with the UK Origination Agreement (including the Terms and Conditions for Investors, so far as applicable as between the UK IrishCo and Funding Circle UK) and such failure (if remediable) is not remedied on or before the thirtieth day after written notice of such failure is given to such party.
- (B) The party suffers an insolvency event (as described in the UK Origination Agreement).
- (C) Due to the adoption of, or any change in, any applicable law after the date hereof, consequent to which it becomes unlawful for such party to perform its obligations (contingent or otherwise) under the UK Origination Agreement and that party cannot reasonably amend or alter the manner in which it performs (or procures the performance of) its obligations such that they are lawful.
- (D) Any change in circumstances of any party to the UK Origination Agreement which has a material adverse effect on its ability to carry out its obligations under that agreement; or an event occurs or circumstances are discovered such that the continued performance by the relevant party of its obligations under the UK Origination Agreement would materially prejudice the business seeking to terminate the UK Origination Agreement provided that, in each case, the party seeking to terminate shall act in good faith and consult with the other party to seek to rectify any such material adverse effect or material prejudice prior to exercising any right of termination under this paragraph (D).
- (E) The Services Agreement is terminated by Funding Circle UK for any reason.
- (F) Funding Circle UK determines, in its sole discretion, that its continued provision of services under the UK Origination Agreement would, or would be reasonably likely to, constitute a breach by it of any applicable law or regulation or any other governmental or regulatory authority of competent jurisdiction considers it may be the AIFM of the Company or the UK IrishCo.

Except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law, no claim shall be made against Funding Circle UK or its Affiliates or any of their respective directors, officers, shareholders, partners, members, agents or employees (each an "Indemnified Person") in respect of, nor shall any such person be liable for, any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof), provided always that any legal fees, expenses and disbursements must be reasonably incurred and duly documented before such legal fees, expenses and disbursements can constitute (together, "Liabilities") for:

- (A) the acts or omissions of any person retained or employed by the Company or the UK IrishCo, including any person through whom transactions in investments are effected for the account of the Company or the UK IrishCo, or any other party having custody, possession or control of any investments from time to time, or any clearance or settlement system;

- (B) any (i) special, indirect or consequential loss or damage, which term shall include without limitation, consequential or indirect economic losses; (ii) lost turnover; (iii) loss of profits or business, in each case arising out of or in connection with the performance or non-performance of its duties and obligations, or the exercise of its powers, under the UK Origination Agreement; or
- (C) any failure to fulfil or delay in fulfilling its duties thereunder or for the loss of, or damage to, any documents in its possession or under its control if such failure, loss or damage is caused directly or indirectly by act of God, war, enemy action, the act of any government or other competent authority, riot, civil commotion, terrorism, rebellion, storm, tempest, accident, fire, explosion, strike, lock-out, market conditions affecting the execution or settlement of transactions or the value of assets, any failure or breakdown in communications not within the control of the party affected by it, the failure of any exchange or clearing house or any other cause, whether similar or not, beyond its control.

Except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law, in no circumstances will any of the directors, officers, shareholders, partners, members, agents or employees of Funding Circle UK or its Affiliates have any liability to the UK IrishCo, the Company or any other person. Furthermore, Funding Circle UK:

- (A) assumes no responsibility under the UK Origination Agreement other than to render the services in accordance with the terms of the UK Origination Agreement;
- (B) does not assume any fiduciary duty with regard to the UK IrishCo or the Company;
- (C) does not guarantee or otherwise assume any responsibility for the performance by any other party of their respective obligations under the UK Origination Agreement;
- (D) does not warrant or guarantee the performance or profitability of the UK IrishCo's (or the Company's) portfolio (or any part of it);
- (E) shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be properly executed or signed by the proper party or parties; and
- (F) shall not be liable for the acts or omissions of its agents or delegates who are not Affiliates of Funding Circle UK, provided that Funding Circle UK acts in good faith and with reasonable skill and care in the selection, use and monitoring thereof.

No Indemnified Person shall be liable for any Liabilities suffered by the Company or the UK IrishCo (or any Affiliate thereof) or any other person in connection with the performance or non-performance by Funding Circle UK of its obligations and duties thereunder in the absence of such Indemnified Person's fraud, gross negligence or wilful default, nor (except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law) shall any Indemnified Person be liable for any Liability unless:

- (A) the amount of such Liability arising from any one such claim exceeds £5,000; or
- (B) the aggregate amount of all Liability arising from any claims for which Indemnified Persons are liable under the UK Origination Agreement (disregarding this paragraph (B)) in any 12 month period exceeds £25,000.

The UK IrishCo shall indemnify and keep indemnified each Indemnified Person from and against any and all Liabilities which may be incurred by or asserted against any such Indemnified Person in connection with the exercise of Funding Circle UK's powers or the performance by Funding Circle UK of its obligations and duties thereunder, other than to the extent arising directly from such Indemnified Person's fraud, gross negligence or wilful default.

Nothing in the UK Origination Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company or the UK IrishCo which Funding Circle UK may have under any applicable law.

The UK Origination Agreement contains further provisions relating to liability and indemnification.

No recourse under any obligation, covenant (express or implied), or agreement (each an “obligation”) of the UK IrishCo contained in the UK Origination Agreement shall be had against any former, current or future shareholder, officer, agent, employee or director of the UK IrishCo (each, a “Connected Person”), by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the UK Origination Agreement and the UK IrishCo Note are corporate obligations of the UK IrishCo only and no personal liability shall attach to, or be incurred by, any Connected Person under, or by reason of, any obligation under the UK Origination Agreement, and that any and all personal liability for breach of the UK IrishCo’s obligation, either at law or by statute or constitution, by any Connected Person is waived by Funding Circle UK and the Company as a condition of, and in consideration for the execution of, the UK Origination Agreement save where a court has determined that a Connected Person has acted fraudulently, with gross negligence, with wilful default or otherwise in breach of such Connected Person’s duties under the Irish Companies Act 2014.

Each of Funding Circle UK and the Company undertakes to the UK IrishCo that it shall not, nor shall any party acting on its behalf, at any time institute, or join any person instituting, against the UK IrishCo, or any or all of its revenues and assets:

- (A) any insolvency event (as described in the UK Origination Agreement);
- (B) any petition for the appointment of a receiver, examiner, administrator, trustee, liquidator, sequestrator or similar officer of it; or
- (C) any ex parte proceedings,

save where a court determines that such proceedings or petition arises in connection with the fraud, gross negligence, wilful default or breach of duty under the Irish Companies Act 2014 of any Connected Person.

Each of Funding Circle UK and the Company further agrees and acknowledges that:

- (A) the obligations of the UK IrishCo arising under the UK Origination Agreement are limited recourse obligations of the UK IrishCo which are payable solely from the portfolio (as specified in the UK Origination Agreement) after payment of all senior obligations (as set out in the UK IrishCo Note Subscription Agreement), payments and claims which rank in priority to payments to the Company under the UK Origination Agreement;
- (B) it will have recourse in respect of any amount, claim or obligation due or owing to it by the UK IrishCo only to the extent of available funds pursuant to (A) above after all prior ranking claims have been satisfied and discharged in full; and
- (C) after the application of such funds, the UK IrishCo will not have any assets available for payment of its obligations under the UK Origination Agreement.

The UK Origination Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England.

7.3 US Origination Agreement

Under an agreement dated 12 November 2015 between the Company and Funding Circle US, Funding Circle US has agreed to allocate to the Company (on a randomised basis) a portion of the Credit Assets approved by Funding Circle US for listing on the US Marketplace.

During the term of the US Origination Agreement, Funding Circle US shall originate Credit Assets through the US Marketplace in a manner consistent with the lending policy (as described in the US Origination Agreement) (the “US Lending Policy”) and shall then allocate a portion of such Credit Assets to the Company as described in this Prospectus and set out in the US Origination Agreement.

Funding Circle US may supplement or amend the US Lending Policy in its absolute discretion from time to time, provided that Funding Circle US shall, as soon as reasonably practicable, notify the Company of any such supplement or amendment.

No fees are payable to Funding Circle US by the Company pursuant to the US Origination Agreement. However, pursuant to the Asset Documentation for US Assets, Funding Circle US is entitled to receive from each borrower certain fees and charges. In particular, fees charged for completion, finance arrangement, sales and servicing fees are also included in the rate of interest and the total charge for credit.

Other fees or charges may be charged to borrowers in respect of outstanding sums or other defaults.

Funding Circle US may amend the US Standard Asset Documentation in its absolute discretion, provided that:

- (A) no such amendment shall be effective, as between the parties to the US Origination Agreement, to the extent it conflicts with any provision of the US Origination Agreement or this Prospectus unless
 - (1) such amendment has been approved as a variation to the US Origination Agreement in accordance with its terms; or (ii) to the extent that Funding Circle US determines (acting reasonably) that such amendment is necessary (a) to preserve the enforceability of any such US Standard Asset Documentation; or (b) to facilitate or ensure compliance with, or prevent any violation of, any Applicable Law; or (iii) to preserve the transferability, registration or tax treatment of any Credit Asset; and
- (B) Funding Circle US shall promptly notify the other parties to the US Origination Agreement of any such supplement or amendment, to the extent it wishes to apply such amendment to the transactions envisaged in the US Origination Agreement.

Subject to the foregoing, no variation of the US Origination Agreement shall be effective unless it is in writing and signed by the Company and Funding Circle US.

The Company has agreed to purchase each of the Allocated Assets:

- (A) the funding of which, if undertaken by the Company, will not result in the Company breaching the Investment Policy or the Portfolio Limits;
- (B) to the extent that the Company has, at the relevant time, Available Cash sufficient to satisfy the advance of credit required in full; and
- (C) if the Allocated Asset has not suffered a Credit Event (meaning the default of a borrower under an Allocated Asset, any material change in value of the collateral securing an Allocated Asset, any violation of any covenants or other representations made by a borrower with respect to an Allocated Asset, a change in the credit rating of any borrower under an Allocated Asset, and any other material change in the ability of the borrower to make payments under an Allocated Asset),

each such Allocated Asset being a “US Qualifying Asset”.

From time to time on any day that is a business day, and all references to Business Days in this paragraph 7.3 are so defined), Funding Circle US will provide, or otherwise make available, to the Company a purchase notice (as set out in the US Origination Agreement) through the Funding Circle US API (as set out in the US Origination Agreement) or such other means as may be mutually agreed by the parties. Each purchase notice will identify one or more US Qualifying Assets to be sold under the US Origination Agreement and will specify an applicable asset purchase date (as specified in the US Origination Agreement).

The amount payable by the Company to Funding Circle US (the “Purchase Price”) for any US Qualifying Asset and the related rights (as set out in the US Origination Agreement) will equal the principal amount of such US Qualifying Asset on the date on which such US Qualifying Asset is purchased by the Company, plus accrued interest for such US Qualifying Asset from the later of the origination date of such US Qualifying Asset or the last date through which interest has been paid.

Subject to Funding Circle US having complied in all material respects with its duties and obligations under the US Origination Agreement, if at any time the Company fails to purchase any US Qualifying Asset which it is obliged to purchase on the applicable Asset Purchase Date and such failure continues unremedied for at least five Business Days following the date on which written notice of such failure was given to the Company by Funding Circle US (a “Payment Default”), Funding Circle US may in its sole discretion charge the Company on the relevant unpaid amount at the rate of the Wall Street Journal Prime Rate plus 4.0 per cent., calculated from such Asset Purchase Date to the date on which payment of the outstanding balance is made.

Funding Circle US shall perform its services under the US Origination Agreement with at least the standard of care reasonably to be expected of a reasonably prudent operator of a peer-to-peer lending platform facilitating loans similar to the Credit Assets in the portfolio (as

specified in the US Origination Agreement) or, where it is a higher standard, with the equivalent care that Funding Circle US would exercise in respect of similar services for a similar client in respect of Credit Assets originated on the US Marketplace.

Funding Circle US shall provide its services under the US Origination Agreement and the Credit Assets shall be originated in all material respects in accordance with all then-current Applicable Law and mandatory regulations of binding effect.

The parties to the US Origination Agreement give certain customary warranties under that agreement. In addition, Funding Circle US gives the following warranties to the Company:

- (A) The consummation of the transactions contemplated by the US Origination Agreement, the US Servicing Agreement and the UCC financing statements filed in connection with any of the foregoing, and other instruments, certificates, agreements, reports and documents to be executed and delivered under or in connection therewith, as any of the foregoing may be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with the US Origination Agreement (together, the “US Transaction Documents”) and the fulfilment of the terms of the US Origination Agreement will not result in or require the creation or imposition of any liens upon the US Qualifying Assets or the Related Rights pursuant to the terms of any such indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument, other than pursuant to the terms of the US Transaction Documents.
- (B) In the event that any sale under the US Origination Agreement is reconstrued as a secured financing, Funding Circle US is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of any sale thereunder, directly or indirectly, will be used for a purpose that violates, or would be inconsistent with, Regulations T, U and X promulgated by the Federal Reserve Board from time to time.
- (C) The Company or its Affiliate shall be the sole legal and beneficial owner of any US Qualifying Asset and the Related Rights sold thereunder on the applicable Asset Purchase Date, free and clear of all Liens or other rights or claims of any Person, other than, with respect to any Credit Asset purchased by the Company from Funding Circle US and the Related Rights, any Lien or other right or claim in favour of the Company pursuant to the US Transaction Documents (other than the Liens created under the US Transaction Documents in favour of the Company). Funding Circle US shall have no right, title or interest in any such US Qualifying Asset or the Related Rights after the applicable Asset Purchase Date except in connection with the US Servicing Agreement.
- (D) Funding Circle US is in compliance with the requirements of all applicable laws, a breach of any of which, individually or in the aggregate, has had, or could reasonably be expected to have, a material adverse effect on the US Qualifying Assets and the Related Rights on the applicable Asset Purchase Date.
- (E) Funding Circle US has obtained any licenses, permits, franchises or other governmental authorizations necessary to the origination and ownership of US Qualifying Assets and the Related Rights on the applicable Asset Purchase Date, the violation or failure to obtain which has had, or could reasonably be expected to have, a Material Adverse Effect on such US Qualifying Assets and the Related Rights.
- (F) Funding Circle US has complied with all licence requirements in each state in which it is required to be specifically registered or licensed as an originator or owner of US Qualifying Assets and the Related Rights, in which the failure to comply with such requirements could reasonably be expected to have a Material Adverse Effect on such US Qualifying Assets and the Related Rights.
- (G) There is no order, judgment, decree, injunction, stipulation or consent order of or with any governmental authority to which Funding Circle US is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the actual knowledge of Funding Circle US, threatened, before or by any court, regulatory body, administrative agency or other tribunal or governmental instrumentality, against Funding Circle US that, individually or in the aggregate, has had, or could reasonably be expected to have, a Material Adverse Effect on any US Qualifying Asset and the Related Rights as of the

applicable Asset Purchase Date; and there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the actual knowledge of Funding Circle US, threatened, before or by any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality asserting the invalidity of the US Origination Agreement or any other Transaction Document, or seeking to prevent the consummation of the transactions contemplated by US Origination Agreement or any other Transaction Document.

- (H) Funding Circle US is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.
- (I) As of the end of the preceding calendar quarter, there has been no material adverse change in Funding Circle US’s financial condition, business, operations or prospects, or ability to perform its obligations under any Transaction Document.
- (J) In the event that any sale under the US Origination Agreement is reconstrued as a secured financing, no proceeds of any sale thereunder shall be used by Funding Circle US to acquire any security in any transaction which is subject to clause 13 or 14 of the Securities Exchange Act of 1934, to acquire any equity security of a class which is registered pursuant to clause 14 of the Securities Exchange Act of 1934, or for any other purpose that violates Applicable Law, including Regulation T, U or X of the Federal Reserve Board.
- (K) Each sale of US Qualifying Assets and the Related Rights by Funding Circle US to the Company shall have been effected under, and in accordance with the terms of, the US Origination Agreement, including the payment by the Company of the applicable Purchase Price, and each such sale shall have been made for “reasonably equivalent value” and not for or on account of “antecedent debt” owed by the Company to Funding Circle US.
- (L) The asset file (as described in the US Origination Agreement) for each US Qualifying Asset is complete in all material respects as of the applicable Asset Purchase Date and includes all amendments, supplements and modifications delivered to Funding Circle US or entered into by Funding Circle US in respect thereof. All information about the obligor included in such asset file is, to the best of Funding Circle US’s knowledge after reasonable inquiry, true and accurate in all material respects as of the date of the Obligor’s application for such US Qualifying Asset.
- (M) Funding Circle US has filed all tax returns (federal, state and local) required to be filed relating to the US Qualifying Assets and the Related Rights.
- (N) Funding Circle US has paid or made adequate provision for the payment of all taxes, assessments and other governmental charges (except for taxes, assessments or other governmental charges that are being contested in good faith by Funding Circle US through appropriate proceedings and with respect to which adequate reserves have been maintained in accordance with GAAP) relating to such US Qualifying Assets and the Related Rights.
- (O) Funding Circle US has accounted for each sale of such US Qualifying Assets and the Related Rights thereunder in its books and financial statements as sales, consistent with GAAP.
- (P) Each US Qualifying Asset sold thereunder will have been originated in the ordinary course of business of Funding Circle US and was not and will not be subject to any adverse selection, which could reasonably be expected to be materially unfavourable to the Company.

If at any time Funding Circle US or the Company discovers that any of the representations and warranties of Funding Circle US, given in connection with a US Qualifying Asset and the Related Rights as of the applicable Asset Purchase Date, was breached (and in the case of representations and warranties not already qualified by materiality, where such breach has a Material Adverse Effect on such US Qualifying Asset or the Related Rights), then the party discovering such deficiency or breach shall give prompt written notice to the other party (which notice shall be given no later than three Business Days after such discovery). Within 30 calendar days of such notice, the Company may give notice to Funding Circle US requesting Funding Circle US purchase (or procure that an Affiliate purchase) such US Qualifying Asset from the Company at the applicable repurchase amount (as set out in the US Origination Agreement).

The US Origination Agreement will terminate (automatically and without further action by any party) on the first to occur of the expiry of one year's written notice from one party to the other party, such notice not to be given before the fifth anniversary of the IPO on the occurrence of a Basic Termination Event (as defined below).

On the occurrence (and subject to the continuance) of a Basic Termination Event referred to in 1.1(A) to 1.1(D) below in respect of a party to the US Origination Agreement, the other party may terminate that agreement by giving ten days' written notice to the other. On the occurrence of the Basic Termination Event referred to in (E) and (F) below, only Funding Circle US shall be entitled to terminate the US Origination Agreement with immediate effect.

The occurrence at any time with respect to a party to the US Origination Agreement of any of the following events constitutes a "*Basic Termination Event*" with respect to such party:

- (A) Failure by such party to comply with or perform any material agreement or obligation to be complied with or performed by such party in accordance with the US Origination Agreement and such failure (if remediable) is not remedied on or before the thirtieth day after written notice of such failure is given to such party.
- (B) The party suffers one of several insolvency events set out in the US Origination Agreement.
- (C) Due to the adoption of, or any change in, any Applicable Law after the date of the US Origination Agreement, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after the date hereof, it becomes unlawful for such party to perform any obligation (contingent or otherwise) which such party has under the US Origination Agreement and that party cannot reasonably amend or alter the manner in which it performs (or procures the performance of) its obligations such that they are lawful.
- (D) Any change in circumstances of any party which has a materially adverse effect on its ability to carry out its obligations under the US Origination Agreement; or an event occurs or circumstances are discovered such that the continued performance by the relevant party of its obligations under the US Origination Agreement would materially prejudice the business seeking to terminate the US Origination Agreement.
- (E) The Services Agreement is terminated by Funding Circle UK for any reason.
- (F) Funding Circle US determines, in its sole discretion, that its continued provision of services under the US Origination Agreement would, or would be reasonably likely to, constitute a breach by it of Applicable Law or any Governmental Authority considers Funding Circle US may be the AIFM of the Company.

Except for liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle US may have under any Applicable Law, no claim shall be made against Funding Circle US or its Affiliates or any of their respective directors, officers, shareholders, partners, members, agents or employees (each an "Indemnified Person") in respect of, nor shall any such person have any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof) ("Liabilities") for:

- (A) the acts or omissions of any person retained or employed by the Company, including any person through whom transactions in Investments are effected for the account of the Company, or any other party having custody, possession or control of any investments from time to time, or any clearance or settlement system;
- (B) any (i) special, indirect or consequential loss or damage, which term shall include without limitation, consequential or indirect economic losses; (ii) lost turnover; (iii) loss of profits or business, in each case arising out of or in connection with the performance or non-performance of its duties and obligations, or the exercise of its powers, under the US Origination Agreement; and

- (C) any failure to fulfil or delay in fulfilling its duties thereunder or for the loss of, or damage to, any documents in its possession or under its control if such failure, loss or damage is caused directly or indirectly by act of God, war, enemy action, the act of any government or other competent authority, riot, civil commotion, terrorism, rebellion, storm, tempest, accident, fire, explosion, strike, lock-out, market conditions affecting the execution or settlement of transactions or the value of assets, any failure or breakdown in communications not within the control of the party affected by it, the failure of any exchange or clearing house or any other cause, whether similar or not, beyond its control.

Except for any liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle US may have under any applicable law, in no circumstances will any of the directors, officers, shareholders, partners, members, agents or employees of Funding Circle US or its Affiliates have any liability to the Company or any other person. Furthermore, Funding Circle US:

- (A) assumes no responsibility under the US Origination Agreement other than to render the services in accordance with the terms of the US Origination Agreement;
- (B) does not assume any fiduciary duty with regard to the Company;
- (C) does not guarantee or otherwise assume any responsibility for the performance by any other party of their respective obligations under the US Origination Agreement;
- (D) does not warrant or guarantee the performance or profitability of the Company's portfolio (or any part of it);
- (E) shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be properly executed or signed by the proper party or parties; and
- (F) Funding Circle US shall not be liable for the acts or omissions of its agents or delegates who are not Affiliates of Funding Circle US, provided that Funding Circle US acts in good faith and with reasonable skill and care in the selection, use and monitoring thereof.

No Indemnified Person shall be liable for any Liability suffered by the Company (or any Affiliate thereof) or any other person in connection with the performance or non-performance by Funding Circle US of its obligations and duties thereunder in the absence of such Indemnified Person's fraud, gross negligence or wilful default, nor (except for liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle US may have under any Applicable Law) shall any Indemnified Person be liable for any Liability unless:

- (A) the amount of such Liability arising from any one such claim exceeds \$5,000; or
- (B) the aggregate amount of all Liability arising from any claims for which Indemnified Persons are liable under the US Origination Agreement (disregarding this paragraph (B)) arising in any 12 month period exceeds \$25,000.

The Company shall indemnify and keep indemnified each Indemnified Person from and against any and all Liabilities which may be incurred by or asserted against any such Indemnified Person in connection with the exercise of Funding Circle US's powers or the performance by Funding Circle US of its obligations and duties thereunder, other than to the extent arising directly from Funding Circle US's fraud, gross negligence or wilful misconduct.

Nothing in the US Origination Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company which Funding Circle US may have under any applicable law.

The US Origination Agreement contains certain further provisions relating to liability and indemnification.

The US Origination Agreement and any claim, controversy or dispute arising under or related to or in connection with that agreement, the relationship of the parties thereto and/or the interpretation and enforcement of the rights and duties of the parties will be governed by the laws of the State of New York without regard to any conflicts of law principles other than Section 5-1401 of the New York General Obligations Law.

Funding Circle US agrees to pay all of its costs and expenses associated with the origination of US Qualifying Assets. Each party to the US Origination Agreement shall bear its own costs and expenses associated with the purchase and sale of such US Qualifying Assets. The breaching party shall bear all reasonable costs and expenses of the non-breaching party (including, without limitation, reasonable counsel fees and expenses actually incurred) in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of the US Origination Agreement and the documents to be delivered thereunder.

7.4 UK Servicing Agreement

Under an agreement dated 12 November 2015 between the UK IrishCo, Funding Circle UK and the Company, Funding Circle UK has been appointed to service, administer and collect payments relating to Credit Assets.

Subject to the terms of the UK Servicing Agreement, the UK IrishCo agrees to be bound by the Terms and Conditions for Investors, the Terms and Conditions for Borrowers, the Loan Conditions and the Terms and Conditions for API Users, in each case as set out in the Appendices to the UK Servicing Agreement (the “Platform Rules”) (other than the Terms and Conditions for Borrowers and those parts of the Terms and Conditions for Investors marked as not applicable in an appendix to the UK Servicing Agreement).

Funding Circle UK may amend the Platform Rules in its absolute discretion, provided that:

- (A) no such amendment shall be effective, as between Funding Circle UK and the UK IrishCo, to the extent it conflicts with any provision of the UK Servicing Agreement (including, for the avoidance of doubt the Terms and Conditions for Investors), the UK Origination Agreement or this Prospectus unless (i) such amendment has been approved as a variation to the UK Servicing Agreement in accordance with its terms; or (ii) to the extent that Funding Circle UK determines (acting reasonably) that such amendment is necessary (a) to preserve the enforceability of any such Platform Rules; or (b) to facilitate or ensure compliance with, or prevent any violation of, any applicable law; or (iii) to preserve the transferability, registration or tax treatment of any Credit Asset; and
- (B) Funding Circle UK shall promptly notify the other parties to the UK Servicing Agreement of any such supplement or amendment, to the extent it wishes to apply such amendment to the transactions envisaged in the UK Servicing Agreement.

Any variation, amendment or modification of the UK Servicing Agreement shall not be binding on the parties unless set out in writing, expressed to vary the UK Servicing Agreement, and is signed by authorised representatives of each of the parties to the UK Servicing Agreement.

Funding Circle UK shall conduct the Services with the due care to be expected by a reasonably prudent manager of loans similar to the Credit Assets in the Portfolio or, where it is a higher standard, with the equivalent care that it would exercise concerning other Credit Assets originated on the UK Marketplace.

Subject to certain conditions, Funding Circle UK may from time to time and without notice to the other parties to the UK Servicing Agreement subcontract or delegate the services to be provided under the UK Servicing Agreement (or any part thereof) to any other Person.

Pursuant to the UK Servicing Agreement, Funding Circle UK shall be entitled to receive the fees and expenses described in Part 2 of this Prospectus.

Funding Circle UK shall maintain in place arrangements with Link Financial Outsourcing Limited (or such alternative back-up servicer with the skill and experience to service the Portfolio as it may reasonably determine) to provide back-up servicing.

Funding Circle UK’s outsourced servicer would continue to collect the Servicing Fee. Funding Circle UK’s outsourced servicer may charge an additional special situation fee which will be included in the interest rate paid by the borrower. The total annual fees to cover the costs of running the website and administering the loans will not exceed 2 per cent. of the principal value of each loan part or whole loan outstanding.

If the borrower misses, fails to pay or only partially pays any monthly instalments, or if the borrower is otherwise in breach of any of the Loan Conditions, the loan may be placed into default and Funding Circle UK may engage field agents to attempt to collect the total loan amount outstanding. The field agents may deduct up to 40 per cent of the amount they recover

from the borrower and the remaining proceeds will be distributed to lenders; where reasonably possible this fee will be added on to the loan amount outstanding so as not to reduce the amount lenders receive.

Subject to the Terms and Conditions for API Users (as described in the UK Servicing Agreement), Funding Circle UK shall make available to the UK IrishCo and its duly appointed representatives information in respect of the Portfolio. Funding Circle intends to keep the API free of charge. However, Funding Circle may charge for the API and related service at any in the future, but any such charges shall not be retrospective and shall require the prior approval of the Company and the UK IrishCo.

The parties to the UK Servicing Agreement give certain customary representations and warranties under that agreement as to, in summary, organization and good standing, due authorization, no violation, no consent and no litigation.

Each of the parties to the UK Servicing Agreement acknowledges the interest of the Company, as the sole holder of the UK IrishCo Note, in the proper performance by each of Funding Circle UK and the UK IrishCo of their respective obligations under the UK Servicing Agreement. Accordingly, each of Funding Circle UK and the UK IrishCo (for themselves) represents and warrants to the Company that it shall:

- (A) observe and perform, and comply with each of its obligations set out in the UK Servicing Agreement; and
- (B) exercise all proper care, skill and diligence in performing such obligations.

Funding Circle UK may not resign from the obligations and liabilities imposed on it pursuant to the terms of the UK Servicing Agreement or otherwise terminate the UK Servicing Agreement, provided that Funding Circle UK may, by written notice to each of the other parties resign and terminate the UK Servicing Agreement:

- (A) if Funding Circle UK reasonably determined that it is or is likely to become unlawful for Funding Circle UK to comply with its duties or obligations under the UK Servicing Agreement, or any regulatory authority of competent jurisdiction requires the UK Servicing Agreement to be terminated; or
- (B) where each of the UK IrishCo and the Company give their prior written consent, and (x) an Affiliate of Funding Circle UK has agreed to provide services equivalent to those described in the UK Servicing Agreement in place of Funding Circle UK, on substantially the terms and conditions thereof; and (y) such successor has agreed to execute documentation in form and substance reasonably satisfactory to the UK IrishCo and the Company to effect its assumption of the rights and duties of Funding Circle UK thereunder, provided that no such resignation will be effective until such successor has been appointed pursuant to the documentation referred to above.

The UK IrishCo may, at its option, terminate the UK Servicing Agreement by notice to the other parties if any of the following occur:

- (A) failure by Funding Circle UK to duly observe or perform, in any material respect, any covenant, obligation or agreement of Funding Circle UK as set forth in the UK Servicing Agreement which failure continues unremedied for a period of thirty days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to Funding Circle UK by the UK IrishCo; or
- (B) Funding Circle UK suffers any insolvency event (as described in the UK Servicing Agreement).

Notwithstanding the above, the UK Servicing Agreement shall terminate on the first to occur of:

- (A) the appointment of a back-up servicer in accordance with the Terms and Conditions for Investors;
- (B) the date on which the Credit Assets that have from time to time been funded by the UK IrishCo have been repaid and/or written off in full;
- (C) the termination of the Services Agreement by Funding Circle UK for any reason; and
- (D) any date the parties to the UK Servicing Agreement otherwise agree in writing.

Further, except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law, no claim shall be made against Funding Circle UK or its Affiliates or any of their respective directors, officers, shareholders, partners, members, agents or employees (each an “Indemnified Person”) in respect of, nor shall any such person have any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof) (“Liabilities”) for:

- (A) the acts or omissions of any person retained or employed by the Company or the UK IrishCo, including any person through whom transactions in investments are effected for the account of the Company or the UK IrishCo, or any other party having custody, possession or control of any investments from time to time, or any clearance or settlement system;
- (B) any (i) special, indirect or consequential loss or damage, which term shall include without limitation, consequential or indirect economic losses; (ii) lost turnover; (iii) loss of profits or business, in each case arising out of or in connection with the performance or non-performance of its duties and obligations, or the exercise of its powers, under the UK Servicing Agreement; or
- (C) any failure to fulfil or delay in fulfilling its duties thereunder or for the loss of, or damage to, any documents in its possession or under its control if such failure, loss or damage is caused directly or indirectly by act of God, war, enemy action, the act of any government or other competent authority, riot, civil commotion, terrorism, rebellion, storm, tempest, accident, fire, explosion, strike, lock-out, market conditions affecting the execution or settlement of transactions or the value of assets, any failure or breakdown in communications not within the control of the party affected by it, the failure of any exchange or clearing house or any other cause, whether similar or not, beyond its control.

Except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law, in no circumstances will any of the directors, officers, shareholders, partners, members, agents or employees of Funding Circle UK or its Affiliates have any liability to the UK IrishCo, the Company or any other person.

Furthermore, Funding Circle UK:

- (A) assumes no responsibility under the UK Servicing Agreement other than to render the services in accordance with the terms of the UK Servicing Agreement;
- (B) does not assume any fiduciary duty with regard to the UK IrishCo or the Company;
- (C) does not guarantee or otherwise assume any responsibility for the performance by any other party of their respective obligations under the UK Servicing Agreement;
- (D) does not warrant or guarantee the performance or profitability of the UK IrishCo’s (or the Company’s) portfolio (or any part of it);
- (E) shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be properly executed or signed by the proper party or parties; and
- (F) Funding Circle UK shall not be liable for the acts or omissions of its agents or delegates who are not Affiliates of Funding Circle UK, provided that Funding Circle UK acts in good faith and with reasonable skill and care in the selection, use and monitoring thereof.

No Indemnified Person shall be liable for any Liability suffered by the Company or the UK IrishCo (or any Affiliate thereof) or any other person in connection with the performance or non-performance by Funding Circle UK of its obligations and duties thereunder in the absence of such Indemnified Person’s fraud, gross negligence or wilful default, nor (except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law) shall any Indemnified Person be liable for any Liability unless:

- (A) the amount of such Liability arising from any one such claim exceeds £5,000; or

- (B) the maximum aggregate liability of Funding Circle UK and its Affiliates in respect of any and all claims of any kind arising out of, in connection with, or relating to the UK Servicing Agreement shall not exceed in any calendar year an aggregate amount equal to five times the aggregate fees received by Funding Circle UK pursuant to the UK Servicing Agreement over the preceding 12 month period, or, in respect of the period prior to the first anniversary of the UK Servicing Agreement, two times the aggregate fees received by Funding Circle UK pursuant to the UK Servicing Agreement prior to the point at which the relevant Liability arises.

The UK IrishCo shall indemnify and keep indemnified Funding Circle UK on its own behalf and on behalf of its Affiliates or any of their respective directors, officers, shareholders, partners, members, agents or employees from and against any and all Liabilities which may be incurred by or asserted against any such Indemnified Person in connection with the exercise of the Funding Circle UK's powers or the performance by Funding Circle UK of its obligations and duties hereunder, other than to the extent arising directly from such Indemnified Person's fraud, gross negligence or wilful default.

Nothing in the UK Servicing Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company or the UK IrishCo which Funding Circle UK may have under any applicable law.

The UK Servicing Agreement contains further provisions relating to liability and indemnification.

No recourse under any obligation, covenant (express or implied), or agreement (each an "obligation") of the UK IrishCo contained in the UK Servicing Agreement shall be had against any former, current or future shareholder, officer, agent, employee or director of the UK IrishCo (each, a "Connected Person"), by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the UK Servicing Agreement and the UK IrishCo Note are corporate obligations of the UK IrishCo only and no personal liability shall attach to, or be incurred by, any Connected Person under, or by reason of, any obligation under the UK Servicing Agreement, and that any and all personal liability for breach of the UK IrishCo's obligation, either at law or by statute or constitution, by any Connected Person is waived by Funding Circle UK and the Company as a condition of, and in consideration for the execution of, the UK Servicing Agreement save where a court has determined that a Connected Person has acted fraudulently, with gross negligence, with wilful misconduct or otherwise in breach of such Connected Person's duties under the Irish Companies Act 2014.

Each of Funding Circle UK and the Company undertake to the UK IrishCo that it shall not, nor shall any party acting on its behalf, at any time institute, or join any person instituting, against the UK IrishCo, or any or all of its revenues and assets:

- (A) any Insolvency Proceedings;
- (B) any petition for the appointment of a receiver, examiner, administrator, trustee, liquidator, sequestrator or similar officer of it; or
- (C) any ex parte proceedings,

save where a court determines that such proceedings or petition arises in connection with the fraud, gross negligence, wilful misconduct or breach of duty under the Irish Companies Act 2014 of any Connected Person.

Each of Funding Circle UK and the Company agree and acknowledge that:

- (A) the obligations of the UK IrishCo arising under the UK Servicing Agreement are limited recourse obligations of the UK IrishCo which are payable solely from the Portfolio after payment of all Senior Obligations, payments and claims which rank in priority to payments to the Company under the UK Servicing Agreement;
- (B) it will have recourse in respect of any amount, claim or obligation due or owing to it by the UK IrishCo (the "*Claims*") only to the extent of available funds pursuant to (A) above after all prior ranking claims have been satisfied and discharged in full; and
- (C) after the application of such funds, the UK IrishCo will not have any assets available for payment of its obligations under the UK Servicing Agreement.

The UK Servicing Agreement and non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the Laws of England and Wales.

7.5 US Servicing Agreement

Under an agreement dated 12 November 2015 between the Company and Funding Circle US, Funding Circle US has been appointed to various financial services, including loan collection and related management and customer services.

Funding Circle US may, at its discretion, cause a subservicer to perform any of its servicing responsibilities on its behalf, but the use by Funding Circle US of a subservicer will not release Funding Circle US from any of its obligations under the US Servicing Agreement and Funding Circle US will remain responsible thereunder for all acts and omissions of each subservicer as fully as if such acts and omissions were those of Funding Circle US. Funding Circle US will pay all fees and expenses of each subservicer from its own funds.

The US Servicing Agreement may be amended or any provision waived, but only in a written instrument signed by the party against whom such amendments or waiver is sought to be enforced.

Funding Circle US may amend the US standard Asset Documentation in its absolute discretion, provided that:

- (A) no such amendment shall be effective, as between the parties, to the extent it conflicts with any provision of the US Servicing Agreement, the US Origination Agreement or this Prospectus unless (i) such amendment has been approved as a variation to the US Servicing Agreement in accordance with its terms; or (ii) to the extent that Funding Circle US determines (acting reasonably) that such amendment is necessary (a) to preserve the enforceability of any such US Standard Asset Documentation; or (b) to facilitate or ensure compliance with, or prevent any violation of, any Applicable Law; or (iii) to preserve the transferability, registration or tax treatment of any Credit Asset; and
- (B) Funding Circle US shall promptly notify the other parties of any such supplement or amendment, to the extent it wishes to apply such amendment to the transactions envisaged in the US Servicing Agreement.

Except as described below, the US Servicing Agreement will continue in existence and effect until the earlier of (A) the final payment or other liquidation of the last Credit Asset subject to the US Servicing Agreement (a "Serviced Asset"); or (B) mutual consent in writing of the Company and Funding Circle US.

The Company at its option may terminate the US Servicing Agreement if any of the following occurs:

- (A) failure by Funding Circle US to duly observe or perform, in any material respect, any covenant, obligation or agreement of Funding Circle US as set forth in the US Servicing Agreement which failure continues unremedied for a period of thirty days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to Funding Circle US by the Company; or
- (B) upon the occurrence of one of several insolvency events set out in the US Servicing Agreement.

Funding Circle US at its option may terminate the US Servicing Agreement if (A) the Services Agreement is terminated by Funding Circle UK for any reason, (B) Funding Circle US reasonably determines that the performance of its duties thereunder, is or is likely to become, no longer permissible under applicable law, or (C) termination of the services provided by Funding Circle US under the US Servicing Agreement is expressly required by any United States federal, state, county, municipal or local governmental or regulatory authority, agency, board, body, commission, instrumentality, court, tribunal or quasi- governmental authority having jurisdiction over the parties to the US Servicing Agreement.

Funding Circle US will service and administer the Portfolio in accordance with applicable law and the specific terms of the Serviced Assets, with the same care, skill and diligence with which prudent institutional loan servicers service comparable loans, and with a view to the timely collection of all scheduled payments of principal and interest under such Serviced Assets or, if a

default under any such Serviced Asset occurs and continues and no satisfactory arrangements can be made for the collection of the delinquent payments, the maximization of the recovery of such Serviced Asset (as a collective whole) on a present value basis.

Pursuant to the US Servicing Agreement, Funding Circle US shall be entitled to receive the fees and expenses described in Part 6 of this Prospectus.

The parties to the US Servicing Agreement give certain customary representations and warranties under that agreement.

In no event will Funding Circle US be liable for any incidental, indirect, special, exemplary, punitive or consequential damages arising out of or resulting from the performance or breach of the US Servicing Agreement, or the use or services by the company, or any other party, even if Funding Circle US is aware of the possibility of such damages.

Except for liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle US may have under any applicable law, no claim shall be made against Funding Circle US or its Affiliates or any of their respective directors, officers, shareholders, partners, members, agents or employees (each an “Indemnified Person”) in respect of, nor shall any such person have any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof) (“Liabilities”) for:

- (A) the acts or omissions of any person retained or employed by the Company, including any person through whom transactions in Investments are effected for the account of the Company, or any other party having custody, possession or control of any investments from time to time, or any clearance or settlement system;
- (B) any (i) special, indirect or consequential loss or damage, which term shall include without limitation, consequential or indirect economic losses; (ii) lost turnover; (iii) loss of profits or business, in each case arising out of or in connection with the performance or non-performance of its duties and obligations, or the exercise of its powers, under the US Servicing Agreement;
- (C) any failure to fulfil or delay in fulfilling its duties thereunder or for the loss of, or damage to, any documents in its possession or under its control if such failure, loss or damage is caused directly or indirectly by act of God, war, enemy action, the act of any government or other competent authority, riot, civil commotion, terrorism, rebellion, storm, tempest, accident, fire, explosion, strike, lock-out, market conditions affecting the execution or settlement of transactions or the value of assets, any failure or breakdown in communications not within the control of the party affected by it, the failure of any exchange or clearing house or any other cause, whether similar or not, beyond its control.

Except for any liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle US may have under any applicable law, in no circumstances will any of the directors, officers, shareholders, partners, members, agents or employees of Funding Circle US or its Affiliates have any liability to the Company or any other person.

Furthermore, Funding Circle US:

- (A) assumes no responsibility under the US Servicing Agreement other than to render the services in accordance with the terms of the US Servicing Agreement;
- (B) does not assume any fiduciary duty with regard to the Company;
- (C) does not guarantee or otherwise assume any responsibility for the performance by any other party of their respective obligations under the US Servicing Agreement;
- (D) does not warrant or guarantee the performance or profitability of the Company’s portfolio (or any part of it);
- (E) shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be properly executed or signed by the Company or its authorised representatives; and

- (F) shall not be liable for the acts or omissions of its agents or delegates who are not Affiliates of Funding Circle US, provided that Funding Circle US acts in good faith and with reasonable skill and care in the selection, use and monitoring thereof.

Notwithstanding any provision therein that may be to the contrary, (except that nothing in the US Servicing Agreement shall exclude or restrict any liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle US may have under any applicable law) Funding Circle US will not be liable to the Company or any other Person for any liabilities incurred by the Company or any other Person unless the amount of liability incurred by the Company arising from that particular circumstance exceeds \$5,000.

Except for any liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle US may have under any applicable law, the maximum aggregate liability of Funding Circle US and its Affiliates in respect of any and all liabilities of any kind arising out of, in connection with, or relating to the US Servicing Agreement, shall not exceed in any calendar year an aggregate amount equal to five times the aggregate fees received by Funding Circle US pursuant to the US Servicing Agreement over the preceding twelve-month period or, in respect of the period prior to the first anniversary of this US Servicing Agreement, two times the aggregate fees received by Funding Circle US pursuant to the US Servicing Agreement prior to the point at which the relevant liability arises.

The Company shall indemnify and keep indemnified each Indemnified Person from and against any and all Liabilities which may be incurred by or asserted against any such Indemnified Person in connection with the exercise of Funding Circle US's powers or the performance by Funding Circle US of its obligations and duties thereunder, other than to the extent arising directly from Funding Circle US's fraud, gross negligence or wilful misconduct.

Nothing in the US Servicing Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company which Funding Circle US may have under any applicable law.

The US Servicing Agreement contains certain further provisions relating to liability and indemnification.

The US Servicing Agreement and any claim, controversy or dispute arising under or related to or in connection with the US Servicing Agreement, the relationship of the parties and/or the interpretation and enforcement of the rights and duties of the parties will be governed by the laws of the State of New York without regard to any conflicts of law principles other than section 5-1401 of the New York General Obligations Law.

7.6 Services Agreement

Under an agreement dated 12 November 2015, as amended on 11 March 2016 between the Company and Funding Circle UK, Funding Circle UK has been appointed to provide the following services:

- (A) preparation of material for inclusion in the quarterly or other reports of the Company (as specified in this Prospectus and otherwise as the Board may reasonably require in respect of the Services (as defined below));
- (B) keeping (or causing to be kept) such books, records and statements as shall be necessary to give a complete record of matters material to the Services, which the Company, and persons authorised in writing by the Company shall be entitled to inspect at all reasonable times;
- (C) negotiation and implementation of all borrowing (which may be arranged in the discretion of Funding Circle UK, save where the specific further approval of the Board shall be required, as described in this Prospectus) or lending or debt financing arrangements;
- (D) effecting repayments and drawdowns on behalf of the Company pursuant to any loan agreement entered into by the Company, including (but not limited to) acting as agent of the Company pursuant to the terms of any loan facility from time to time;
- (E) providing directed or specific research in respect of a specified sector, market or region;
- (F) making recommendations as to the procurement of professional advice affecting the Company (and for the avoidance of doubt, the parties acknowledge that Funding Circle UK is not itself competent to advise on, nor shall be responsible for advice in relation to:

- (a) legal and tax matters affecting the Company; and (b) matters which require specific regulatory permissions or authorisations, and that such advice will be the responsibility of other professional advisers);
- (G) assisting in the appointment of, and subsequently assisting with monitoring the performance of such lawyers, accountants, administrators and other professional advisers or other third-party service providers as may be required to be engaged by the Company from time to time;
- (H) providing to any lawyers, accountants, administrators and other professional advisers or other third-party service providers appointed by the Company, at the direction of the Company, information which could otherwise be provided to the Company;
- (I) providing, where and to the extent reasonably requested by the Company, assistance to the Company and to the auditors of the Company in connection with the preparation of the interim and year end accounts of the Company;
- (J) providing assistance and support in the areas of marketing and public relation;
- (K) determining (and promptly communicating to Funding Circle US or any other Affiliate of Funding Circle operating the relevant Marketplaces) the Allocation Limits (including, for the avoidance of doubt, the EU Base Allocation) in each case in a manner consistent with, and subject to the parameters, set out in this Prospectus;
- (L) agreeing the scope, nature, form and frequency of the provision of Portfolio Data, and providing all such Portfolio Data;
- (M) determining, by agreement with the Company from time, any steps to be taken regarding the proper management of the Company's portfolio of Credit Assets, including the possible implementation, modification or removal of any Portfolio Limits in each case (i) having regard to that Portfolio Data and the operational and technical feasibility of such step; and (ii) to the extent affecting any IrishCo, consulting with the relevant IrishCo Board, and facilitating consultation between the Board and the relevant IrishCo Board, as required;
- (N) determining amounts to be reapplied by any IrishCo in the funding of Qualifying Assets, and the amount to be reserved, in respect of such re-application, as set out in and contemplated by any Origination Agreement, the UK IrishCo Note Subscription Agreement, the CE Note Subscription Agreement, the UK IrishCo Note and the CE IrishCo Note and any other determination of a similar nature in respect of any other similar instrument or agreement established or entered into with any entity in respect of the funding of Credit Assets;
- (O) providing to the Company, upon reasonable request, any information relating to the services provided thereunder requested by (or on behalf of) the Company, including that which is necessary to facilitate the Company's compliance with any applicable Listing Rules;
- (P) consulting with the Company in respect of the determination of the amount of Available Cash available from time to time and its deployment;
- (Q) consulting with the Company in respect of, and consenting to any change in the maximum principal amount (as described in the UK IrishCo Note Subscription Agreement and the CE Note Subscription Agreement) of the UK IrishCo Note and the CE IrishCo Note, the creation and issues of further notes, pursuant to the UK IrishCo Note Subscription Agreement and the CE Note Subscription Agreement and the Terms and Conditions of the UK IrishCo Note and the CE IrishCo Note;
- (R) communicating to Funding Circle US, or any other Affiliate of Funding Circle operating any Marketplace, all matters determined pursuant to the Services Agreement, including any steps agreed or Portfolio Limits set, pursuant to (M) above;
- (S) (subject always, for the avoidance of doubt, to applicable laws and mandatory regulations) assisting the Company (or, at the Company's and the UK IrishCo's request, the UK IrishCo) with commercial hedging arrangements; and
- (T) providing such other services similar to the above as Funding Circle UK and the Company may agree, (the "Services").

The Services Agreement also includes a trademark licence in favour of the Company.

In the course of performing the Services Funding Circle UK shall not be obliged to, and shall not, perform any service or undertake any activity which would, or would be reasonably likely to in the opinion of Funding Circle UK, contravene the general prohibition in section 19 FSMA, the prohibition on carrying on, or holding out as carrying on, any controlled investment business under the POI Law, the Rules, or any other law or regulation binding upon Funding Circle UK.

The duties and powers of Funding Circle UK as specified in the Services Agreement shall at all times be discharged and exercised in accordance with this Prospectus and the FPPP Memorandum (such that, for the avoidance of doubt, to the extent that any of Funding Circle UK's duties or modes of operation in respect of the provision of the Services are specified in greater detail in this Prospectus or the FPPP Memorandum, Funding Circle UK shall comply with such detailed provisions as if set out in the Services Agreement). Notwithstanding the foregoing, if this Prospectus or the FPPP Memorandum is amended after the effective date of this Agreement without the written consent of Funding Circle UK, then Funding Circle UK shall not be obliged to provide its services hereunder in accordance with such amended document, and for all of the purposes of the Services Agreement, this Prospectus and the FPPP Memorandum shall remain unamended.

Funding Circle UK may at any time during the term of the Services Agreement delegate any of its functions, powers and duties under the Services Agreement to any of its Affiliates. In connection with any such delegation, Funding Circle UK may provide information about the Company to any delegate. Except to the extent otherwise agreed with the Company, Funding Circle UK shall be responsible for the costs of any such delegation including, without limitation, any fees and expenses of the delegate.

Each party to the Services Agreement gives certain customary representations and warranties.

The Company shall pay to Funding Circle UK by way of remuneration for the provision of services under the Services Agreement a fee calculated at an annual rate of 0.1 per cent. of NAV. Funding Circle UK shall also be entitled to receive expenses as also specified in that agreement. Such fee shall begin to accrue from date on which the Company has made Advances in respect of Credit Assets in an amount equal to 80 per cent. of the Gross Issue Proceeds.

Where Funding Circle UK determines, acting reasonably, that any cost, fee or expense paid or incurred by it has been paid or incurred on behalf of or for the benefit of the Company, and Funding Circle UK further so determines that such cost, fee or expense is other than an ordinary overhead operating expense of Funding Circle UK in respect of its business in the ordinary course (save for business envisaged under or in connection with the Services Agreement), then Funding Circle UK shall be entitled to reimbursement of any such cost, fee or expense in full. For the avoidance of doubt, travel expenses incurred by Funding Circle UK in attending board meetings of the Company shall be eligible for reimbursement by the Company under the Services Agreement.

Except for liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law, no claim shall be made against Funding Circle UK or its Affiliates or any of their respective directors, officers, shareholders, partners, members, agents or employees (each an "Indemnified Person") in respect of, nor shall any such person be liable for any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof) ("Liabilities") for:

- (A) the acts or omissions of any person retained or employed by the Company, including any person through whom transactions in Investments are effected for the account of the Company, or any other party having custody, possession or control of any investments from time to time, or any clearance or settlement system;

- (B) any (i) special, indirect or consequential loss or damage, which term shall include without limitation, consequential or indirect economic losses; (ii) lost turnover; (iii) loss of profits or business, in each case arising out of or in connection with the performance or non-performance of its duties and obligations, or the exercise of its powers, under this Agreement; or
- (C) any failure to fulfil or delay in fulfilling its duties thereunder or for the loss of, or damage to, any documents in its possession or under its control if such failure, loss or damage is caused directly or indirectly by act of God, war, enemy action, the act of any government or other competent authority, riot, civil commotion, terrorism, rebellion, storm, tempest, accident, fire, explosion, strike, lock-out, market conditions affecting the execution or settlement of transactions or the value of assets, any failure or breakdown in communications not within the control of the party affected by it, the failure of any exchange or clearing house or any other cause, whether similar or not, beyond its control.

Except for liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law, in no circumstances will any of the directors, officers, shareholders, partners, members, agents or employees of Funding Circle UK or its Affiliates have any liability to the Company or any other person. Furthermore, Funding Circle UK:

- (A) assumes no responsibility under the Services Agreement other than to render the services in accordance with the terms of the Services Agreement;
- (B) does not assume any fiduciary duty with regard to the Company;
- (C) does not guarantee or otherwise assume any responsibility for the performance by any other party of their respective obligations under the Services Agreement;
- (D) does not warrant or guarantee the performance or profitability of the Company's portfolio (or any part of it);
- (E) shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be properly executed or signed by the proper party or parties; and
- (F) shall not be liable for the acts or omissions of its agents or delegates who are not Affiliates of Funding Circle UK, provided that Funding Circle UK acts in good faith and with reasonable skill and care in the selection, use and monitoring thereof.

Except for liability for fraud, or any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law, no Indemnified Person shall be liable for any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof) ("Liabilities") suffered by the Company (or any Affiliate thereof) or any other person in connection with the performance or non-performance by Funding Circle UK of its obligations and duties thereunder in the absence of such Indemnified Person's fraud, gross negligence or wilful default, nor (except that nothing in the Services Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law) shall any Indemnified Person be liable for any Liability unless:

- (A) the amount of such Liability arising from any one such claim exceeds £5,000; or
- (B) the aggregate amount of all Liability arising from any claims for which Indemnified Persons are liable under the Services Agreement (disregarding this paragraph (B)) arising in any 12 month period exceeds £25,000.

The Company shall indemnify and keep indemnified each Indemnified Person from and against any and all Liabilities which may be incurred by or asserted against any such Indemnified Person in connection with the exercise of Funding Circle UK's powers or the performance by Funding Circle UK of its obligations and duties thereunder, other than to the extent arising directly from Funding Circle UK's fraud, gross negligence or wilful default.

The Services Agreement contains certain further provisions relating to liability and indemnification.

Nothing in the Services Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company which Funding Circle UK may have under any applicable law.

Subject to termination earlier pursuant to the other provisions of the Services Agreement, the Services Agreement shall continue and remain in force unless and until terminated by either party giving to the other not less than twelve months' notice in writing to such effect, such notice not to be given before the fifth anniversary of the IPO.

The Services Agreement may be terminated forthwith by either Funding Circle UK or the Company giving notice in writing to the other of them (the "Receiving Party") if:

- (A) the Receiving Party has committed any fraud, gross negligence or wilful default in respect of its obligations under the Services Agreement;
- (B) Funding Circle UK has breached any provision of the Services Agreement and such breach results in trading of the Ordinary Shares on the London Stock Exchange being terminated;
- (C) the Receiving Party suffers any insolvency event (as described in the Services Agreement), provided that no party shall be entitled to give notice in such circumstances in respect of a voluntary or solvent liquidation of the other for the purposes of a reconstruction or amalgamation;
- (D) Funding Circle UK fails to obtain or ceases to hold any registration, filing, approval, authorisation, licence or consent which is a mandatory requirement for the lawful performance by Funding Circle UK of its duties thereunder under applicable law or regulation; or
- (E) any party is required to terminate the Services Agreement by a final, binding, non-appealable decision of any judicial or regulatory authority of competent jurisdiction.

The Services Agreement may also be terminated forthwith by Funding Circle UK giving notice in writing to the Company if:

- (A) any amendment is made to the Investment Objective or Investment Policy or any Portfolio Limit is imposed or varied, or any other step is taken, the purpose or effect of which is to permit or require the Company to invest in Credit Assets (or investments of any kind similar, related or connected thereto) originated, sourced or managed other than through a Marketplace or by any person other than Funding Circle UK or Affiliate thereof;
- (B) Funding Circle UK (or an Affiliate of Funding Circle UK) ceases to provide both origination and servicing services in respect of Credit Assets to either of the Company or the UK IrishCo; or
- (C) the Note Subscription Agreement is terminated for whatever reason.

On termination of the Services Agreement for any reason, Funding Circle UK shall be entitled to receive all fees and other monies accrued due up to the date of such termination (the "Accrued Fees") but shall not be entitled to compensation in respect of such termination. Notwithstanding the foregoing, in the event that the Services Agreement is terminated:

- (A) by the Company other than in accordance with the other provisions summarised above, whether pursuant to or following the winding up of the Company following an effective discontinuation vote in respect of the Company (as referred to in this Prospectus) or otherwise; or
- (B) by Funding Circle UK pursuant to the power summarised above (save where the circumstances giving rise to such termination have arisen as a direct consequence of Funding Circle UK's fraud, gross negligence or wilful default),

then Funding Circle UK shall be entitled to receive, as a single payment paid within 30 days of such termination and in addition to the Accrued Fees, an amount equal to:

- (1) in the case of termination covered by (A) above, an amount equal to all Fees which would have been payable had the Services Agreement been terminated by the Company on notice at the earliest point permitted after the occurrence of the event triggering the application

of (A) (and for the purposes of calculating the amount of Fees payable in such an event, the NAV throughout the period to such deemed termination date shall be the NAV as at the date of such actual termination); or

- (2) in the case of termination covered by (B) above, an amount equal to two times the aggregate fees received by Funding Circle UK pursuant to the Services Agreement over the preceding 12 month period (or if the Services Agreement is so terminated before the expiry of one year, 24 times the amount of the last monthly payment to which Funding Circle UK was entitled pursuant to the Services Agreement).

The Services Agreement and any non-contractual obligations arising from or connected with it shall be governed by English law and the Services Agreement shall be construed in accordance with English law.

7.7 UK IrishCo Note Subscription Agreement

The UK IrishCo Note Subscription Agreement was entered into on 12 November 2015 between the Company and the UK IrishCo. Pursuant to the UK IrishCo Note Subscription Agreement, the Company subscribed for the UK IrishCo Note issued by the UK IrishCo.

The parties to the UK IrishCo Note Subscription Agreement give certain customary representations and warranties under that agreement.

In addition to customary representations and warranties, the UK IrishCo represents and warrants to the Company that it is a 'qualifying company' within the meaning of Section 110.

Pursuant to the terms of a deed of amendment dated 1 June 2016 between the UK IrishCo and the Company, the parties thereto agreed to amend the definition of "Maximum Principal Amount" of the UK IrishCo Note with effect from that date to £200,000,000.

In addition to customary representations and warranties, the Company represents and warrants to the UK IrishCo that:

- (A) it is not a specified person (as described in the UK IrishCo Note) and shall not become a Specified Person throughout the period of time during which it is the holder of the UK IrishCo Note; and
- (B) it will provide the UK IrishCo, on demand, with such additional information as the UK IrishCo may from time to time request in order for the UK IrishCo to comply with its tax obligations and to ensure (to the extent possible) that payments on the UK IrishCo Note may be made free of deduction of any tax and on a tax-deductible basis, and it understands that any return of principal or interest on the UK IrishCo Note may be materially impacted by its failure to do so.

The Company undertakes to indemnify and hold harmless on demand the UK IrishCo, its officers, directors and members from time to time from and against any cost, claim, damages, loss, expense (including, without limitation, legal fees, costs and expenses), liability (together with any irrecoverable value added tax thereon), any Irish or taxes of any other jurisdiction, ("*Losses*") whether or not reasonably foreseeable, which they may sustain or incur in respect of any breach of any representation, warranty, covenant or agreement set out in the UK IrishCo Note Subscription Agreement, save to the extent that such losses arise as a result of any fraud, negligence or wilful default on the part of the UK IrishCo or of its affiliates, directors or members.

No recourse under any obligation, covenant (express or implied), or agreement (each an "obligation") of the UK IrishCo contained in the UK IrishCo Note Subscription Agreement shall be had against any former, current or future shareholder, officer, agent, employee or director of the UK IrishCo (each, a "Connected Person"), by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the UK IrishCo Note Subscription Agreement and the UK IrishCo Note are corporate obligations of the UK IrishCo only and no personal liability shall attach to, or be incurred by, any Connected Person under, or by reason of, any obligation under the UK IrishCo Note Subscription Agreement or the UK IrishCo Note, and that any and all personal liability for breach of the UK IrishCo's obligation, either at law or by statute or constitution, by any Connected Person is waived by the Company as a condition of, and in consideration for the execution of, the UK IrishCo Note Subscription Agreement and the

purchase of the UK IrishCo Note save where a court has determined that a Connected Person has acted fraudulently, with gross negligence, with wilful default or otherwise in breach of such Connected Person's duties under the Irish Companies Act 2014.

The Company undertakes to the UK IrishCo that it shall not, nor shall any party acting on its behalf, at any time institute, or join any person instituting, against the UK IrishCo, or any or all of its revenues and assets:

- (A) any insolvency event (as described in the UK IrishCo Note Subscription Agreement);
- (B) any petition for the appointment of a receiver, examiner, administrator, trustee, liquidator, sequestrator or similar officer of it; or
- (C) any ex parte proceedings,

save where a court determines that such proceedings or petition arises in connection with the fraud, gross negligence, wilful default or breach of duty under the Irish Companies Act 2014 of any Connected Person.

The Company agrees and acknowledges with the UK IrishCo that:

- (A) the obligations of the UK IrishCo arising under the UK IrishCo Note Subscription Agreement and the UK IrishCo Note are limited recourse obligations of the UK IrishCo which are payable solely from the Portfolio after payment of all senior obligations (as set out in the Conditions), payments and claims which rank in priority to payments to the Company under the UK IrishCo Note;
- (B) it will have recourse in respect of any amount, claim or obligation due or owing to it by the UK IrishCo (the "Claims") only to the extent of available funds pursuant to (A) above after all prior ranking claims have been satisfied and discharged in full;
- (C) after the application of such funds, the UK IrishCo will not have any assets available for payment of its obligations under the UK IrishCo Note Subscription Agreement or the UK IrishCo Note.

Under the UK IrishCo Note Subscription Agreement, the UK IrishCo may request the Company to make further advances of principal under the UK IrishCo Note to the UK IrishCo in accordance with the terms and conditions applicable to the UK IrishCo Note (the "Conditions"). The UK IrishCo may not issue an advance notice (as described in the Conditions) to the Company if the additional principal amount requested in that Advance Notice would, if advanced by the Company, result in the Principal Amount Outstanding (being £200,000,000, but as varied by agreement between the UK IrishCo and the Company, with the consent of Funding Circle UK) in respect of the UK IrishCo Note exceeding the maximum principal amount (as described in the Conditions).

The UK IrishCo Note Subscription Agreement, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with the laws of Ireland.

On each interest payment date, to the extent that the UK IrishCo has available cash (as described in the Conditions), the UK IrishCo will use such Available Cash to pay accrued but unpaid interest on the UK IrishCo Note.

If the UK IrishCo does not have sufficient Available Cash to pay all accrued but unpaid interest on an Interest Payment Date (a "Relevant Interest Payment Date"), the amount of such accrued but unpaid interest shall remain outstanding and shall be paid by the UK IrishCo in respect of the UK IrishCo Note on the first succeeding interest payment date on which the UK IrishCo has sufficient Available Cash to make such payments in priority to any interest which has accrued since the Relevant Interest Payment Date. No interest shall accrue on such accrued but unpaid interest amounts.

Each of the following events will constitute a UK IrishCo Note Termination Event in respect of the UK IrishCo Note:

- (A) the UK IrishCo fails to perform or observe any term, covenant or agreement in any material respect contained in the UK IrishCo Note Subscription Agreement on its part to be performed or observed and any failure shall remain unremedied for twenty (20) business

days, after the earlier of (i) the date on which the UK IrishCo has knowledge of that failure; or (ii) the date on which written notice of that failure, requiring the same to be remedied, shall have been given by the Company and received by the UK IrishCo;

- (B) the UK IrishCo in any material respect breaches any representation or warranty made by it under or in connection with the UK IrishCo Note Subscription Agreement or any information or report delivered by the UK IrishCo pursuant to the UK IrishCo Note Subscription Agreement shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered and continues to be incorrect or untrue for seven (7) business days after the earlier of (i) the date on which the UK IrishCo has knowledge of such breach or inaccuracy; or (ii) the date on which notice of such breach or inaccuracy, requiring the same to be remedied, shall have been given by the Company to the UK IrishCo, as the case may be; or
- (C) an insolvency event (as described in the Conditions) occurs with respect to the UK IrishCo; or
- (D) either: (i) the Services Agreement made between the Company and Funding Circle UK; and/or (ii) both of the UK Origination Agreement and the UK Servicing Agreement, is/are terminated (save where the Company and Funding Circle UK otherwise agree, such agreement to be evidenced in writing and delivered to the UK IrishCo).

At any time after the occurrence of a UK IrishCo Note Termination Event, and subject to the UK IrishCo Note issued under the UK IrishCo Note Subscription Agreement having become due and payable, the Company may declare by written notice to the UK IrishCo the principal amount outstanding to be immediately due and payable together with accrued interest thereon to the date of redemption and any other sums then owed by the UK IrishCo.

In addition, the UK IrishCo Note Subscription Agreement confers on the Company the right to appoint one director of the UK IrishCo.

7.8 Administration Agreement

The Administration Agreement was entered into on 12 November 2015 between the Company and the Administrator. The Administrator is responsible for providing fund administration services to the Company, including, but not limited to, services related to investor reporting, company secretarial and corporate governance, corporate administration, NAV and financial reporting.

The Administrator's fee for its ongoing provision of the services under the Administration Agreement is 5 basis points (subject to a minimum of £85,000 per annum) subject to an annual review on 31 December of each year. For the avoidance of doubt, any change of fee rates will not be effective without prior written agreement between Sanne and the Company.

The Administrator may terminate the Administration Agreement at any time upon giving three months' written notice to the Company, or immediately upon written notice given to the Company if in the sole opinion of the Administrator:

- (A) the Company is insolvent or liable to be declared en désastre or subject to a creditors' (insolvent) winding-up or any equivalent or similar procedure in any jurisdiction except where pre-agreed with the Administrator or
- (B) the Company is or is believed by the Administrator to be in material breach of the Administration Agreement and that material breach, if capable of remedy, has not been remedied within 10 days of the Administrator providing the Company with written notice requiring that material breach to be remedied; or
- (C) there has been any change in ownership and no written engagement has been put in place between the Administrator and the new customer (except that, this Clause will not apply to any initial public offering); or
- (D) the Company (or any of its officers or employees not provided by Administrator) has been convicted with any criminal offence involving dishonesty or is or has been the subject of any criminal, judicial or regulatory investigation in any jurisdiction; or
- (E) there has been a failure on the part of the Company to supply such customer due diligence material ("CDD") as shall be required by the Administrator or if any such information supplied in relation to CDD is deemed by the Administrator to be deliberately or recklessly false or misleading; or

- (F) any undisputed fees, taxes and disbursements invoiced by any Sanne Person have remained outstanding and unpaid in whole or in part for more than 60 days after the invoice date and a final demand has been received.

The Company may terminate the Administration Agreement at any time upon giving three months' written notice to the Administrator, or immediately upon written notice given to the Administrator if in the sole opinion of the Company:

- (A) the Administrator is insolvent or liable to be declared en désastre or subject to a creditors' (insolvent) winding-up or any equivalent or similar procedure in any jurisdiction except where pre-agreed; or
- (B) the Administrator (or any of its officers or employees) has been convicted with any criminal offence involving dishonesty or is or has been the subject of any criminal, judicial or regulatory investigation in any jurisdiction; or
- (C) if the Administrator is in material breach of the Administration Agreement.

The appointment of the Administrator in respect of the services shall terminate automatically and with immediate effect if the Administrator ceases to hold any required regulatory consent or approval.

Sanne Fiduciary Services Limited and its parent, subsidiaries and affiliates (and their respective successors in title) ("Sanne Group"), the employees, directors, officers and consultants (as appropriate) of any member of Sanne Group and all persons provided by any member of Sanne Group (together, the "Sanne Persons") shall not be liable for (and the Company shall not make any claim against any Sanne Person to recover) any damage, cost, charge, expense, loss or liability which the Company or any other person may suffer or incur by reason of or arising out of:

- (A) the carrying out or default in carrying out of the services (or of any other obligations under Administration Agreement) by or on behalf of any Sanne Person except to the extent arising directly from the fraud, wilful misconduct or gross negligence of a Sanne Person;
- (B) any failure or delay in the performance of its obligations in connection with the services arising out of or in connection with circumstances beyond its reasonable control (including, to the extent beyond its reasonable control, acts of God, civil or military disturbances, outbreaks of war, acts of terrorism, natural disaster, act of government or any other authority, accidents, labour disputes or any power, telecommunications or computer failure) provided that the Administrator has reasonably demonstrated that it has employed its best endeavours to avoid such a cause impacting on its ability to provide the services (including by employing any business continuity plans it may have in place) and the Administrator shall use best endeavours to minimise the effect of the circumstances on its performance of its obligations including the making of any alternative arrangements for resuming the performance of its obligations which are practicable without incurring material additional expense;
- (C) the exercise by it of any right or discretion in the Administration Agreement; or
- (D) any indirect or consequential economic loss or damage whatsoever, whether or not foreseeable.

Except in the case of any liability which cannot lawfully be excluded or limited or to liability arising as a result of fraud, wilful misconduct or negligence on the part of the Administrator the total collective liability of all Sanne Persons (including any agents and delegates) in connection with the services under the Administration Agreement shall be limited as follows:

- (A) in respect of any period where the fees payable to the Administrator for the services in relation to which the cause of action relates is equal to or less than £100,000 per annum, liability shall be limited in aggregate to £1,000,000 (one million pounds sterling); and
- (B) in respect of any period where the fees payable to the Administrator for the services in relation to which the cause of action relates exceed £100,000 per annum, liability shall be limited in aggregate to ten times the annual amount of fees paid in the year in which the cause of action occurs up to a maximum of £3,000,000 (three million pounds sterling).

The Company undertakes to the greatest extent permitted by law to indemnify each Sanne Person and at all times keep each Sanne Person fully and effectively indemnified against all losses, actions, suits, proceedings, claims, demands, damages, costs and expenses (including reasonable legal and professional fees), and liabilities (or actions, investigations or other proceedings in respect thereof) whatsoever (including all such reasonable costs, charges and expenses as any Sanne Person may reasonably pay or incur in responding to or disputing any such actual or potential actions, claims or demands in or enforcing the rights of any Sanne Person) which may arise or accrue or be taken, commenced or threatened to be commenced, made or sought from or against, or incurred by any Sanne Person in any jurisdiction (and in the case of a claim whether or not such claim is successful, compromised or settled) by any other person whatsoever (including any governmental agency or regulatory body). This indemnity is given in connection with: (a) any managed entity (as described in the Administration Agreement); (b) the provision of any Services by any Sanne Person; (c) any communication from the Company or any managed entity; or (d) any breach by the Company or any managed entity of any of its obligations under the Administration Agreement. This indemnity shall not extend to any claims or losses to the extent attributable to the fraud, wilful misconduct or gross negligence of a Sanne Person. If any payment is made under this indemnity the Company agrees that he shall not seek recovery of that payment from any Sanne Person at any time. Notwithstanding the foregoing, actual or potential actions, claims or demands among Sanne Persons shall not be covered by the indemnities.

The appointment the Administrator shall terminate automatically and with immediate effect if the Administrator ceases to hold any required regulatory consent or approval. The Administrator is to notify the Company of such occurrence.

7.9 Registrar Services Agreement

The Company and the Registrar entered into a registrar agreement dated 12 November 2015 pursuant to which the Company appointed the Registrar to act as registrar of the Company.

The Registrar will be entitled to an annual maintenance fee per Shareholder, subject to a minimum charge of £4,500 per annum. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

The term of the Registrar Agreement is for an initial term of three years from the IPO and automatically renews for successive 12 month periods thereafter. Prior to the end of the initial term or any subsequent 12 month term, either party may provide at least three months' written notice to the other that the Registrar Services Agreement will not be renewed for a successive term or it is terminated in accordance with the termination rights described below. The Registrar Services Agreement is terminable, *inter alia*, by either party if:

- (A) the parties fail to reach an agreement regarding an increase of fees, termination to be effected by service of three months' written notice;
- (B) either party commits a material breach of its obligations under the Registrar Services Agreement which such party has failed to remedy within 30 days of receipt of a written notice to do so; or
- (C) forthwith by notice in writing if the other party shall go into liquidation or if it shall be insolvent; or
- (D) written notice is given to the other party at least three months prior to the end of the initial term or a successive 12 month period, in which case termination will be effective at the completion of the initial term or the successive period as relevant.

The Registrar Services Agreement contains certain standard warranties and representations from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar Services Agreement also contains a standard indemnity from the Company in favour of the Registrar against any loss, liability or expense resulting from the Company's breach of the agreement or any third party claims in connection with the provision of the Registrar's services under the agreement, save where due to solely fraud, wilful default or negligence on the part of the Registrar. The Registrar's liability under the Registrar Services Agreement is subject to a financial limit.

7.10 Cash Management Agreement

The Cash Management Agreement was entered into on 12 November 2015 between the Company, the UK IrishCo and the Cash Manager. The Cash Manager is responsible for providing cash services including, but not limited to, cash management, calculation agent and paying agent services.

Neither the Company nor the UK IrishCo shall be required to pay to the Cash Manager any fees or charges in connection with the provision of the services under the Cash Management Agreement.

- (A) The Cash Manager shall indemnify each of the Company and the UK IrishCo (as several obligations) on demand on an after-Tax basis for any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof) (“Liabilities”) suffered or incurred by either of them in respect of the negligence, fraud or wilful default of the Cash Manager in carrying out or performing the Services, or as a result of a breach by the Cash Manager of the terms and provisions of the Cash Management Agreement or any of the UK IrishCo Administration Agreement, the Servicing Agreements, the Origination Agreements, the UK IrishCo Note Subscription Agreement and the UK IrishCo Note (including its terms and conditions) (the “Cash Management Transaction Documents”) to which the Cash Manager is a party.
- (B) The Cash Manager shall not be liable in respect of any Liability suffered or incurred by the Company or the UK IrishCo or any other person as a result of the proper performance of the services provided under the Cash Management Agreement by the Cash Manager save to the extent that such Liability is suffered or incurred as a result of any negligence, fraud or wilful default of the Cash Manager under, or as a result of a breach by the Cash Manager of, the terms and provisions of the Cash Management Agreement or any of the other Cash Management Transaction Documents to which the Cash Manager is a party (in its capacity as such) in relation to such functions.
- (C) The Cash Manager shall (in the absence of manifest error) be entitled to rely upon the accuracy of any notifications, opinions, determinations, certificates, quotations, decisions or calculations given, made or provided to the Cash Manager by any party to the Cash Management Transaction Documents in connection with the Cash Management Transaction Documents and no liability to the Company and the UK IrishCo shall attach to the Cash Manager as a result of the Cash Manager having relied on any such notifications, opinions, determinations, certificates, quotations, decisions or calculations given, made or provided to the Cash Manager in connection with the Cash Management Transaction Documents by any such party (other than a party which is an Affiliate of the Cash Manager). Each of the Company and the UK IrishCo shall (on a several and not joint basis, each in respect of their own actions) indemnify the Cash Manager against any Liability or Liability incurred by the Cash Manager hereunder which loss occurs directly as a result of the Cash Manager’s performance of its obligations hereunder having relied on inaccurate notifications, opinions, determinations, certificates, quotations, decisions or calculations given, made or provided to the Cash Manager in connection with the Cash Management Transaction Documents by the Company and the UK IrishCo, respectively, save to the extent that such Liability is suffered or incurred as a result of any negligence, fraud or wilful default of the Cash Manager under, or as a result of a breach by the Cash Manager of, the terms and provisions of the Cash Management Agreement or any of the other Cash Management Transaction Documents to which the Cash Manager is a party (in its capacity as such) in relation to such functions.

Each of the Cash Manager and the Company undertakes to the UK IrishCo that it shall not, nor shall any party acting on its behalf, at any time institute, or join any person instituting, against the UK IrishCo, or any or all of its revenues and assets:

- (A) any insolvency event (as described in the Cash Management Agreement);
- (B) any petition for the appointment of a receiver, examiner, administrator, trustee, liquidator, sequestrator or similar officer of it; or
- (C) any ex parte proceedings,

save where a court determines that such proceedings or petition arises in connection with the fraud, gross negligence, wilful default or breach of duty under the Irish Companies Act 2014 of any connected person of the UK IrishCo.

Each of the Cash Manager and the Company agrees and acknowledges that:

- (A) the obligations of the UK IrishCo arising under the Cash Management Agreement are limited recourse obligations of the UK IrishCo which are payable solely from the Portfolio after payment of all senior obligations (as set out in the UK IrishCo Note Subscription Agreement), payments and claims which rank in priority to payments to the Cash Manager under the Cash Management Agreement;
- (B) it will have recourse in respect of any amount, claim or obligation due or owing to it by the UK IrishCo (the “Claims”) only to the extent of available funds pursuant to (A) above after all prior ranking claims have been satisfied and discharged in full; and
- (C) after the application of such funds, the UK IrishCo will not have any assets available for payment of its obligations under the Cash Management Agreement.
- (D) No recourse under any obligation, covenant (express or implied), or agreement (each an “obligation”) of the UK IrishCo contained in the Cash Management Agreement shall be had against any former, current or future shareholder, officer, agent, employee or director of the UK IrishCo (each, a “Connected Person”), by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the Cash Management Agreement are corporate obligations of the UK IrishCo only and no personal liability shall attach to, or be incurred by, any Connected Person under, or by reason of, any obligation under the Cash Management Agreement, and that any and all personal liability for breach of the UK IrishCo’s obligation, either at law or by statute or constitution, by any Connected Person is waived by the Cash Manager and the Company as a condition of, and in consideration for the execution of, the Cash Management Agreement save where a court has determined that a Connected Person has acted fraudulently, with gross negligence, with wilful misconduct or otherwise in breach of such Connected Person’s duties under the Irish Companies Act 2014.

If any of the following events (each a “Termination Event”) shall occur or exist, namely:

- (A) default is made by the Cash Manager in the making, on the due date, of any payment required to be made by it under the Cash Management Agreement (or in directing the bank holding such amount so to pay) and such default continues unremedied for a period of five Business Days after the earlier of the date on which notice of such failure is given to the Cash Manager by either the Company or the UK IrishCo; or the Cash Manager otherwise becomes aware of such failure, save in each case where:
 - (1) such failure is caused by an event outside the control of the Cash Manager that the Cash Manager could not have avoided through the exercise of due care; (ii) such failure does not continue for more than five Business Days after the earlier of the date on which notice of such failure is given to the Cash Manager by either the Company or the UK IrishCo, or the Cash Manager becomes aware of such failure, (iii) during such period the Cash Manager uses all commercially reasonable efforts to perform its obligations under the Cash Management Agreement; and (iv) the Cash Manager provides the Company and the UK IrishCo with prompt notice of such failure that includes a description of the Cash Manager’s efforts to remedy such failure;
- (B) default is made by the Cash Manager in the performance or observance of any of its other duties, covenants, undertakings and obligations under the Cash Management Agreement and/or the Cash Management Transaction Documents;
- (C) any of the representations and warranties given by the Cash Manager in respect of its role under the Cash Management Agreement proves untrue, incomplete or inaccurate;
- (D) any certification or statement made by the Cash Manager in any certificate or notification delivered pursuant to the Cash Management Agreement or the Cash Management Transaction Documents proves to be untrue, incomplete or inaccurate and (except where, in the opinion of the Company and the UK IrishCo, such default is incapable of remedy, when no such continuation and/or notice as is mentioned below will be required) such

circumstance continues unremedied for a period of 10 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Company or the UK IrishCo requiring the same to be remedied;

- (E) it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement; or
- (F) an Insolvency Event with respect to the Cash Manager occurs,

then the UK IrishCo or the Company (in each case with the prior written consent of the other) may, at once or at any time thereafter while such default continues, by notice in writing to the Cash Manager, terminate its appointment as Cash Manager under the Cash Management Agreement with effect from the date (not earlier than the date of the notice) specified in the notice.

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England.

7.11 UK IrishCo Administration Agreement

The UK IrishCo Administration Agreement was entered into on 12 November 2015 between the UK IrishCo and the UK IrishCo Administrator. The UK IrishCo Administrator is responsible for providing administration services to the UK IrishCo, including, but not limited to, administrative services and corporate services.

The UK IrishCo Administrator's fee for its ongoing provision of the services under the UK IrishCo Administration Agreement is £45,000 per annum, subject to an annual review. For the avoidance of doubt, any change of fee rates will not be effective without prior written agreement between the UK IrishCo Administrator and the UK IrishCo.

The UK IrishCo Administrator may terminate the UK IrishCo Administration Agreement at any time upon giving three months' written notice to the UK IrishCo, or immediately upon written notice given to the UK IrishCo if in the sole opinion of the UK IrishCo Administrator:

- (A) the UK IrishCo is insolvent or liable to be declared en désastre or subject to a creditors' (insolvent) winding-up or any equivalent or similar procedure in any jurisdiction except where pre-agreed with the UK IrishCo Administrator;
- (B) the UK IrishCo is or is believed by the UK IrishCo Administrator to be in material breach of the UK IrishCo Administration Agreement and that material breach, if capable of remedy, has not been remedied within 10 days of the UK IrishCo Administrator providing the UK IrishCo with written notice requiring that material breach to be remedied;
- (C) there has been any change in ownership and no written engagement has been put in place between the UK IrishCo Administrator and the new customer (except that, this Clause will not apply to any initial public offering);
- (D) the UK IrishCo (or any of its officers or employees not provided by the UK IrishCo Administrator) has been convicted with any criminal offence involving dishonesty or is or has been the subject of any criminal, judicial or regulatory investigation in any jurisdiction;
- (E) there has been a failure on the part of the UK IrishCo to supply such customer due diligence material ("CDD") as shall be required by the UK IrishCo Administrator or if any such information supplied in relation to CDD is deemed by the UK IrishCo Administrator to be deliberately or recklessly false or misleading; or
- (F) any undisputed fees, taxes and disbursements invoiced by any Sanne Person have remained outstanding and unpaid in whole or in part for more than 60 days after the invoice date and a final demand has been received.

The UK IrishCo may terminate the UK IrishCo Administration Agreement at any time upon giving three months' written notice to the UK IrishCo Administrator, or immediately upon written notice given to the UK IrishCo Administrator if in the sole opinion of the UK IrishCo:

- (A) the UK IrishCo Administrator is insolvent or liable to be declared en désastre or subject to a creditors' (insolvent) winding-up or any equivalent or similar procedure in any jurisdiction except where pre-agreed;

- (B) the UK IrishCo Administrator (or any of its officers or employees) has been convicted with any criminal offence involving dishonesty or is or has been the subject of any criminal, judicial or regulatory investigation in any jurisdiction; or
- (C) if the UK IrishCo Administrator is in material breach of the UK IrishCo Administration Agreement.

The appointment of the UK IrishCo Administrator in respect of the services shall terminate automatically and with immediate effect if the UK IrishCo Administrator cease to hold any required regulatory consent or approval.

Sanne Persons shall not be liable for (and the UK IrishCo shall not make any claim against any Sanne Person to recover) any damage, cost, charge, expense, loss or liability which the UK IrishCo or any other person may suffer or incur by reason of or arising out of:

- (A) the carrying out or default in carrying out of the services (or of any other obligations under the UK IrishCo Administration Agreement) by or on behalf of any Sanne Person except to the extent arising directly from the fraud, wilful misconduct or gross negligence of a Sanne Person;
- (B) any failure or delay in the performance of its obligations in connection with the services arising out of or in connection with circumstances beyond its reasonable control (including, to the extent beyond its reasonable control, acts of God, civil or military disturbances, outbreaks of war, acts of terrorism, natural disaster, act of government or any other authority, accidents, labour disputes or any power, telecommunications or computer failure) provided that the UK IrishCo Administrator has reasonably demonstrated that it has employed its best endeavours to avoid such a cause impacting on its ability to provide the services (including by employing any business continuity plans it may have in place) and the UK IrishCo Administrator shall use best endeavours to minimise the effect of the circumstances on its performance of its obligations including the making of any alternative arrangements for resuming the performance of its obligations which are practicable without incurring material additional expense;
- (G) the exercise by it of any right or discretion in the UK IrishCo Administration Agreement; or
- (H) any indirect or consequential economic loss or damage whatsoever, whether or not foreseeable.

Except in the case of any liability which cannot lawfully be excluded or limited or to liability arising as a result of fraud, wilful misconduct or negligence on the part of the UK IrishCo Administrator the total collective liability of all Sanne Persons (including any agents and delegates) in connection with the services shall be limited as follows:

- (A) in respect of any period where the fees payable to the UK IrishCo Administrator for the services in relation to which the cause of action relates is equal to or less than £100,000 per annum, liability shall be limited in aggregate to £1,000,000 (one million pounds sterling); and
- (B) in respect of any period where the fees payable to the UK IrishCo Administrator for the services in relation to which the cause of action relates exceed £100,000 per annum, liability shall be limited in aggregate to ten times the annual amount of fees paid in the year in which the cause of action occurs up to a maximum of £3,000,000 (three million pounds sterling).

The UK IrishCo undertakes to the greatest extent permitted by law to indemnify each Sanne Person and at all times keep each Sanne Person fully and effectively indemnified against all losses, actions, suits, proceedings, claims, demands, damages, costs and expenses (including reasonable legal and professional fees), and liabilities (or actions, investigations or other proceedings in respect thereof) whatsoever (including all such reasonable costs, charges and expenses as any Sanne Person may reasonably pay or incur in responding to or disputing any such actual or potential actions, claims or demands in or enforcing the rights of any Sanne Person) which may arise or accrue or be taken, commenced or threatened to be commenced, made or sought from or against, or incurred by any Sanne Person in any jurisdiction (and in the case of a claim whether or not such claim is successful, compromised or settled) by any other person whatsoever (including any governmental agency or regulatory body). This indemnity is given in connection with: (a) any managed entity (as described in the UK IrishCo

Administration Agreement); (b) the provision of any Services by any Sanne Person; (c) any communication from the UK IrishCo or any managed entity; or (d) any breach by the UK IrishCo or any managed entity of any of its obligations under the UK IrishCo Administration Agreement. This indemnity shall not extend to any claims or losses to the extent attributable to the fraud, wilful misconduct or gross negligence of a Sanne Person. If any payment is made under this indemnity the UK IrishCo agrees that he shall not seek recovery of that payment from any Sanne Person at any time. Notwithstanding the foregoing, actual or potential actions, claims or demands among Sanne Persons shall not be covered by the indemnities.

The appointment the UK IrishCo Administrator shall terminate automatically and with immediate effect if the UK IrishCo Administrator ceases to hold any required regulatory consent or approval. the UK IrishCo Administrator is to notify the UK IrishCo of such occurrence.

The UK IrishCo Administration Agreement is governed by the laws of Ireland.

7.12 Receiving Agent Services Agreement

The Receiving Agent Services Agreement was entered into on 12 November 2015 between the Company and the Receiving Agent. The Receiving Agent is responsible for providing administration services to the Company, including, but not limited to, professional advisory services and receiving agency processing services.

The Receiving Agent is entitled to receive various fees for services provided, including a minimum aggregate advisory fee of £2,300 (excluding VAT and disbursements) and a minimum a minimum aggregate processing fee of £5,000. In addition, the Receiving Agent is entitled to recover from the Company all reasonable out of pocket expenses incurred in connection with the Receiving Agent Services Agreement.

The maximum aggregate liability of the Receiving Agent and its affiliates, or its or their directors, officers, employees, or agents under the Receiving Agent Services Agreement (including, but not limited to, contractual or tortious liability, including negligence and non-fraudulent misrepresentation, breach of statutory duty, restitution or otherwise) for any damage or other loss howsoever caused arising out of or in connection with the Receiving Agent Services Agreement or the provision of the services will be limited to the lesser of £250,000; or an amount equal to five (5) times the fee payable to the Receiving Agent hereunder.

Notwithstanding the paragraph above, neither the Receiving Agent, its affiliates, nor any of their directors, officers, employees, or agents shall have any liability of any type (including, but not limited to, contractual or tortious liability, including negligence and non-fraudulent misrepresentation, breach of statutory duty, restitution or otherwise), for any: special, incidental, indirect or consequential loss or damages; or direct or indirect loss of profits or opportunity; or loss of goodwill, loss of reputation or customers; or any other pure economic loss; in each case in connection with or arising out of the Receiving Agent Services Agreement or the services.

The Company shall indemnify, defend and hold harmless the Receiving Agent and its affiliates, and their directors, officers, employees and agents (each, a “Capita Indemnified Party”), from and against any and all losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs, and reasonably and properly incurred expenses (collectively “Losses”) incurred by the Capita Indemnified Party resulting or arising from the Company’s breach of the Receiving Agent Services Agreement, and in addition any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Receiving Agent Services Agreement or the services contemplated in the Receiving Agent Services Agreement, except to the extent such Losses are determined to have resulted solely from the fraud, wilful default or negligence of the Capita Indemnified Party seeking indemnity under the Receiving Agent Services Agreement.

Either party may terminate the Receiving Agent Services Agreement upon service of written notice if:

- (A) the other party commits a material breach of its obligations under the Receiving Agent Services Agreement (including a payment default) which that party has failed to remedy within 14 days of receipt of a written notice to do so from the first party; or

- (B) a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Receiving Agent Services Agreement and any contractual or non-contractual claim or dispute arising out of or in connection with it will in all respects be governed and construed in accordance with the laws of England and both parties submit to the exclusive jurisdiction of the English courts.

7.13 Currency Management Agreement

The Currency Management Agreement was entered into on 12 November 2015 between the Company and the Currency Manager. The Receiving Agent is responsible for advising and management part or all of the Company's foreign currency exposures.

The Currency Manager will be entitled to fees payable quarterly, calculated by multiplying (i) the total amount of the exposures to be hedged in US Dollars or Euros denominated in Sterling within the Client's portfolio, by (ii) 100%, and by (iii) the applicable fee rate. The fee rate is 0.10 per cent. per annum if the product of (i) and (ii) is less than £100 million, 0.05 per cent. per annum if the product is between £100 million and £1 billion, and 0.03 per cent per annum if the product is over £1 billion.

The Currency Management Agreement has no fixed term and may be terminated by the Company on providing notice to the Currency Manager. Currency Manager may terminate the Currency Management Agreement on providing one month's written notice to the Company, except that immediate notice may be given by Currency Manager if so required by a regulatory body.

The Currency Management Agreement will be governed by the laws of England.

7.14 Spanish Origination Agreement

The CE IrishCo, Funding Circle UK, Funding Circle Spain, Funding Circle CE and the Company are party to the Spanish Origination Agreement. The Board does not consider this agreement to be material as Funding Circle UK has announced that it no longer intends to originate further loans through the Spanish Marketplace in order to focus its resources on Germany and the Netherlands

7.15 Dutch Origination Agreement

Under an agreement dated 11 March 2016 between the CE IrishCo, Funding Circle UK, Funding Circle Netherlands, Funding Circle CE and the Company, Funding Circle Netherlands has been appointed to allocate to the CE IrishCo (on a randomised basis) a portion of the Dutch Credit Assets approved by Funding Circle Netherlands for listing on the Dutch Marketplace. The CE IrishCo has agreed to fund certain of such Allocated Assets by making advances of credit to the relevant borrower(s) to the extent that such Allocated Assets comply with the Investment Policy and any Portfolio Limits, and that the CE IrishCo has sufficient Available Cash.

During the term of the Dutch Origination Agreement, Funding Circle Netherlands shall originate Dutch Credit Assets through the Dutch Marketplace in a manner consistent with the lending policy (as described in the Dutch Origination Agreement), and shall then allocate a portion of such Credit Assets to the CE IrishCo as described in Part 3 of this Prospectus.

Funding Circle Netherlands may supplement or amend its lending policy (as described in the Dutch Origination Agreement) from time to time, in its sole discretion, provided that Funding Circle Netherlands shall, as soon as reasonably practicable, notify the other parties to the Dutch Origination Agreement of any such supplement or amendment.

Funding Circle Netherlands may amend its Terms and Conditions for Investors and its Standard Asset Documentation in its absolute discretion, provided that:

- (A) no such amendment shall be effective, as between Funding Circle Netherlands and the CE IrishCo, to the extent it conflicts with any provision of the Dutch Origination Agreement (including, for the avoidance of doubt the Terms and Conditions for Investors) or this Prospectus unless (i) such amendment has been approved as a variation to the Dutch Origination Agreement in accordance with its terms; or (ii) to the extent that

Funding Circle Netherlands determines (acting reasonably) that such amendment is necessary (a) to preserve the enforceability of any such Standard Asset Documentation; or (b) to facilitate or ensure compliance with, or prevent any violation of, any applicable law; or (iii) to preserve the transferability, registration or tax treatment of any Credit Asset; and

- (B) Funding Circle Netherlands shall promptly notify the other parties to the Dutch Origination Agreement of any such supplement or amendment, to the extent it wishes to apply such amendment to the transactions envisaged in the Dutch Origination Agreement.

Subject to the foregoing, no variation of the Dutch Origination Agreement shall be effective unless it is in writing and signed by (or by some person duly authorised by) all the parties to the Dutch Origination Agreement.

No fees are payable to Funding Circle Netherlands, Funding Circle CE, Funding Circle UK or the Stichting by the Company or the CE IrishCo pursuant to the Dutch Origination Agreement. However, pursuant to its terms and conditions for borrowers, Funding Circle Netherlands is entitled to receive from each borrower certain fees and charges. In particular, fees charged in relation to running the Funding Circle website and administering the loan under the standard Funding Circle Terms and Conditions are also included in the rate of interest and the total charge for credit.

Other fees or charges may be charged to borrowers in respect of outstanding sums or other defaults.

Subject to certain conditions, the parties agree that Funding Circle Netherlands may subcontract or delegate any of its obligations under the Dutch Origination Agreement to any other persons and that Funding Circle CE shall be a sub-contracting agent of Funding Circle Netherlands.

Funding Circle UK will set an aggregate Allocation Limit for Marketplaces in the EU (excluding the UK). This is the “EU Base Allocation”. The specific Allocation Limit for Credit Assets originated through the Dutch Marketplace will then be determined by Funding Circle UK (pursuant to the Services Agreement) but shall not exceed (when taken together with the allocations to all other Marketplaces in the EU (excluding the UK)) the EU Base Allocation.

Prior to allocation of Dutch Credit Assets to the CE IrishCo as an Allocated Asset, Funding Circle Netherlands will apply the Investment Policy and any Portfolio Limits to that Dutch Credit Asset, and such Dutch Credit Asset shall only become an Allocated Asset if, were it to be acquired by the CE IrishCo, it would not result in the Company breaching the Investment Policy or any Portfolio Limits.

Dutch Credit Assets that have been randomly selected as Allocated Assets will be offered to the CE IrishCo and, subject always to compliance with certain conditions set out in the Dutch Origination Agreement, the CE IrishCo is bound to make advances of credit in respect of each such Allocated Asset to the extent that the CE IrishCo has, at the relevant time, Available Cash; each such Allocated Asset being a “Dutch Qualifying Asset”.

On each date upon which an Advance is due to be made by the CE IrishCo in accordance with the loan agreement for the relevant Dutch Qualifying Asset, the CE IrishCo shall pay the Advances in respect of each Dutch Qualifying Asset to the Stichting which will receive such amounts solely for the purpose of funding the relevant Dutch Credit Asset. The Stichting shall then apply such monies (on the CE IrishCo’s behalf) in accordance with the loan agreement for the relevant Dutch Qualifying Asset.

Funding Circle Netherlands shall perform its services under the Dutch Origination Agreement with at least the standard of care reasonably to be expected of a reasonably prudent operator of a peer-to-peer lending platform facilitating loans similar to the Credit Assets in the portfolio (as specified in the Dutch Origination Agreement) or, where it is a higher standard, with the equivalent care that Funding Circle Netherlands would exercise in respect of similar services for a similar client in respect of Credit Assets originated on the Dutch Marketplace.

Funding Circle Netherlands shall provide its services under the Dutch Origination Agreement and the Credit Assets shall be originated in all material respects in accordance with all then-current applicable laws and mandatory regulations of binding effect.

Subject to Funding Circle Netherlands having complied in all material respects with its duties and obligations under the Dutch Origination Agreement, if at any time the CE IrishCo fails to fund any Advance which it is obliged to make on the relevant Advance Date, and such failure continues unremedied for at least five (5) Business Days (as defined for the purposes of the Dutch Origination Agreement, and all references to Business Days in this paragraph 5.5 are as so defined) following the date on which written notice of such failure was given to the CE IrishCo by Funding Circle Netherlands (a “Payment Default”), Funding Circle Netherlands may in its sole discretion charge the CE IrishCo on the relevant unpaid amount at the rate of the Reference Rate plus four percent (4.0 per cent.), calculated from such due date to the date on which payment of the outstanding balance is made, provided that, following a Payment Default, Funding Circle Netherlands must give the CE IrishCo prior written notice of its intention to apply such charges.

Each of the parties to the Dutch Origination Agreement acknowledges the interest of the Company, as the sole holder of the CE IrishCo Note, in the proper performance by each of Funding Circle Netherlands and the CE IrishCo of their respective obligations thereunder. Accordingly, each of Funding Circle UK, Funding Circle Netherlands, Funding Circle CE and the CE IrishCo (for themselves) undertakes to the Company that it shall:

- (A) observe and perform, and comply with each of its obligations set out in the Dutch Origination Agreement; and
- (B) exercise all proper care, skill and diligence in performing such obligations.

The parties to the Dutch Origination Agreement have given certain customary warranties under that agreement. In addition:

- (A) the CE IrishCo warrants to Funding Circle UK, Funding Circle Netherlands, Funding Circle CE and the Company that it shall at all time and in all respects comply with the applicable Terms and Conditions for Investors; and
- (B) Funding Circle gives the following warranties (the “Warranties”):
 - (1) Each Dutch Qualifying Asset will be made on the terms of the Funding Circle Netherlands Standard Asset Documentation in all material respects;
 - (2) Each Dutch Qualifying Asset satisfies the Investment Policy and any Portfolio Limits as at the time of entry by the CE IrishCo into a legally binding commitment to fund that Dutch Qualifying Asset;
 - (3) The origination of each Dutch Qualifying Asset was in all material respects in compliance with the lending policy (as described in the Dutch Origination Agreement); and
 - (4) The relevant borrower is, to the best of Funding Circle Netherlands’ knowledge having made reasonable enquiries, not a natural person within Ireland.

If a breach of Warranty occurs (an “Affected Asset Event”) in relation to a particular Dutch Qualifying Asset (an “Affected Asset”) then the CE IrishCo shall, as soon as reasonably practicable after becoming aware of the same (and in any event within 30 calendar days of so becoming aware), give notice in writing thereof to Funding Circle Netherlands and Funding Circle CE requesting Funding Circle Netherlands purchase (or procure that an Affiliate purchase) such Dutch Qualifying Asset for a purchase price equal to the breach of warranty repurchase price (as set out in the Dutch Origination Agreement) (the “Affected Asset Remedy”).

If Funding Circle Netherlands decides (in its sole discretion) to effect the purchase of the Dutch Qualifying Asset (and so implement the Affected Asset Remedy), it shall exercise and discharge the Affected Asset Remedy as described above on the date falling not later than 30 Business Days following the date on which notice was given in accordance with the paragraph above.

The exercise and discharge by Funding Circle Netherlands of an Affected Asset Remedy shall constitute a full discharge and release of each of Funding Circle Netherlands, Funding Circle CE and Funding Circle UK from all claims which the CE IrishCo and/or the Company may have against any of them in respect of that Affected Asset arising from the occurrence of the related Affected Asset Event but shall not affect its rights arising from the occurrence of an Affected Asset Event in relation to any other Allocated Asset. Funding Circle Netherlands shall

not be required to repurchase any Dutch Qualifying Asset due to the lack of performance, decline in value or as a result of the insolvency, credit loss, fraud or general inability or unwillingness to pay off or by the borrower or any guarantor of a borrower.

The CE IrishCo acknowledges to and agrees with each of Funding Circle Netherlands, Funding Circle CE and Funding Circle UK that:

- (A) if the Affected Asset Remedy is exercised by Funding Circle Netherlands in its sole discretion, the CE IrishCo shall have no further claim for damages or other remedy against any of Funding Circle Netherlands, Funding Circle CE and Funding Circle UK;
- (B) Funding Circle Netherlands, Funding Circle CE or Funding Circle UK shall not have any liability or responsibility (whether contractual, tortious or otherwise, express or implied) for or in respect of any loss or damage suffered by the CE IrishCo resulting from or arising out of any breach by any borrower of any of the obligations in respect of any Dutch Qualifying Asset unless (in respect of the liability of Funding Circle Netherlands alone) and to the extent such matter constitutes a breach of Warranty; and
- (C) other than a purchase of an Affected Asset following a breach of Warranty as described above, where Funding Circle Netherlands decides to do so in its sole discretion, none of Funding Circle Netherlands, Funding Circle CE or Funding Circle UK are under an obligation to purchase any Dutch Qualifying Asset from the CE IrishCo.

The Dutch Origination Agreement will continue in full force and effect until terminated (automatically and without further action by any party) on the first to occur of:

- (A) the expiry of one year's written notice from one party to the others, such notice not to be given before the fifth anniversary of the IPO; and
- (B) termination for a Basic Termination Event (as defined below).

On the occurrence (and subject to the continuance) of a Basic Termination Event referred to in (A) to (D) below, in respect of any of Funding Circle UK, Funding Circle Netherlands, Funding Circle CE or the CE IrishCo, any of the others may terminate the Dutch Origination Agreement by giving ten days' written notice to all the other parties thereto. Notwithstanding the foregoing: (1) on the occurrence of the Basic Termination Event referred to in (E) below, only Funding Circle UK shall be entitled to terminate the Dutch Origination Agreement with immediate effect; and (2) on the occurrence of the Basic Termination Event referred to in (F) below, only Funding Circle UK, Funding Circle Netherlands or Funding Circle CE shall be entitled to terminate the Dutch Origination Agreement with immediate effect.

The occurrence at any time with respect to either Funding Circle Netherlands, Funding Circle CE, Funding Circle UK or the CE IrishCo of the following events constitutes a "Basic Termination Event" with respect to such party:

- (A) Failure by such party to comply with or perform any material agreement or obligation to be complied with or performed by such party in accordance with the Dutch Origination Agreement (including the Terms and Conditions for Investors, so far as applicable as between the CE IrishCo and Funding Circle Netherlands) and such failure (if remediable) is not remedied on or before the thirtieth day after written notice of such failure is given to such party.
- (B) The party suffers an insolvency event (as described in the Dutch Origination Agreement).
- (C) Due to the adoption of, or any change in, any applicable law after the date hereof, consequent to which it becomes unlawful for such party to perform its obligations (contingent or otherwise) under the Dutch Origination Agreement and that party cannot reasonably amend or alter the manner in which it performs (or procures the performance of) its obligations such that they are lawful.
- (D) Any change in circumstances of any party to the Dutch Origination Agreement which has a material adverse effect on its ability to carry out its obligations under that agreement; or an event occurs or circumstances are discovered such that the continued performance by the relevant party of its obligations under the Dutch Origination Agreement would materially prejudice the business seeking to terminate the Dutch Origination Agreement provided that, in each case, the party seeking to terminate shall act in good faith and consult with the other party to seek to rectify any such material adverse effect or material prejudice prior to exercising any right of termination under this paragraph (D).

- (E) The Services Agreement is terminated by Funding Circle UK for any reason.
- (F) Any of Funding Circle UK, Funding Circle Netherlands or Funding Circle CE determines, in its sole discretion, that its continued provision of services under the Dutch Origination Agreement would, or would be reasonably likely to, constitute a breach by it of any applicable law or regulation or any other governmental or regulatory authority of competent jurisdiction considers it may be the AIFM of the Company or the CE IrishCo.

Except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK, Funding Circle Netherlands, the Stichting or Funding Circle CE may have under any applicable law, no claim shall be made against Funding Circle UK, Funding Circle Netherlands, the Stichting or Funding Circle CE or their Affiliates or any of their respective directors, officers, shareholders, partners, members, agents or employees (each an “Indemnified Person”) in respect of, nor shall any such person be liable for, any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof), provided always that any legal fees, expenses and disbursements must be reasonably incurred and duly documented before such legal fees, expenses and disbursements can constitute (together, “Liabilities”) for:

- (A) the acts or omissions of any person retained or employed by the Company or the CE IrishCo, including any person through whom transactions in investments are effected for the account of the Company or the CE IrishCo, or any other party having custody, possession or control of any investments from time to time, or any clearance or settlement system;
- (B) any (i) special, indirect or consequential loss or damage, which term shall include without limitation, consequential or indirect economic losses; (ii) lost turnover; (iii) loss of profits or business, in each case arising out of or in connection with the performance or non-performance of its duties and obligations, or the exercise of its powers, under the Dutch Origination Agreement; or
- (C) any failure to fulfil or delay in fulfilling its duties thereunder or for the loss of, or damage to, any documents in its possession or under its control if such failure, loss or damage is caused directly or indirectly by act of God, war, enemy action, the act of any government or other competent authority, riot, civil commotion, terrorism, rebellion, storm, tempest, accident, fire, explosion, strike, lock-out, market conditions affecting the execution or settlement of transactions or the value of assets, any failure or breakdown in communications not within the control of the party affected by it, the failure of any exchange or clearing house or any other cause, whether similar or not, beyond its control.

Except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK, Funding Circle Netherlands, the Stichting or Funding Circle CE may have under any applicable law, in no circumstances will any of the directors, officers, shareholders, partners, members, agents or employees of Funding Circle UK, Funding Circle Netherlands, the Stichting or Funding Circle CE or their Affiliates have any liability to the CE IrishCo, the Company or any other person. Furthermore, none Funding Circle UK, Funding Circle Netherlands, the Stichting or Funding Circle CE:

- (A) assumes any responsibility under the Dutch Origination Agreement other than to render the services in accordance with the terms of the Dutch Origination Agreement;
- (B) assumes any fiduciary duty with regard to the CE IrishCo or the Company;
- (C) guarantees or otherwise assumes any responsibility for the performance by any other party of their respective obligations under the Dutch Origination Agreement;
- (D) guarantees the performance or profitability of the CE IrishCo’s (or the Company’s) portfolio (or any part of it);
- (E) shall incur any liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be properly executed or signed by the proper party or parties; and

- (F) shall be liable for the acts or omissions of its agents or delegates who are not Affiliates of Funding Circle UK, Funding Circle Netherlands, the Stichting or Funding Circle CE, provided that the relevant one of them acts in good faith and with reasonable skill and care in the selection, use and monitoring thereof.

No Indemnified Person shall be liable for any Liabilities suffered by the Company or the CE IrishCo (or any Affiliate thereof) or any other person in connection with the performance or non-performance by Funding Circle UK, Funding Circle Netherlands, the Stichting or Funding Circle CE of their obligations and duties thereunder in the absence of such Indemnified Person's fraud, gross negligence or wilful default, nor (except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK, Funding Circle Netherlands, the Stichting or Funding Circle CE may have under any applicable law) shall any Indemnified Person be liable for any Liability unless:

- (A) the amount of such Liability arising from any one such claim exceeds £5,000; or
- (B) the aggregate amount of all Liability arising from any claims for which Indemnified Persons are liable under the Dutch Origination Agreement (disregarding this paragraph (B)) in any 12 month period exceeds £25,000.

The CE IrishCo shall indemnify and keep indemnified each Indemnified Person from and against any and all Liabilities which may be incurred by or asserted against any such Indemnified Person in connection with the exercise of any of Funding Circle Netherlands', Funding Circle CE's, the Stichting's or Funding Circle UK's powers or the performance by any of them of their respective obligations and duties thereunder, other than to the extent arising directly from such Indemnified Person's fraud, gross negligence or wilful default.

Nothing in the Dutch Origination Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company or the CE IrishCo which Funding Circle UK, Funding Circle Netherlands, the Stichting or Funding Circle CE may have under any applicable law.

The Dutch Origination Agreement contains further provisions relating to liability and indemnification.

No recourse under any obligation, covenant (express or implied), or agreement (each an "obligation") of the CE IrishCo contained in the Dutch Origination Agreement shall be had against any former, current or future shareholder, officer, agent, employee or director of the CE IrishCo (each, a "Connected Person"), by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the Dutch Origination Agreement and the CE IrishCo Note are corporate obligations of the CE IrishCo only and no personal liability shall attach to, or be incurred by, any Connected Person under, or by reason of, any obligation under the Dutch Origination Agreement, and that any and all personal liability for breach of the CE IrishCo's obligation, either at law or by statute or constitution, by any Connected Person is waived by Funding Circle UK, Funding Circle Netherlands and Funding Circle CE and the Company as a condition of, and in consideration for the execution of, the Dutch Origination Agreement save where a court has determined that a Connected Person has acted fraudulently, with gross negligence, with wilful default or otherwise in breach of such Connected Person's duties under the Irish Companies Act 2014.

Each of Funding Circle UK, Funding Circle Netherlands, Funding Circle CE and the Company undertake to the CE IrishCo that they shall not, nor shall any party acting on their behalf, at any time institute, or join any person instituting, against the CE IrishCo, or any or all of its revenues and assets:

- (A) any insolvency event (as described in the Dutch Origination Agreement);
- (B) any petition for the appointment of a receiver, examiner, administrator, trustee, liquidator, sequestrator or similar officer of it; or
- (C) any ex parte proceedings,

save where a court determines that such proceedings or petition arises in connection with the fraud, gross negligence, wilful default or breach of duty under the Irish Companies Act 2014 of any Connected Person.

Each of Funding Circle UK, Funding Circle Netherlands, Funding Circle CE and the Company further agree and acknowledge that:

- (A) the obligations of the CE IrishCo arising under the Dutch Origination Agreement are limited recourse obligations of the CE IrishCo which are payable solely from the portfolio (as specified in the Dutch Origination Agreement) after payment of all senior obligations (as set out in the CE Note Subscription Agreement), payments and claims which rank in priority to payments to the Company under the Dutch Origination Agreement;
- (B) it will have recourse in respect of any amount, claim or obligation due or owing to it by the CE IrishCo (the “Claims”) only to the extent of available funds pursuant to (A) above after all prior ranking claims have been satisfied and discharged in full; and
- (C) after the application of such funds, the CE IrishCo will not have any assets available for payment of its obligations under the Dutch Origination Agreement.

The Dutch Origination Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England.

7.16 German Origination Agreement

Under an agreement dated 11 March 2016 between the CE IrishCo, Funding Circle UK, Funding Circle Germany, Funding Circle CE, Funding Circle Connect and the Company, Funding Circle Germany has been appointed to allocate to the CE IrishCo (on a randomised basis) a portion of the German Credit Assets approved by Funding Circle Germany for listing on the German Marketplace. The CE IrishCo has agreed to fund (indirectly, via the purchase of Receivables (as defined in the German Origination Agreement)) certain of such Allocated Assets by making advances of credit to the relevant borrower(s) to the extent that such Allocated Assets comply with the Investment Policy and any Portfolio Limits, and that the CE IrishCo has sufficient Available Cash.

During the term of the German Origination Agreement, Funding Circle Germany shall originate German Credit Assets through the German Marketplace in a manner consistent with the lending policy (as described in the German Origination Agreement), and shall then allocate a portion of such Credit Assets to the CE IrishCo as described in Part 3 of this Prospectus.

Funding Circle Germany may supplement or amend its lending policy (as described in the German Origination Agreement) from time to time, in its sole discretion, provided that Funding Circle Germany shall, as soon as reasonably practicable, notify the other parties to the German Origination Agreement of any such supplement or amendment.

Funding Circle Germany may amend its Receivable Purchase and Servicing Provisions and its Standard Asset Documentation in its absolute discretion, provided that:

- (A) no such amendment shall be effective, as between Funding Circle Germany and the CE IrishCo, to the extent it conflicts with any provision of the German Origination Agreement (including, for the avoidance of doubt the Receivable Purchase and Servicing Provisions) or this Prospectus unless (i) such amendment has been approved as a variation to the German Origination Agreement in accordance with its terms; or (ii) to the extent that Funding Circle Germany determines (acting reasonably) that such amendment is necessary (a) to preserve the enforceability of any such Standard Asset Documentation; or (b) to facilitate or ensure compliance with, or prevent any violation of, any applicable law; or (iii) to preserve the transferability, registration or tax treatment of any Credit Asset; and
- (B) Funding Circle Germany shall promptly notify the other parties to the German Origination Agreement of any such supplement or amendment, to the extent it wishes to apply such amendment to the transactions envisaged in the German Origination Agreement.

Subject to the foregoing, no variation of the German Origination Agreement shall be effective unless it is in writing and signed by (or by some person duly authorised by) all the parties to the German Origination Agreement.

No fees are payable to Funding Circle Germany, Funding Circle CE, Funding Circle UK or Funding Circle Connect by the Company or the CE IrishCo pursuant to the German Origination Agreement. However, pursuant to its terms and conditions for borrowers, Funding Circle Germany is entitled to receive from each borrower certain fees and charges. In particular,

fees charged in relation to running the Funding Circle website and administering the loan under the standard Funding Circle Terms and Conditions are also included in the rate of interest and the total charge for credit.

Other fees or charges may be charged to borrowers in respect of outstanding sums or other defaults.

Subject to certain conditions, the parties agree that Funding Circle Germany may subcontract or delegate any of its obligations under the German Origination Agreement to any other persons and that Funding Circle CE shall be a sub-contracting agent of Funding Circle Germany.

Funding Circle UK will set an aggregate Allocation Limit for Marketplaces in the EU (excluding the UK). This is the “EU Base Allocation”. The specific Allocation Limit for Credit Assets originated through the German Marketplace will then be determined by Funding Circle UK (pursuant to the Services Agreement) but shall not exceed (when taken together with the allocations to all other Marketplaces in the EU (excluding the UK)) the EU Base Allocation.

Prior to allocation of German Credit Assets to the CE IrishCo as an Allocated Asset, Funding Circle Germany will apply the Investment Policy and any Portfolio Limits to that German Credit Asset, and such German Credit Asset shall only become an Allocated Asset if, were it to be acquired by the CE IrishCo, it would not result in the Company breaching the Investment Policy or any Portfolio Limits.

German Credit Assets that have been randomly selected as Allocated Assets will be offered to the CE IrishCo and, subject always to compliance with certain conditions set out in the German Origination Agreement, the CE IrishCo is bound to acquire Receivables in respect of each such Allocated Asset to the extent that the CE IrishCo has, at the relevant time, Available Cash; each such Allocated Asset being a “German Qualifying Asset”.

Following the CE IrishCo’s acceptance of the offer made in respect of the German Qualifying Assets, Funding Circle Germany shall procure that all German Qualifying Assets shall be issued on the relevant Advance Date on the terms of the Standard Asset Documentation by Wirecard, a third party provider. Funding Circle Connect shall then acquire Receivables in respect of such German Qualifying Assets and, on each Advance Date, but following the creation and funding of the relevant German Qualifying Assets by Wirecard, the CE IrishCo shall acquire the relevant Receivable from Funding Circle Connect in accordance with the Receivable Purchase and Servicing Provisions, as set out in the German Origination Agreement.

Funding Circle Germany shall perform its services under the German Origination Agreement with at least the standard of care reasonably to be expected of a reasonably prudent operator of a peer-to-peer lending platform facilitating loans similar to the Credit Assets in the portfolio (as specified in the German Origination Agreement) or, where it is a higher standard, with the equivalent care that Funding Circle Germany would exercise in respect of similar services for a similar client in respect of Credit Assets originated on the German Marketplace.

Funding Circle Germany shall provide its services under the German Origination Agreement and the Credit Assets shall be originated in all material respects in accordance with all then-current applicable laws and mandatory regulations of binding effect.

Subject to Funding Circle Germany having complied in all material respects with its duties and obligations under the German Origination Agreement, if at any time the CE IrishCo fails to fund any Advance which it is obliged to make on the relevant Advance Date, and such failure continues unremedied for at least five (5) Business Days (as defined for the purposes of the German Origination Agreement, and all references to Business Days in this paragraph 5.5 are as so defined) following the date on which written notice of such failure was given to the CE IrishCo by Funding Circle Germany (a “Payment Default”), Funding Circle Germany may in its sole discretion charge the CE IrishCo on the relevant unpaid amount at the rate of the Reference Rate plus four percent (4.0 per cent.), calculated from such due date to the date on which payment of the outstanding balance is made, provided that, following a Payment Default, Funding Circle Germany must give the CE IrishCo prior written notice of its intention to apply such charges.

Each of the parties to the German Origination Agreement acknowledges the interest of the Company, as the sole holder of the CE IrishCo Note, in the proper performance by each of Funding Circle Germany and the CE IrishCo of their respective obligations thereunder. Accordingly, each of Funding Circle UK, Funding Circle Germany, Funding Circle CE and the CE IrishCo (for themselves) undertakes to the Company that it shall:

- (A) observe and perform, and comply with each of its obligations set out in the German Origination Agreement; and
- (B) exercise all proper care, skill and diligence in performing such obligations.

The parties to the German Origination Agreement have given certain customary warranties under that agreement. In addition:

- (A) the CE IrishCo warrants to Funding Circle UK, Funding Circle Germany, Funding Circle CE and the Company that it shall at all time and in all respects comply with the applicable Receivable Purchase and Servicing Provisions; and
- (B) Funding Circle gives the following warranties (the “Warranties”):
 - (1) Each German Qualifying Asset will be made on the terms of the Funding Circle Germany Standard Asset Documentation in all material respects;
 - (2) Each German Qualifying Asset satisfies the Investment Policy and any Portfolio Limits as at the time of entry by the CE IrishCo into a legally binding commitment to fund that German Qualifying Asset;
 - (3) The origination of each German Qualifying Asset was in all material respects in compliance with the lending policy (as described in the German Origination Agreement); and
 - (4) The relevant borrower is, to the best of Funding Circle Germany’s knowledge having made reasonable enquiries, not a natural person within Ireland.

If a breach of Warranty occurs (an “Affected Asset Event”) in relation to a particular German Qualifying Asset (an “Affected Asset”) then the CE IrishCo shall, as soon as reasonably practicable after becoming aware of the same (and in any event within 30 calendar days of so becoming aware), give notice in writing thereof to Funding Circle Germany and Funding Circle CE requesting Funding Circle Germany purchase (or procure that an Affiliate purchase) the Receivable relating to such German Qualifying Asset for a purchase price equal to the breach of warranty repurchase price (as set out in the German Origination Agreement) (the “Affected Asset Remedy”).

If Funding Circle Germany decides (in its sole discretion) to effect the purchase of the relevant Receivable (and so implement the Affected Asset Remedy), it shall exercise and discharge the Affected Asset Remedy as described above on the date falling not later than 30 Business Days following the date on which notice was given in accordance with the paragraph above.

The exercise and discharge by Funding Circle Germany of an Affected Asset Remedy shall constitute a full discharge and release of each of Funding Circle Germany, Funding Circle CE and Funding Circle UK from all claims which the CE IrishCo and/or the Company may have against any of them in respect of that Affected Asset and the Receivable related thereto arising from the occurrence of the related Affected Asset Event but shall not affect its rights arising from the occurrence of an Affected Asset Event in relation to any other Allocated Asset or Receivable. Funding Circle Germany shall not be required to repurchase any German Qualifying Asset or Receivable due to the lack of performance, decline in value or as a result of the insolvency, credit loss, fraud or general inability or unwillingness to pay off or by the borrower or any guarantor of a borrower.

The CE IrishCo acknowledges to and agrees with each of Funding Circle Germany, Funding Circle CE and Funding Circle UK that:

- (A) if the Affected Asset Remedy is exercised by Funding Circle Germany in its sole discretion, the CE IrishCo shall have no further claim for damages or other remedy against any of Funding Circle Germany, Funding Circle CE and Funding Circle UK;
- (B) Funding Circle Germany, Funding Circle CE or Funding Circle UK shall not have any liability or responsibility (whether contractual, tortious or otherwise, express or implied) for or in respect of any loss or damage suffered by the CE IrishCo resulting from or arising

out of any breach by any borrower of any of the obligations in respect of any German Qualifying Asset unless (in respect of the liability of Funding Circle Germany alone) and to the extent such matter constitutes a breach of Warranty; and

- (C) other than a purchase of a Receivable following a breach of Warranty as described above, where Funding Circle Germany decides to do so in its sole discretion, none of Funding Circle Germany, Funding Circle CE or Funding Circle UK are under an obligation to purchase any Receivable or German Qualifying Asset from the CE IrishCo.

The German Origination Agreement will continue in full force and effect until terminated (automatically and without further action by any party) on the first to occur of:

- (A) the expiry of one year's written notice from one party to the others, such notice not to be given before the fifth anniversary of the IPO; and
- (B) termination for a Basic Termination Event (as defined below).

On the occurrence (and subject to the continuance) of a Basic Termination Event referred to in (A) to (D) below, in respect of any of Funding Circle UK, Funding Circle Germany, Funding Circle CE or the CE IrishCo, any of the others may terminate the German Origination Agreement by giving ten days' written notice to all the other parties thereto. Notwithstanding the foregoing: (1) on the occurrence of the Basic Termination Event referred to in (E) below, only Funding Circle UK shall be entitled to terminate the German Origination Agreement with immediate effect; and (2) on the occurrence of the Basic Termination Event referred to in (F) below, only Funding Circle UK, Funding Circle Germany or Funding Circle CE shall be entitled to terminate the German Origination Agreement with immediate effect.

The occurrence at any time with respect to either Funding Circle Germany, Funding Circle CE, Funding Circle UK or the CE IrishCo of the following events constitutes a "Basic Termination Event" with respect to such party:

- (A) Failure by such party to comply with or perform any material agreement or obligation to be complied with or performed by such party in accordance with the German Origination Agreement (including the Receivable Purchase and Servicing Provisions), so far as applicable as between the CE IrishCo and Funding Circle Germany or Funding Circle Connect (as the case may be) and such failure (if remediable) is not remedied on or before the thirtieth day after written notice of such failure is given to such party.
- (B) The party suffers an insolvency event (as described in the German Origination Agreement).
- (C) Due to the adoption of, or any change in, any applicable law after the date hereof, consequent to which it becomes unlawful for such party to perform its obligations (contingent or otherwise) under the German Origination Agreement and that party cannot reasonably amend or alter the manner in which it performs (or procures the performance of) its obligations such that they are lawful.
- (D) Any change in circumstances of any party to the German Origination Agreement which has a material adverse effect on its ability to carry out its obligations under that agreement; or an event occurs or circumstances are discovered such that the continued performance by the relevant party of its obligations under the German Origination Agreement would materially prejudice the business seeking to terminate the German Origination Agreement provided that, in each case, the party seeking to terminate shall act in good faith and consult with the other party to seek to rectify any such material adverse effect or material prejudice prior to exercising any right of termination under this paragraph (D).
- (E) The Services Agreement is terminated by Funding Circle UK for any reason.
- (F) Any of Funding Circle UK, Funding Circle Germany or Funding Circle CE determines, in its sole discretion, that its continued provision of services under the German Origination Agreement would, or would be reasonably likely to, constitute a breach by it of any applicable law or regulation or any other governmental or regulatory authority of competent jurisdiction considers it may be the AIFM of the Company or the CE IrishCo.

Except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK, Funding Circle Germany or Funding Circle CE may have under any applicable law, no claim shall be made against Funding Circle UK, Funding Circle Germany or Funding Circle CE or their Affiliates or any of their respective directors, officers, shareholders,

partners, members, agents or employees (each an “Indemnified Person”) in respect of, nor shall any such person be liable for, any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof), provided always that any legal fees, expenses and disbursements must be reasonably incurred and duly documented before such legal fees, expenses and disbursements can constitute (together, “Liabilities”) for:

- (A) the acts or omissions of any person retained or employed by the Company or the CE IrishCo, including any person through whom transactions in investments are effected for the account of the Company or the CE IrishCo, or any other party having custody, possession or control of any investments from time to time, or any clearance or settlement system;
- (B) any (i) special, indirect or consequential loss or damage, which term shall include without limitation, consequential or indirect economic losses; (ii) lost turnover; (iii) loss of profits or business, in each case arising out of or in connection with the performance or non-performance of its duties and obligations, or the exercise of its powers, under the German Origination Agreement; or
- (C) any failure to fulfil or delay in fulfilling its duties thereunder or for the loss of, or damage to, any documents in its possession or under its control if such failure, loss or damage is caused directly or indirectly by act of God, war, enemy action, the act of any government or other competent authority, riot, civil commotion, terrorism, rebellion, storm, tempest, accident, fire, explosion, strike, lock-out, market conditions affecting the execution or settlement of transactions or the value of assets, any failure or breakdown in communications not within the control of the party affected by it, the failure of any exchange or clearing house or any other cause, whether similar or not, beyond its control.

Except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK, Funding Circle Germany or Funding Circle CE may have under any applicable law, in no circumstances will any of the directors, officers, shareholders, partners, members, agents or employees of Funding Circle UK, Funding Circle Germany or Funding Circle CE or their Affiliates have any liability to the CE IrishCo, the Company or any other person. Furthermore, none Funding Circle UK, Funding Circle Germany or Funding Circle CE:

- (A) assumes any responsibility under the German Origination Agreement other than to render the services in accordance with the terms of the German Origination Agreement;
- (B) assumes any fiduciary duty with regard to the CE IrishCo or the Company;
- (C) guarantees or otherwise assumes any responsibility for the performance by any other party of their respective obligations under the German Origination Agreement;
- (D) guarantees the performance or profitability of the CE IrishCo’s (or the Company’s) portfolio (or any part of it);
- (E) shall incur any liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be properly executed or signed by the proper party or parties; and
- (F) shall be liable for the acts or omissions of its agents or delegates who are not Affiliates of Funding Circle UK, Funding Circle Germany or Funding Circle CE, provided that the relevant one of them acts in good faith and with reasonable skill and care in the selection, use and monitoring thereof.

No Indemnified Person shall be liable for any Liabilities suffered by the Company or the CE IrishCo (or any Affiliate thereof) or any other person in connection with the performance or non-performance by Funding Circle UK, Funding Circle Germany or Funding Circle CE of their obligations and duties thereunder in the absence of such Indemnified Person’s fraud, gross negligence or wilful default, nor (except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle UK, Funding Circle Germany or Funding Circle CE may have under any applicable law) shall any Indemnified Person be liable for any Liability unless:

- (A) the amount of such Liability arising from any one such claim exceeds £5,000; or
- (B) the aggregate amount of all Liability arising from any claims for which Indemnified Persons are liable under the German Origination Agreement (disregarding this paragraph (B)) in any 12 month period exceeds £25,000.

The CE IrishCo shall indemnify and keep indemnified each Indemnified Person from and against any and all Liabilities which may be incurred by or asserted against any such Indemnified Person in connection with the exercise of any of Funding Circle Germany's, Funding Circle CE's or Funding Circle UK's powers or the performance by any of them of their respective obligations and duties thereunder, other than to the extent arising directly from such Indemnified Person's fraud, gross negligence or wilful default.

Nothing in the German Origination Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company or the CE IrishCo which Funding Circle UK, Funding Circle Germany or Funding Circle CE may have under any applicable law.

The German Origination Agreement contains further provisions relating to liability and indemnification.

No recourse under any obligation, covenant (express or implied), or agreement (each an "obligation") of the CE IrishCo contained in the German Origination Agreement shall be had against any former, current or future shareholder, officer, agent, employee or director of the CE IrishCo (each, a "Connected Person"), by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the German Origination Agreement and the CE IrishCo Note are corporate obligations of the CE IrishCo only and no personal liability shall attach to, or be incurred by, any Connected Person under, or by reason of, any obligation under the German Origination Agreement, and that any and all personal liability for breach of the CE IrishCo's obligation, either at law or by statute or constitution, by any Connected Person is waived by Funding Circle UK, Funding Circle Germany and Funding Circle CE and the Company as a condition of, and in consideration for the execution of, the German Origination Agreement save where a court has determined that a Connected Person has acted fraudulently, with gross negligence, with wilful default or otherwise in breach of such Connected Person's duties under the Irish Companies Act 2014.

Each of Funding Circle UK, Funding Circle Germany, Funding Circle CE, Funding Circle Connect and the Company undertake to the CE IrishCo that they shall not, nor shall any party acting on their behalf, at any time institute, or join any person instituting, against the CE IrishCo, or any or all of its revenues and assets:

- (A) any insolvency event (as described in the German Origination Agreement);
- (B) any petition for the appointment of a receiver, examiner, administrator, trustee, liquidator, sequestrator or similar officer of it; or
- (C) any ex parte proceedings,

save where a court determines that such proceedings or petition arises in connection with the fraud, gross negligence, wilful default or breach of duty under the Irish Companies Act 2014 of any Connected Person.

Each of Funding Circle UK, Funding Circle Germany, Funding Circle CE, Funding Circle Connect and the Company further agree and acknowledge that:

- (A) the obligations of the CE IrishCo arising under the German Origination Agreement are limited recourse obligations of the CE IrishCo which are payable solely from the portfolio (as specified in the German Origination Agreement) after payment of all senior obligations (as set out in the CE Note Subscription Agreement), payments and claims which rank in priority to payments to the Company under the German Origination Agreement;
- (B) it will have recourse in respect of any amount, claim or obligation due or owing to it by the CE IrishCo (the "Claims") only to the extent of available funds pursuant to (A) above after all prior ranking claims have been satisfied and discharged in full; and
- (C) after the application of such funds, the CE IrishCo will not have any assets available for payment of its obligations under the German Origination Agreement.

The German Origination Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England.

7.17 Spanish Servicing Agreement

The CE IrishCo, Funding Circle Spain, Funding Circle CE and the Company are party to the Spanish Servicing Agreement. The Board does not consider this agreement to be material as Funding Circle no longer intends to originate further loans through the Spanish Marketplace in order to focus its resources on Germany and the Netherlands

7.18 Dutch Servicing Agreement

Under an agreement dated 11 March 2016 between the CE IrishCo, Funding Circle Netherlands, Funding Circle CE, the Stichting and the Company, Funding Circle Netherlands (and its delegates, including Funding Circle CE) has been appointed to service, administer and collect payments relating to Credit Assets.

Subject to the terms of the Dutch Servicing Agreement, CE IrishCo agrees to be bound by the Terms and Conditions for Investors, the Terms and Conditions for Borrowers and the Loan Conditions, in each case as set out in the Appendices to the Dutch Servicing Agreement (the “Platform Rules”) (other than the Terms and Conditions for Borrowers and those parts of the Terms and Conditions for Investors marked as not applicable in an appendix to the Dutch Servicing Agreement).

Funding Circle Netherlands may amend the Platform Rules in its absolute discretion, provided that:

- (A) no such amendment shall be effective, as between Funding Circle Netherlands and the CE IrishCo, to the extent it conflicts with any provision of the Dutch Servicing Agreement (including, for the avoidance of doubt the Terms and Conditions for Investors), the Dutch Origination Agreement or this Prospectus unless (i) such amendment has been approved as a variation to the Dutch Servicing Agreement in accordance with its terms; or (ii) to the extent that Funding Circle Netherlands determines (acting reasonably) that such amendment is necessary (a) to preserve the enforceability of any such Platform Rules; or (b) to facilitate or ensure compliance with, or prevent any violation of, any applicable law; or (iii) to preserve the transferability, registration or tax treatment of any Credit Asset; and
- (B) Funding Circle Netherlands shall promptly notify the other parties to the Dutch Servicing Agreement of any such supplement or amendment, to the extent it wishes to apply such amendment to the transactions envisaged in the Dutch Servicing Agreement.

Any variation, amendment or modification of the Dutch Servicing Agreement shall not be binding on the parties unless set out in writing, expressed to vary the Dutch Servicing Agreement, and is signed by authorised representatives of each of the parties to the Dutch Servicing Agreement.

Funding Circle Netherlands shall conduct the Services with the due care to be expected by a reasonably prudent manager of loans similar to the Credit Assets in the Portfolio or, where it is a higher standard, with the equivalent care that it would exercise concerning other Credit Assets originated on the Dutch Marketplace.

Subject to certain conditions, Funding Circle Netherlands may from time to time and without notice to the other parties to the Dutch Servicing Agreement subcontract or delegate the services to be provided under the Dutch Servicing Agreement (or any part thereof) to any other Person. The parties to the Dutch Servicing Agreement agree that Funding Circle CE is to be a sub-contracting agent of Funding Circle Netherlands. Funding Circle Netherlands shall remain liable for the actions or omissions of Funding Circle CE as if such actions were Funding Circle Netherlands’s own actions.

Funding Circle CE shall instruct Dutch Borrowers to pay Collections into an intermediate account held by the Stichting before the funds are transferred into the CE IrishCo Collections Account.

Pursuant to the Dutch Servicing Agreement, Funding Circle Netherlands shall be entitled to receive the fees and expenses described in Part 7 of this Prospectus.

Funding Circle Netherlands shall use its reasonable endeavours to put in place and maintain in place arrangements with a back-up servicer to provide back-up servicing.

The parties to the Dutch Servicing Agreement give certain customary representations and warranties under that agreement as to, in summary, organization and good standing, due authorization, no violation, no consent and no litigation.

Each of the parties to the Dutch Servicing Agreement acknowledges the interest of the Company, as the sole holder of the CE IrishCo Note, in the proper performance by each of Funding Circle CE, Funding Circle Netherlands and the CE IrishCo of their respective obligations under the Dutch Servicing Agreement. Accordingly, each of Funding Circle CE, Funding Circle Netherlands and the CE IrishCo (for themselves) represents and warrants to the Company that it shall:

- (A) observe and perform, and comply with each of its obligations set out in the Dutch Servicing Agreement; and
- (B) exercise all proper care, skill and diligence in performing such obligations.

Funding Circle Netherlands may not resign from the obligations and liabilities imposed on it pursuant to the terms of the Dutch Servicing Agreement or otherwise terminate the Dutch Servicing Agreement, provided that Funding Circle Netherlands may, by written notice to each of the other parties resign and terminate the Dutch Servicing Agreement:

- (A) if Funding Circle Netherlands reasonably determines that: (1) it is or is likely to become unlawful for Funding Circle Netherlands to comply with its duties or obligations under the Dutch Servicing Agreement; or (2) it is or is likely to become unlawful for Funding Circle CE to continue to be able to provide any Services required to be provided by it as sub-contracting agent; or
- (B) where each of the CE IrishCo and the Company give their prior written consent, and (x) an Affiliate of Funding Circle Netherlands has agreed to provide services equivalent to those described in the Dutch Servicing Agreement in place of Funding Circle Netherlands, on substantially the terms and conditions thereof; and (y) such successor has agreed to execute documentation in form and substance reasonably satisfactory to the CE IrishCo and the Company to effect its assumption of the rights and duties of Funding Circle Netherlands thereunder, provided that no such resignation will be effective until such successor has been appointed pursuant to the documentation referred to above.

The CE IrishCo may, at its option, terminate the Dutch Servicing Agreement by notice to the other parties if any of the following occur:

- (A) failure by Funding Circle Netherlands to duly observe or perform, in any material respect, any covenant, obligation or agreement of Funding Circle Netherlands as set forth in the Dutch Servicing Agreement which failure continues unremedied for a period of thirty days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to Funding Circle Netherlands by the CE IrishCo; or
- (B) Funding Circle Netherlands suffers any insolvency event (as described in the Dutch Servicing Agreement).

Notwithstanding the above, the Dutch Servicing Agreement shall terminate on the first to occur of:

- (A) the appointment of a back-up servicer;
- (B) the date on which the Credit Assets that have from time to time been funded by the CE IrishCo have been repaid and/or written off in full;
- (C) the termination of the Services Agreement by Funding Circle UK for any reason; and
- (D) any date the parties to the Dutch Servicing Agreement otherwise agree in writing.

Further, except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle Netherlands may have under any applicable law, no claim shall be made against Funding Circle CE, Funding Circle Netherlands, the Stichting or their Affiliates or any of such person's respective directors, officers, shareholders, partners, members, agents or employees (each an "Indemnified Person") in respect of, nor shall any such person have any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes,

duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof) (“Liabilities”) for:

- (A) the acts or omissions of any person retained or employed by the Company or the CE IrishCo, including any person through whom transactions in investments are effected for the account of the Company or the CE IrishCo, or any other party having custody, possession or control of any investments from time to time, or any clearance or settlement system;
- (B) any (i) special, indirect or consequential loss or damage, which term shall include without limitation, consequential or indirect economic losses; (ii) lost turnover; (iii) loss of profits or business, in each case arising out of or in connection with the performance or non-performance of its duties and obligations, or the exercise of its powers, under the Dutch Servicing Agreement; or
- (C) any failure to fulfil or delay in fulfilling its duties thereunder or for the loss of, or damage to, any documents in its possession or under its control if such failure, loss or damage is caused directly or indirectly by act of God, war, enemy action, the act of any government or other competent authority, riot, civil commotion, terrorism, rebellion, storm, tempest, accident, fire, explosion, strike, lock-out, market conditions affecting the execution or settlement of transactions or the value of assets, any failure or breakdown in communications not within the control of the party affected by it, the failure of any exchange or clearing house or any other cause, whether similar or not, beyond its control.

Except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle CE, the Stichting or Funding Circle Netherlands may have under any applicable law, in no circumstances will any of the directors, officers, shareholders, partners, members, agents or employees of Funding Circle CE, the Stichting or Funding Circle Netherlands or their Affiliates have any liability to the CE IrishCo, the Company or any other person.

Furthermore, Funding Circle CE, the Stichting and Funding Circle Netherlands:

- (A) assume no responsibility under the Dutch Servicing Agreement other than to render the services in accordance with the terms of the Dutch Servicing Agreement;
- (B) do not assume any fiduciary duty with regard to the CE IrishCo or the Company;
- (C) do not guarantee or otherwise assume any responsibility for the performance by any other party of their respective obligations under the Dutch Servicing Agreement;
- (D) do not warrant or guarantee the performance or profitability of the CE IrishCo’s (or the Company’s) portfolio (or any part of it);
- (E) shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be properly executed or signed by the proper party or parties; and
- (F) shall not be liable for the acts or omissions of their agents or delegates who are their Affiliates, provided that such person acts in good faith and with reasonable skill and care in the selection, use and monitoring thereof.

No Indemnified Person shall be liable for any Liability suffered by the Company or the CE IrishCo (or any Affiliate thereof) or any other person in connection with the performance or non-performance by Funding Circle Netherlands of its obligations and duties thereunder in the absence of such Indemnified Person’s fraud, gross negligence or wilful default, nor (except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle Netherlands may have under any applicable law) shall any Indemnified Person be liable for any Liability unless the amount of such Liability arising from any one such claim exceeds £5,000.

Further, the maximum aggregate liability of Funding Circle CE, the Stichting and Funding Circle Netherlands and their Affiliates in respect of any and all claims of any kind arising out of, in connection with, or relating to the Dutch Servicing Agreement shall not exceed in any calendar year an aggregate amount equal to five times the aggregate fees received by Funding Circle Netherlands pursuant to the Dutch Servicing Agreement over the preceding 12 month

period, or, in respect of the period prior to the first anniversary of the Dutch Servicing Agreement, two times the aggregate fees received by Funding Circle Netherlands pursuant to the Dutch Servicing Agreement prior to the point at which the relevant Liability arises.

The CE IrishCo shall indemnify and keep indemnified each Indemnified Person from and against any and all Liabilities which may be incurred by or asserted against any such Indemnified Person in connection with the exercise (whether directly by Funding Circle Netherlands or on a delegated basis by Funding Circle CE) of Funding Circle Netherlands's powers or the performance by Funding Circle Netherlands of its obligations and duties hereunder, other than to the extent arising directly from such Indemnified Person's fraud, gross negligence or wilful default.

Nothing in the Dutch Servicing Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company or the CE IrishCo which Funding Circle CE, the Stichting or Funding Circle Netherlands may have under any applicable law.

The Dutch Servicing Agreement contains further provisions relating to liability and indemnification.

No recourse under any obligation, covenant (express or implied), or agreement (each an "obligation") of the CE IrishCo contained in the Dutch Servicing Agreement shall be had against any former, current or future shareholder, officer, agent, employee or director of the CE IrishCo (each, a "Connected Person"), by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the Dutch Servicing Agreement and the CE IrishCo Note are corporate obligations of the CE IrishCo only and no personal liability shall attach to, or be incurred by, any Connected Person under, or by reason of, any obligation under the Dutch Servicing Agreement, and that any and all personal liability for breach of the CE IrishCo's obligation, either at law or by statute or constitution, by any Connected Person is waived by each of Funding Circle CE, Funding Circle Netherlands and the Company as a condition of, and in consideration for the execution of, the Dutch Servicing Agreement save where a court has determined that a Connected Person has acted fraudulently, with gross negligence, with wilful misconduct or otherwise in breach of such Connected Person's duties under the Irish Companies Act 2014.

Each of Funding Circle CE, Funding Circle Netherlands and the Company undertake to the CE IrishCo that it shall not, nor shall any party acting on its behalf, at any time institute, or join any person instituting, against the CE IrishCo, or any or all of its revenues and assets:

- (A) any Insolvency Proceedings;
- (B) any petition for the appointment of a receiver, examiner, administrator, trustee, liquidator, sequestrator or similar officer of it; or
- (C) any ex parte proceedings,

save where a court determines that such proceedings or petition arises in connection with the fraud, gross negligence, wilful misconduct or breach of duty under the Irish Companies Act 2014 of any Connected Person.

Each of Funding Circle CE, Funding Circle Netherlands and the Company agree and acknowledge that:

- (A) the obligations of the CE IrishCo arising under the Dutch Servicing Agreement are limited recourse obligations of the CE IrishCo which are payable solely from the Portfolio after payment of all Senior Obligations, payments and claims which rank in priority to payments to the Company under the Dutch Servicing Agreement;
- (B) it will have recourse in respect of any amount, claim or obligation due or owing to it by the CE IrishCo (the "Claims") only to the extent of available funds pursuant to (A) above after all prior ranking claims have been satisfied and discharged in full; and
- (C) after the application of such funds, the CE IrishCo will not have any assets available for payment of its obligations under the Dutch Servicing Agreement.

The Dutch Servicing Agreement and non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the Laws of England and Wales.

7.19 German Servicing Agreement

Under an agreement dated 11 March 2016 between the CE IrishCo, Funding Circle Germany, Funding Circle CE and the Company, Funding Circle Germany (and its delegates, including Funding Circle CE) has been appointed to service, administer and collect payments relating to Credit Assets in respect of which Receivables have been acquired by the CE IrishCo.

Subject to the terms of the German Servicing Agreement, CE IrishCo agrees to be bound by the Receivable Purchase and Servicing Provisions and the Loan Conditions, in each case as set out in the Appendices to the German Servicing Agreement (the “Platform Rules”) (other than those parts of the Receivable Purchase and Servicing Provisions marked as not applicable in an appendix to the German Servicing Agreement).

Funding Circle Germany may amend the Platform Rules in its absolute discretion, provided that:

- (A) no such amendment shall be effective, as between Funding Circle Germany and the CE IrishCo, to the extent it conflicts with any provision of the German Servicing Agreement, the German Origination Agreement or this Prospectus unless (i) such amendment has been approved as a variation to the German Servicing Agreement in accordance with its terms; or (ii) to the extent that Funding Circle Germany determines (acting reasonably) that such amendment is necessary (a) to preserve the enforceability of any such Platform Rules; or (b) to facilitate or ensure compliance with, or prevent any violation of, any applicable law; or (iii) to preserve the transferability, registration or tax treatment of any Credit Asset or Receivable relating thereto; and
- (B) Funding Circle Germany shall promptly notify the other parties to the German Servicing Agreement of any such supplement or amendment, to the extent it wishes to apply such amendment to the transactions envisaged in the German Servicing Agreement.

Any variation, amendment or modification of the German Servicing Agreement shall not be binding on the parties unless set out in writing, expressed to vary the German Servicing Agreement, and is signed by authorised representatives of each of the parties to the German Servicing Agreement.

Funding Circle Germany shall conduct the Services with the due care to be expected by a reasonably prudent manager of loans similar to the Credit Assets in the Portfolio or, where it is a higher standard, with the equivalent care that it would exercise concerning other Credit Assets originated on the German Marketplace.

Subject to certain conditions, Funding Circle Germany may from time to time and without notice to the other parties to the German Servicing Agreement subcontract or delegate the services to be provided under the German Servicing Agreement (or any part thereof) to any other Person. The parties to the German Servicing Agreement agree that Funding Circle CE is to be a sub-contracting agent of Funding Circle Germany. Funding Circle Germany shall remain liable for the actions or omissions of Funding Circle CE as if such actions were Funding Circle Germany’s own actions.

Funding Circle CE shall instruct German Borrowers to pay Collections into an intermediate account (as determined by Funding Circle CE and Funding Circle Germany) before the funds are transferred into the CE IrishCo Collections Account.

Pursuant to the German Servicing Agreement, Funding Circle Germany shall be entitled to receive the fees and expenses described in Part 7 of this Prospectus.

Funding Circle Germany shall use its reasonable endeavours to put in place and maintain in place arrangements with a back-up servicer to provide back-up servicing.

If the borrower misses or fails to pay any monthly instalments, or if the borrower is otherwise in breach of any of the Loan Conditions, the loan may be placed into default and Funding Circle Germany may engage field agents to attempt to collect the total loan amount outstanding. Funding Circle Germany may deduct up to 40 per cent of the amount recovered from a defaulting borrower.

The parties to the German Servicing Agreement give certain customary representations and warranties under that agreement as to, in summary, organization and good standing, due authorization, no violation, no consent and no litigation.

Each of the parties to the German Servicing Agreement acknowledges the interest of the Company, as the sole holder of the CE IrishCo Note, in the proper performance by each of Funding Circle CE, Funding Circle Germany and the CE IrishCo of their respective obligations under the German Servicing Agreement. Accordingly, each of Funding Circle CE, Funding Circle Germany and the CE IrishCo (for themselves) represents and warrants to the Company that it shall:

- (A) observe and perform, and comply with each of its obligations set out in the German Servicing Agreement; and
- (B) exercise all proper care, skill and diligence in performing such obligations.

Funding Circle Germany may not resign from the obligations and liabilities imposed on it pursuant to the terms of the German Servicing Agreement or otherwise terminate the German Servicing Agreement, provided that Funding Circle Germany may, by written notice to each of the other parties resign and terminate the German Servicing Agreement:

- (A) if Funding Circle Germany reasonably determines that: (1) it is or is likely to become unlawful for Funding Circle Germany to comply with its duties or obligations under the German Servicing Agreement; or (2) it is or is likely to become unlawful for Funding Circle CE to continue to be able to provide any Services required to be provided by it as sub-contracting agent; or
- (B) where each of the CE IrishCo and the Company give their prior written consent, and (x) an Affiliate of Funding Circle Germany has agreed to provide services equivalent to those described in the German Servicing Agreement in place of Funding Circle Germany, on substantially the terms and conditions thereof; and (y) such successor has agreed to execute documentation in form and substance reasonably satisfactory to the CE IrishCo and the Company to effect its assumption of the rights and duties of Funding Circle Germany thereunder, provided that no such resignation will be effective until such successor has been appointed pursuant to the documentation referred to above.

The CE IrishCo may, at its option, terminate the German Servicing Agreement by notice to the other parties if any of the following occur:

- (A) failure by Funding Circle Germany to duly observe or perform, in any material respect, any covenant, obligation or agreement of Funding Circle Germany as set forth in the German Servicing Agreement which failure continues unremedied for a period of thirty days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to Funding Circle Germany by the CE IrishCo; or
- (B) Funding Circle Germany suffers any insolvency event (as described in the German Servicing Agreement).

Notwithstanding the above, the German Servicing Agreement shall terminate on the first to occur of:

- (A) the appointment of a back-up servicer;
- (B) the date on which the Credit Assets that have from time to time been funded by the CE IrishCo have been repaid and/or written off in full;
- (C) the termination of the Services Agreement by Funding Circle UK for any reason; and
- (D) any date the parties to the German Servicing Agreement otherwise agree in writing.

Further, except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle Germany may have under any applicable law, no claim shall be made against Funding Circle CE, Funding Circle Germany or their Affiliates or any of such person's respective directors, officers, shareholders, partners, members, agents or employees (each an "*Indemnified Person*") in respect of, nor shall any such person have any liabilities, obligations, losses, claims, damages, judgments, penalties, assessments, actions, suits, costs, expenses or other similar liabilities (including, without limitation, in respect of taxes, duties, levies, imposts and other charges and all legal fees and disbursements incurred in defending or disputing any of the foregoing and including any value added tax or similar tax charged or chargeable in respect thereof) ("*Liabilities*") for:

- (A) the acts or omissions of any person retained or employed by the Company or the CE IrishCo, including any person through whom transactions in investments are effected for the account of the Company or the CE IrishCo, or any other party having custody, possession or control of any investments from time to time, or any clearance or settlement system;
- (B) any (i) special, indirect or consequential loss or damage, which term shall include without limitation, consequential or indirect economic losses; (ii) lost turnover; (iii) loss of profits or business, in each case arising out of or in connection with the performance or non-performance of its duties and obligations, or the exercise of its powers, under the German Servicing Agreement; or
- (C) any failure to fulfil or delay in fulfilling its duties thereunder or for the loss of, or damage to, any documents in its possession or under its control if such failure, loss or damage is caused directly or indirectly by act of God, war, enemy action, the act of any government or other competent authority, riot, civil commotion, terrorism, rebellion, storm, tempest, accident, fire, explosion, strike, lock-out, market conditions affecting the execution or settlement of transactions or the value of assets, any failure or breakdown in communications not within the control of the party affected by it, the failure of any exchange or clearing house or any other cause, whether similar or not, beyond its control.

Except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle CE or Funding Circle Germany may have under any applicable law, in no circumstances will any of the directors, officers, shareholders, partners, members, agents or employees of Funding Circle CE or Funding Circle Germany or their Affiliates have any liability to the CE IrishCo, the Company or any other person.

Furthermore, Funding Circle CE and Funding Circle Germany:

- (A) assume no responsibility under the German Servicing Agreement other than to render the services in accordance with the terms of the German Servicing Agreement;
- (B) do not assume any fiduciary duty with regard to the CE IrishCo or the Company;
- (C) do not guarantee or otherwise assume any responsibility for the performance by any other party of their respective obligations under the German Servicing Agreement;
- (D) do not warrant or guarantee the performance or profitability of the CE IrishCo's (or the Company's) portfolio (or any part of it);
- (E) shall incur no liability to anyone in acting upon any signature, instrument, statement, notice, resolution, request, direction, consent, order, report, opinion, bond or other document or paper reasonably believed by it to be genuine and reasonably believed by it to be properly executed or signed by the proper party or parties; and
- (F) shall not be liable for the acts or omissions of their agents or delegates who are their Affiliates, provided that such person acts in good faith and with reasonable skill and care in the selection, use and monitoring thereof.

No Indemnified Person shall be liable for any Liability suffered by the Company or the CE IrishCo (or any Affiliate thereof) or any other person in connection with the performance or non-performance by Funding Circle Germany of its obligations and duties thereunder in the absence of such Indemnified Person's fraud, gross negligence or wilful default, nor (except for liability for fraud, any non-derogable, mandatory duty or liability to the Company which Funding Circle Germany may have under any applicable law) shall any Indemnified Person be liable for any Liability unless the amount of such Liability arising from any one such claim exceeds £5,000.

Further, the maximum aggregate liability of Funding Circle CE and Funding Circle Germany and their Affiliates in respect of any and all claims of any kind arising out of, in connection with, or relating to the German Servicing Agreement shall not exceed in any calendar year an aggregate amount equal to five times the aggregate fees received by Funding Circle Germany pursuant to the German Servicing Agreement over the preceding 12 month period, or, in respect of the period prior to the first anniversary of the German Servicing Agreement, two times the aggregate fees received by Funding Circle Germany pursuant to the German Servicing Agreement prior to the point at which the relevant Liability arises.

The CE IrishCo shall indemnify and keep indemnified each Indemnified Person from and against any and all Liabilities which may be incurred by or asserted against any such Indemnified Person in connection with the exercise (whether directly by Funding Circle Germany or on a delegated basis by Funding Circle CE) of Funding Circle Germany's powers or the performance by Funding Circle Germany of its obligations and duties hereunder, other than to the extent arising directly from such Indemnified Person's fraud, gross negligence or wilful default.

Nothing in the German Servicing Agreement shall exclude or restrict any liability for fraud, nor any non-derogable, mandatory duty or liability to the Company or the CE IrishCo which Funding Circle CE or Funding Circle Germany may have under any applicable law.

The German Servicing Agreement contains further provisions relating to liability and indemnification.

No recourse under any obligation, covenant (express or implied), or agreement (each an "obligation") of the CE IrishCo contained in the German Servicing Agreement shall be had against any former, current or future shareholder, officer, agent, employee or director of the CE IrishCo (each, a "Connected Person"), by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the German Servicing Agreement and the CE IrishCo Note are corporate obligations of the CE IrishCo only and no personal liability shall attach to, or be incurred by, any Connected Person under, or by reason of, any obligation under the German Servicing Agreement, and that any and all personal liability for breach of the CE IrishCo's obligation, either at law or by statute or constitution, by any Connected Person is waived by each of Funding Circle CE, Funding Circle Germany and the Company as a condition of, and in consideration for the execution of, the German Servicing Agreement save where a court has determined that a Connected Person has acted fraudulently, with gross negligence, with wilful misconduct or otherwise in breach of such Connected Person's duties under the Irish Companies Act 2014.

Each of Funding Circle CE, Funding Circle Germany and the Company undertake to the CE IrishCo that it shall not, nor shall any party acting on its behalf, at any time institute, or join any person instituting, against the CE IrishCo, or any or all of its revenues and assets:

- (A) any Insolvency Proceedings;
- (B) any petition for the appointment of a receiver, examiner, administrator, trustee, liquidator, sequestrator or similar officer of it; or
- (C) any ex parte proceedings,

save where a court determines that such proceedings or petition arises in connection with the fraud, gross negligence, wilful misconduct or breach of duty under the Irish Companies Act 2014 of any Connected Person.

Each of Funding Circle CE, Funding Circle Germany and the Company agree and acknowledge that:

- (A) the obligations of the CE IrishCo arising under the German Servicing Agreement are limited recourse obligations of the CE IrishCo which are payable solely from the Portfolio after payment of all Senior Obligations, payments and claims which rank in priority to payments to the Company under the German Servicing Agreement;
- (B) it will have recourse in respect of any amount, claim or obligation due or owing to it by the CE IrishCo (the "*Claims*") only to the extent of available funds pursuant to (A) above after all prior ranking claims have been satisfied and discharged in full; and
- (C) after the application of such funds, the CE IrishCo will not have any assets available for payment of its obligations under the German Servicing Agreement.

The German Servicing Agreement and non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the Laws of England and Wales.

7.20 CE Note Subscription Agreement

The CE Note Subscription Agreement was entered into on 11 March 2016 between the Company and the CE IrishCo. Pursuant the CE Note Subscription Agreement, the Company subscribed for the CE IrishCo Note.

The parties to the CE Note Subscription Agreement give certain customary representations and warranties under that agreement.

In addition to customary representations and warranties, the CE IrishCo represents and warrants to the Company that it is a ‘qualifying company’ within the meaning of Section 110.

In addition to customary representations and warranties, the Company represents and warrants to the CE IrishCo that:

- (D) it is not a specified person (as described in the CE IrishCo Note) and shall not become a Specified Person throughout the period of time during which it is the holder of the CE IrishCo Note; and
- (E) it will provide the IrishCo, on demand, with such additional information as the CE IrishCo may from time to time request in order for the CE IrishCo to comply with its tax obligations and to ensure (to the extent possible) that payments on the CE IrishCo Note may be made free of deduction of any tax and on a tax-deductible basis, and it understands that any return of principal or interest on the CE IrishCo Note may be materially impacted by its failure to do so.

The Company undertakes to indemnify and hold harmless on demand the CE IrishCo, its officers, directors and members from time to time from and against any cost, claim, damages, loss, expense (including, without limitation, legal fees, costs and expenses), liability (together with any irrecoverable value added tax thereon), any Irish or taxes of any other jurisdiction, (“Losses”) whether or not reasonably foreseeable, which they may sustain or incur in respect of any breach of any representation, warranty, covenant or agreement set out in the CE Note Subscription Agreement, save to the extent that such losses arise as a result of any fraud, negligence or wilful default on the part of the CE IrishCo or of its affiliates, directors or members.

No recourse under any obligation, covenant (express or implied), or agreement (each an “obligation”) of the CE IrishCo contained in the CE Note Subscription Agreement shall be had against any former, current or future shareholder, officer, agent, employee or director of the CE IrishCo (each, a “Connected Person”), by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the obligations under the CE Note Subscription Agreement and the CE IrishCo Note are corporate obligations of the CE IrishCo only and no personal liability shall attach to, or be incurred by, any Connected Person under, or by reason of, any obligation under the CE Note Subscription Agreement or the CE IrishCo Note, and that any and all personal liability for breach of the CE IrishCo’s obligation, either at law or by statute or constitution, by any Connected Person is waived by the Company as a condition of, and in consideration for the execution of, the CE Note Subscription Agreement and the purchase of the CE IrishCo Note save where a court has determined that a Connected Person has acted fraudulently, with gross negligence, with wilful default or otherwise in breach of such Connected Person’s duties under the Irish Companies Act 2014.

The Company undertakes to the CE IrishCo that it shall not, nor shall any party acting on its behalf, at any time institute, or join any person instituting, against the CE IrishCo, or any or all of its revenues and assets:

- (A) any insolvency event (as described in the CE IrishCo Note Subscription Agreement);
- (B) any petition for the appointment of a receiver, examiner, administrator, trustee, liquidator, sequestrator or similar officer of it; or
- (C) any ex parte proceedings,

save where a court determines that such proceedings or petition arises in connection with the fraud, gross negligence, wilful default or breach of duty under the Irish Companies Act 2014 of any Connected Person.

The Company agrees and acknowledges with the CE IrishCo that:

- (A) the obligations of the CE IrishCo arising under the CE Note Subscription Agreement and the CE IrishCo Note are limited recourse obligations of the CE IrishCo which are payable solely from the Portfolio after payment of all senior obligations (as set out in the Conditions), payments and claims which rank in priority to payments to the Company under the CE IrishCo Note;
- (B) it will have recourse in respect of any amount, claim or obligation due or owing to it by the CE IrishCo (the “CE Claims”) only to the extent of available funds pursuant to (A) above after all prior ranking claims have been satisfied and discharged in full;
- (C) after the application of such funds, the CE IrishCo will not have any assets available for payment of its obligations under the CE Note Subscription Agreement or the CE IrishCo Note.

Under the CE Note Subscription Agreement, the CE IrishCo may request the Company to make further advances of principal under the CE IrishCo Note to the CE IrishCo in accordance with the terms and conditions applicable to the CE IrishCo Note (the “Conditions”). The CE IrishCo may not issue an advance notice (as described in the Conditions) to the Company if the additional principal amount requested in that Advance Notice would, if advanced by the Company, result in the Principal Amount Outstanding (being €20,000,000, but as varied by agreement between the CE IrishCo and the Company, with the consent of Funding Circle UK) in respect of the CE IrishCo Note exceeding the maximum principal amount (as described in the Conditions).

The CE Note Subscription Agreement, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with the laws of Ireland.

On each interest payment date, to the extent that the CE IrishCo has available cash (as described in the Conditions), the CE IrishCo will use such Available Cash to pay accrued but unpaid interest on the CE IrishCo Note.

If the CE IrishCo does not have sufficient Available Cash to pay all accrued but unpaid interest on an Interest Payment Date (a “Relevant Interest Payment Date”), the amount of such accrued but unpaid interest shall remain outstanding and shall be paid by the CE IrishCo in respect of the CE IrishCo Note on the first succeeding interest payment date on which the CE IrishCo has sufficient Available Cash to make such payments in priority to any interest which has accrued since the Relevant Interest Payment Date. No interest shall accrue on such accrued but unpaid interest amounts.

Each of the following events will constitute a CE Note Termination Event in respect of the CE IrishCo Note:

- (A) the CE IrishCo fails to perform or observe any term, covenant or agreement in any material respect contained in the CE Note Subscription Agreement on its part to be performed or observed and any failure shall remain unremedied for twenty (20) business days, after the earlier of (i) the date on which the CE IrishCo has knowledge of that failure; or (ii) the date on which written notice of that failure, requiring the same to be remedied, shall have been given by the Company and received by the CE IrishCo;
- (B) the CE IrishCo in any material respect breaches any representation or warranty made by it under or in connection with the CE Note Subscription Agreement or any information or report delivered by the CE IrishCo pursuant to the CE Note Subscription Agreement shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered and continues to be incorrect or untrue for seven (7) business days after the earlier of (i) the date on which the CE IrishCo has knowledge of such breach or inaccuracy; or (ii) the date on which notice of such breach or inaccuracy, requiring the same to be remedied, shall have been given by the Company to the CE IrishCo, as the case may be; or
- (C) an insolvency event (as described in the Conditions) occurs with respect to the CE IrishCo; or

- (D) either: (i) the Services Agreement made between the Company and Funding Circle UK; and/or (ii) both of the CE Origination Agreement and the CE Servicing Agreements, is/are terminated (save where the Company and Funding Circle CE otherwise agree, such agreement to be evidenced in writing and delivered to the CE IrishCo).

At any time after the occurrence of a CE Note Termination Event, and subject to the CE IrishCo Note issued under the CE Note Subscription Agreement having become due and payable, the Company may declare by written notice to the CE IrishCo the principal amount outstanding to be immediately due and payable together with accrued interest thereon to the date of redemption and any other sums then owed by the CE IrishCo.

In addition, the CE Note Subscription Agreement confers on the Company the right to appoint one director of the CE IrishCo.

7.21 Share Issuance Agreement

The Company has entered into a Share Issuance Agreement dated 6 February 2017 with Funding Circle UK, and Numis pursuant to which the Company has appointed Numis and Numis has agreed to act as sole global co-ordinator, bookrunner and sponsor in connection with any Offer or Placing under the Share Issuance Programme and any Admission. The Company may (with the prior consent of Numis, acting reasonably and in good faith) also appoint an appropriately qualified financial institution to act as Bookrunner in respect of any Placing.

Subject to certain conditions, Numis has agreed to use reasonable endeavours to procure (as agent for the Company) subscribers for Shares pursuant to a Placing at the Share Issuance Programme Price.

The obligations of Numis under the Share Issuance Agreement to, among other things, use its reasonable endeavours to procure subscribers for Shares pursuant to any Placing are conditional upon certain conditions that are typical for an agreement of this nature. These conditions include: (i) Admission occurring by 8.00 a.m. on, in respect of a Placing, the date of the relevant Admission and the date for settlement of subscriptions for the Ordinary Shares and/or C Shares issues, and in respect of an Offer, any other date specified in a supplementary prospectus (or such other time and/or date, not being later than 5 February 2018, as the Company and Numis may agree); (ii) the Share Issuance Agreement not having been terminated in accordance with its terms; (iii) the execution by the Company and Numis of a purchase agreement; and (iv) the anticipated gross issue proceeds totalling not less than the minimum gross proceeds amount specified in the purchase agreement executed by the Company and Numis.

In consideration for its services in relation to the Issue and conditional upon completion of the Issue, Numis will be paid a sponsor fee of £125,000 (excluding VAT) in respect of the publication of this Prospectus and a commission of between 1.125 per cent. and 1.275 per cent. of the Gross Issue Proceeds.

In addition, all costs and expenses in relation to any Issue will be paid (or caused to be paid) by the Company, whether or not Numis' obligations under the Share Issuance Agreement become unconditional or the agreement is terminated in accordance with its terms.

The Company and Funding Circle UK have given warranties and indemnities to Numis concerning *inter alia*, the accuracy of the information contained in this Prospectus and those warranties are repeated on certain dates, including the date of this Prospectus, the date of any supplementary prospectus and at Admission.

The Share Issuance Agreement may be terminated by Numis in certain circumstances prior to Admission. These circumstances include (i) breach by the Company or Funding Circle UK of the warranties given in the Share Issuance Agreement; (ii) the occurrence of certain material adverse changes in the condition (financial, legal or operational) of the Company and its subsidiaries, the lending platforms and certain other entities; (iii) the non-satisfaction by the Company (or the waiver by Numis, if capable of waiver) of any condition to any Placing or Offer; and (iv) certain adverse changes in financial, political or economic conditions.

The Share Issuance Agreement is governed by the laws of England and Wales.

8. Litigation

There are no governmental, legal or arbitration proceedings nor, so far as the Directors are aware, are there any governmental, legal or arbitration proceedings pending or threatened which may have, or have since incorporation had, a significant effect on the Company's or the Company's financial position or profitability.

9. No significant change

Save to the extent disclosed below, as at the date of this Prospectus, there has been no significant change in the financial condition or operating results of the Company since 30 September 2016 the last date to which the Company published interim financial information:

- On 31 October 2016, the Company issued 75,698 Ordinary Shares as a result of a scrip dividend alternative.
- On 15 December 2016, the Company declared a dividend of 1.625 pence per share and offered shareholders a choice to receive the dividend in cash or in shares via a scrip dividend.
- On 31 January 2017, the Company issued 609,365 Ordinary Shares as a result of a scrip dividend alternative.

10. Related Party Transactions

During Q4 2016, Funding Circle US purchased a loan from the Company with an outstanding principal and accrued interest of \$7,386.43 at par value. The terms of this transaction were approved by the Board. Except with respect to this transaction, the Origination Agreements, the Servicing Agreements, the Services Agreement and the Share Issuance Agreement, the Company has not entered into any related party transaction since 30 September 2016.

11. Third party sources

- 11.1 Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 11.2 Each of Funding Circle UK, Funding Circle US and Funding Circle CE has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. Each of Funding Circle UK, Funding Circle US and Funding Circle CE (respectively in respect of their own information) accept responsibility for information attributed to it in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.
- 11.3 Numis has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear.

12. Working capital

The Company is of the opinion that the working capital available to it is sufficient for the Company's present requirements, that is, for at least the next 12 months from the publication date of this Prospectus.

13. Documents available for inspection

- 13.1 The following documents will be available for inspection at the Company's registered office and at the offices of Simmons & Simmons LLP during normal business hours on any weekday until the closing of the Share Issuance Programme:
- (A) this Prospectus;
 - (B) the Articles; and
 - (C) the Annual Report and Audited Consolidated Financial Statements for the Company for the period from 22 July 2015 to 31 March 2016 and the unaudited interim financial statements of the Company for the six months ended 30 September 2016.

13.2 A copy of the Constitution of each of the IrishCos will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the closing of the Share Issuance Programme.

14. Documents incorporated by reference

This Prospectus should be read and construed in conjunction with pages 2-10 and 19-25 of the Annual Report and Consolidated Financial Statements for the Company for the period from 22 July 2015 to 31 March 2016 and pages 2-5 and 7-10 of the unaudited condensed consolidated financial statements of the Company for the six months ended 30 September 2016, which have been previously published and filed with the FCA and which are available for download at the Company's website at <http://fcincomefund.com/documents/> and which are available for inspection in accordance with paragraph 13 above.

PART 8 : NOTICES TO OVERSEAS INVESTORS

If you receive a copy of this Prospectus in any territory other than the UK you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the UK and wishing to make an application for Shares, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any application received from outside the UK.

This 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 offer or solicitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus is received are required to inform themselves about and to observe such restrictions.

None of the Shares have been or will be registered under the laws of Australia, Canada, Japan or the Republic of South Africa or with any securities regulatory authority of Australia, Canada, Japan or the Republic of South Africa. Accordingly, unless an exemption under such Act or laws is applicable, the Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, Japan or the Republic of South Africa (as the case may be). If you subscribe for Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not a resident of Australia, Canada, Japan, or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of Australia or Canada (or any political subdivision of any of them), Japan or the Republic of South Africa and that you are not subscribing for such Shares for the account of any resident of Australia, Canada, Japan or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into Australia, Canada, Japan, the Republic of South Africa or to any resident in Australia, Canada, Japan or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a prospective holder having an address in Australia, Canada, Japan or the Republic of South Africa.

This Prospectus may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into Australia, Canada, Japan or the Republic of South Africa.

Any persons (including, without limitation, custodians, nominees and trustees) who would or otherwise intend to, or may have a contractual or other legal obligation to forward this Prospectus or any accompanying documents in or into Australia, Canada, Japan, the Republic of South Africa or any other jurisdiction outside the UK should seek appropriate advice before taking any action.

For the attention of United States Residents

The Shares have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not at any time be offered, sold, pledged or otherwise transferred or delivered, directly or indirectly, within the United States or to or for the account or benefit of US Persons (as defined in Regulation S under the US Securities Act). The Shares are being offered and sold solely outside the United States to non-US Persons in reliance on Regulation S under the US Securities Act. The Company has not and will not be registered under the US Investment Company Act and investors will not be entitled to the benefit of the US Investment Company Act.

In addition, each investor acquiring Shares is deemed to represent and warrant that it is not, and for so long as it holds an Ordinary Share (or any interest therein) will not be, an “employee benefit plan” as defined in ERISA that is subject to Title I of ERISA, a “plan” as defined in and subject to section 4975 of the Code, or any entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, “plan assets” by reason of such plan’s investment in the entity.

Notice to prospective investors in the European Economic Area

The Shares have not been registered under the securities laws, or with any securities regulatory authority, any member state of the EEA other than the UK and subject to certain exceptions, the Shares may not, directly or indirectly, be offered, sold, taken up or delivered in or into any member state of the EEA other than the UK.

PART 9: DEFINITIONS

“2015 Placing”	the placing and offer for subscription of 150 million Ordinary Shares of no par value at an issue price of £1.00 per Ordinary Share, such Ordinary Shares having been admitted to trading on the London Stock Exchange’s main market for listed securities and admitted to listing on the premium segment of the Official List becoming effective in accordance with LR 3.2.7G of the Listing Rules on 30 November 2015
“2015 Prospectus”	the prospectus published by the Company on 12 November 2015 relating to 2015 Placing, the 2015 Share Issuance Programme
“2015 Share Issuance Programme”.	the placing programme of Ordinary Shares and/or C Shares of the Company which commenced on 12 November 2015 and expired on 11 November 2016, as further described in the 2015 Prospectus
“Acceleration Event”	has the meaning given to it in paragraph 6.1 of Part 7 of this Prospectus
“accredited investors”	has the meaning given in Regulation D promulgated under the US Securities Act
“Adjusted GAV”	in respect of the Ordinary Shares and the C Shares, separately, that part of the Gross Asset Value attributable to the Ordinary Shares, or to each tranche of C Shares, as appropriate, in each case from time to time
“Administration Agreement”	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 7.8 of Part 7 of this Prospectus
“Administrator”	Sanne Group (Guernsey) Limited
“Admission”	the admission of Shares issued pursuant to an Issue under the Share Issuance Programme to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with paragraph 2.1 of the London Stock Exchange Admission Standards and admission of the Ordinary Shares to listing on the premium segment of the Official List becoming effective in accordance with LR 3.2.7G of the Listing Rules
“Advances”	the amounts advanced by the Company to the relevant IrishCo pursuant to the terms and conditions of the relevant Note as additional principal amounts under the relevant Note
“Affiliate”	with respect to any specified person means: (a) any person that directly or indirectly controls, is directly or indirectly controlled by or is directly or indirectly under common control with such specified person; (b) any person that serves as a director or officer (or in any similar capacity) of such specified person; and (c) any person with respect to which such specified person serves as a general partner or trustee (or in any similar capacity). For the purposes of this definition, “control” (including “controlling”, “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.
“Aggregate Company Debt”	the debt incurred by the Company and the Company’s proportionate share of the outstanding third party borrowings of non-subsidiary companies in which the Company holds an interest

“AIC”	the Association of Investment Companies
“AIC Code”	the AIC Code of Corporate Governance as modified for Guernsey domiciled member companies, and including commentary on the interaction with the GFSC Code
“AIC Guide”	AIC Corporate Governance Guide for Investment Companies
“AIF”	has the meaning given in the AIFM Directive
“AIFM”	has the meaning given in the AIFM Directive
“AIFM Directive”	Directive 2011/61/EU of the European Parliament and the Council of the European Union on alternative investment fund managers and any implementing legislation or regulations thereunder
“Allocated Asset”	a Credit Asset that has been randomly allocated for investment by the Company
“Allocation Limits”	has the meaning given to it at page 90 in the paragraph headed “Allocation Limits” in Part 3 of this Prospectus
“Allocation Percentage”	in respect of each Marketplace, the percentage of the Credit Assets arising on that Marketplace on each Business Day (as defined in the relevant Origination Agreement) as are allocated for investment by the Company, as determined by Funding Circle UK
“Articles”	the articles of incorporation of the Company, as amended from time to time
“Asset Documentation”	definitive loan documentation evidencing a Credit Asset originated through a Marketplace, together with any related guarantees, in each case in the standard form employed by Funding Circle for Credit Assets originated through the relevant Marketplace and including, for the avoidance of doubt, standard form documentation employed for the purposes of acquiring Receivables in respect of German Assets
“Auditors”	PricewaterhouseCoopers CI LLP
“Available Cash”	cash determined by the Board as being available for investment by the Company in accordance with the Investment Objective (including via investment in the relevant IrishCo via the Notes), and, in respect of the relevant IrishCo cash of the relevant IrishCo determined by the relevant IrishCo board (having regard to the terms of the Origination Agreement and the relevant Note) to be available for investment by the relevant IrishCo and excluding (without limitation) amounts held as reserves or pending distribution
“Benefit Plan Investor”	(i) an employee benefit plan (as defined in section 3(3) of ERISA) subject to Title I of ERISA, (ii) a plan described in section 4975(e)(1) of the Code to which section 4975 of the Code applies or (iii) any other entity whose underlying assets could be deemed to include plan assets by reason of an employee benefit plans or a plan’s investment in the entity within the meaning of the Plan Asset Regulations
“Board”	the board of Directors
“Bookrunner”	Numis Securities Limited or any appropriately qualified financial institution appointed by the Company to act as Bookrunner or broker in respect of any Placing
“Business Day”	a day on which the London Stock Exchange and banks in the UK and Guernsey are normally open for business
“C Shares”	the redeemable shares of no par value issued and designated as “C Shares” of such classes and denominated in such currencies as the Directors may determine and having such rights and being

	subject to such restrictions as contained in the Articles and which will convert into Ordinary Shares of the relevant class in accordance with the terms of the Articles
“Cash Management Agreement”	the cash management agreement made between the Company, the relevant IrishCo and the Cash Manager, a summary of which is set out in paragraph 7.10 of Part 7 of this Prospectus
“Cash Manager”	Sanne Fiduciary Services Limited
“CE”	Continental Europe
“CE Assets”	Credit Assets acquired by the Company through the CE Marketplaces
“CE IrishCo”	Tallis Lending Designated Activity Company, a designated activity company limited by shares incorporated under the laws of the Republic of Ireland under company registration number 573090
“CE IrishCo Administrator”	Sanne Capital Markets Ireland Limited
“CE IrishCo Administration Agreement”	means the administration agreement between the CE IrishCo and the CE IrishCo Administration
“CE IrishCo Note”	the £20,000,000 profit-participating note issued by the CE IrishCo to the Company
“CE Marketplaces”	the German Marketplace, the Spanish Marketplace and the Dutch Marketplace
“CE Note Subscription Agreement”	the Note Subscription Agreement dated on or around 11 March 2016 between the Company and the CE IrishCo pursuant to which the Company subscribed for the CE IrishCo Note
“Central Bank”	the Central Bank of Ireland
“certificated” or “certificated form”	not in uncertificated form
“CFC Rules”	the “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010
“Charged Assets”	has the meaning given to it at page 149 in Part 7 of this Prospectus
“Class B Notes”	means the £25,000,000 Class B junior fixed-rate notes issued by the EIB Transaction IrishCo
“CNMV”	means the Spanish National Securities Market Commission (Comisión Nacional de Valores)
“Code”	the US Internal Revenue Code of 1986, as amended
“Companies Law”	The Companies (Guernsey) Law, 2008, as amended
“Company”	Funding Circle SME Income Fund Limited and (where the context so requires, including in respect of references to the Company’s indirect interest in Credit Assets originated through the UK Marketplace and acquired by the relevant IrishCo) the term “Company” shall include the IrishCos
“Credit Asset”	loans or debt or credit instruments of any type originated through any of the Marketplaces
“CREST”	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the UK
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST Regulations”	the Uncertificated Securities (Guernsey) Regulations 2009 and the CREST Requirements

“CREST Requirements”	such rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual
“Currency Management Agreement”	the currency management agreement made between the Company and the Currency Manager, a summary of which is set out in paragraph 7.13 of Part 7 of this Prospectus
“Currency Manager”	Record Currency Management Limited
“Directors”	the directors of the Company, whose names appear on page 54 of this Prospectus and/or such other members of the Board who shall be appointed from time to time (as the context so requires)
“Disclosure Guidance and Transparency Rules” or “DGTRs”	the disclosure guidance rules and transparency rules made by the FCA under Part VI of the FSMA
“Discontinuation Resolution”	has the meaning given to it at page 74 in the section headed “Discontinuation Resolution” in Part 3 of this Prospectus as to the discontinuation of the Company as currently constituted
“DP Law”	The Data Protection (Bailiwick of Guernsey) Law 2001
“Dutch Marketplace”	the marketplace loan origination platform operated in the Netherlands by Funding Circle Netherlands
“Dutch Origination Agreement”	the origination agreement between the Company, the CE IrishCo, Funding Circle Netherlands, Funding Circle CE, the Stichting and Funding Circle UK, a summary of which is set out in paragraph 7.15 of Part 7 of this Prospectus
“Dutch Qualifying Asset”	has the meaning given to it at page 183 in Part 7 of this Prospectus
“Dutch Servicing Agreement”	the servicing agreement between the Company, the CE IrishCo, Funding Circle CE, the Stichting and Funding Circle Netherlands, a summary of which is set out in paragraph 7.18 of Part 7 of this Prospectus
“EIB”	the European Investment Bank
“EIB Cash Management Agreement”	has the meaning given to it at page 145 in paragraph 6.2 of Part 7 of this Prospectus
“EIB Finance Agreement”	the finance agreement dated 16 June 2016 between the Company and the EIB Transaction IrishCo pursuant to which the Company subscribed for the EIB Senior Loan (amongst other things)
“EIB Master Definitions Agreement”	has the meaning given to it at page 145 in paragraph 6.2 of Part 7 of this Prospectus
“EIB Note Subscription Agreement”	a subscription agreement between the EIB Transaction IrishCo and the Company under which (amongst other things) the Company has subscribed for the Class B Notes
“EIB Senior Loan”	the senior floating rate loan of £100,000,000 provided by EIB to the EIB Transaction IrishCo for the purposes of advancing credit to UK SME loans via the Funding Circle marketplace as described in further detail in paragraph 6.1 of Part 7 of this Prospectus
“EIB SME Loan Sale and Assignment Agreement”	has the meaning given to it at page 145 in paragraph 6.2 of Part 7 of this Prospectus
“EIB Transaction”	the £125,000,000 structured finance transaction that the Company entered into with the EIB (amongst others) on 16 June 2016, as further detailed in paragraph 6 of Part 7 of this Prospectus
“EIB Transaction Documents”	has the meaning given to it at page 145 in paragraph 6 of Part 7 of this Prospectus
“EIB Transaction IrishCo”	a designated activity company limited by shares incorporated under the laws of the Republic of Ireland

“ERISA”	the US Employee Retirement Income Society Act of 1974, as amended from time to time, and the applicable regulations thereunder
“EU Base Allocation”	the aggregate Allocation Limit for Marketplaces in the EU (excluding the UK) set by Funding Circle UK
“EU Savings Directive”	the EU Savings Directive (2003/48/EC)
“Euros”	the lawful currency of the participating member states of the Eurozone
“Euroclear”	Euroclear UK & Ireland Limited
“Excluded Territory”	the United States, Canada, Australia, Japan, the Republic of South Africa, Switzerland and any other jurisdiction where the extension or availability of the Share Issuance Programme would breach any applicable law
“FATCA”	the US Foreign Account Tax Compliance Act and any other law of any other jurisdiction relating thereto including laws promulgated pursuant to an intergovernmental agreement relating thereto
“FCA”	the Financial Conduct Authority of the UK and, where applicable, acting as the competent authority for listing in the UK
“Force Majeure Circumstances”	has the meaning given to it at page 138 in paragraph 4.19 of Part 7 of this Prospectus
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“Funding Circle”	Funding Circle UK, Funding Circle US, Funding Circle Spain, Funding Circle Germany, Funding Circle Netherlands, Funding Circle Connect or any of their respective Affiliates, or any or all of them as the context may require
“Funding Circle CE”	Funding Circle CE GmbH
“Funding Circle Connect”	Funding Circle Connect GmbH
“Funding Circle CE Platform Company”	each of Funding Circle Spain, Funding Circle Germany, Funding Circle Netherlands and/or Funding Circle Connect
“Funding Circle Germany”	Funding Circle Deutschland GmbH
“Funding Circle Netherlands”	Funding Circle Netherlands B.V.
“Funding Circle Spain”	Funding Circle España SLU
“Funding Circle UK”	Funding Circle Ltd
“Funding Circle US”	FC Marketplace, LLC
“German Assets”	Credit Assets acquired by the Company through the German Marketplace
“German Marketplace”	the marketplace loan origination platform operated in Germany by Funding Circle Germany
“German Origination Agreement” ...	the origination agreement between the Company, the CE IrishCo, Funding Circle Germany, Funding Circle Connect, Funding Circle CE and Funding Circle UK, a summary of which is set out in paragraph 7.16 of Part 7 of this Prospectus
“German Qualifying Asset”	has the meaning given to it at page 189 of Part 7 of this Prospectus
“German Servicing Agreement”	the servicing agreement between the Company, the CE IrishCo, Funding Circle CE and Funding Circle Germany, a summary of which is set out in paragraph 7.19 of Part 7 of this Prospectus
“GFSC”	Guernsey Financial Services Commission
“Gross Asset Value” or “GAV”	the aggregate of: (i) the fair value of the Company’s underlying investments (whether or not subsidiaries) valued in accordance with the Company’s valuation methodology; (ii) the Company’s

	proportionate share of the cash balances and cash equivalents of members of the Company and non-subsidiary companies in which the Company holds an interest; and (iii) the other relevant assets or liabilities of the Company valued at fair value (other than third party borrowings) to the extent not included in (i) and (ii) above
“Gross Issue Proceeds”	the aggregate value of the Shares issued under an Issue at the price per share pursuant to such Issue
“Guernsey AML Requirements”	The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), The Drug Trafficking (Bailiwick of Guernsey) Law, 2000 (as amended), The Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended) and The Disclosure (Bailiwick of Guernsey) Law, 2007 (as amended), ordinances, rules and regulations made thereunder, and the GFSC’s Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
“IFRS”	International Financial Reporting Standards
“IGA”	intergovernmental agreement
“Interested Parties”	means members, directors, officers, employees, agents and connected persons, and any person or company with whom they are Affiliated or by whom they are employed
“Investment Objective”	the investment objective is set out at page 89 in the paragraph headed “Investment Objective” in Part 3 of this Prospectus
“Investment Policy”	the investment policy is set out at page 89 in the paragraph headed “Investment Policy” in Part 3 of this Prospectus
“IPO”	the Company’s initial public offering which was completed on 30 November 2015
“IrishCos”	the UK IrishCo, the EIB Transaction IrishCo and the CE IrishCo and “IrishCo” will be construed accordingly.
“IrishCo Board”	the board of directors of the relevant IrishCo
“Irish Stock Exchange”	the Irish Stock Exchange plc
“IRS”	the US Internal Revenue Service
“ISA”	an individual savings account
“ISIN”	International Securities Identification Number
“Issue”	a Placing or Offer
“Latest Practicable Date”	2 February 2017
“Listing Rules”	the listing rules made by the FCA pursuant to Part VI of the FSMA
“London Stock Exchange” or “LSE”	the London Stock Exchange PLC
“Market Abuse Regulation”	Regulation (EU) No 596 of the European Parliament and of the Council of 16 April 2014 on market abuse
“Marketplaces”	the marketplace platforms operated in Germany, Netherlands, Spain, the UK and the US respectively, by Funding Circle, together with any similar or equivalent marketplace platform established or operated by Funding Circle in any jurisdiction
“Memorandum”	the memorandum of incorporation of the Company
“Net Asset Value” or “NAV”	the Gross Asset Value less the Aggregate Company Debt
“Net Asset Value per Share” or “NAV per Share”	the Net Asset Value of the Company divided by the number of Ordinary Shares in issue at the relevant time

“Near Affiliate”	the relevant IrishCo and any other SPV or entity which, not being an Affiliate of the Company, has been or will be formed in connection with the Company’s direct or indirect investment in Credit Assets and which (save in respect of any nominal amounts of equity capital) is or will be financed solely by the Company or any Affiliate of the Company
“Net Proceeds”	the gross proceeds less the fees and expenses of the Share Issuance Programme
“Notes”	the UK IrishCo Note, the Class B Notes and the CE IrishCo Note.
“Note Subscription Agreements”	the UK IrishCo Note Subscription Agreement, the EIB Note Subscription Agreement, the CE Note Subscription Agreement and any other similar agreement entered into between the Company and any IrishCo from time to time pursuant to which the Company will subscribe for Notes
“Numis”	Numis Securities Limited
“Offshore Funds Regulation”	the Offshore Funds (Tax) Regulations 2009
“Offer”	any offer (including offers for subscription, intermediaries offers, and other offer structures intended to facilitate investments in the Company by private investors) of Ordinary Shares and/or C Shares pursuant to the Share Issuance Programme
“Ordinary Shares”	means the redeemable ordinary shares of no par value issued and designated as “ordinary shares” of such classes (denominated in such currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles
“Origination Agreements”	the German Origination Agreement, the Dutch Origination Agreement, the Spanish Origination Agreement, the UK Origination Agreement, the US Origination Agreement, and the CE Origination Agreements
“Placee”	a person subscribing for Shares pursuant to an Issue pursuant to the Share Issuance Programme
“Placing”	any placing of Ordinary Shares and/or C Shares pursuant to the Share Issuance Programme
“Plan Asset Regulations”	the regulations promulgated by the US Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA
“POI Law”	The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended
“Portfolio Data”	has the meaning given to it at page 92 in the section headed “Portfolio Data and Portfolio Limits” in Part 3 of this Prospectus
“Portfolio Limit”	has the meaning given to it at page 92 in the paragraph headed “Portfolio Data and Portfolio Limits” in Part 3 of this Prospectus
“Previous Placing Agreement”	the conditional placing and sponsor’s agreement between the Company, Numis and Goldman Sachs International dated 12 November 2015
“Principal Bankers”	HSBC Bank Plc
“Prospectus”	this document
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and Council on the prospectus to be offered when transferable securities are offered to the public or admitted to trading
“Prospectus Rules”	the prospectus rules made by the FCA under section 73(A) of the FSMA

“ <i>Qualifying Assets</i> ”	are those Credit Assets which the Company has Available Cash to Purchase and which would not breach the Company’s Investment Policy or any Portfolio Limits were they to be Randomly allocated and Purchased by the Company
“ <i>Receivables</i> ”	means the interest (including all claims arising in respect of the relevant underlying German Asset) relating to an underlying German Asset that has been accepted by CE IrishCo and issued by Funding Circle Connect to the CE IrishCo in accordance with and pursuant to the terms of the German Origination Agreement
“ <i>Receiving Agent Services Agreement</i> ”	the receiving agent services agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 7.12 of Part 7 of this Prospectus
“ <i>Receiving Agent</i> ”	Capita Registrars Limited (trading as Capita Asset Services) or such other person or persons from time to time appointed by the Company to act as its receiving agent
“ <i>Reference Rate</i> ”	means higher of (i) 0%; and (ii) the 6-month Euro Interbank Offered Rate, as published by the European Money Market Institute
“ <i>Registrar Services Agreement</i> ”	the registrar services agreement between the Company and the Registrar, a summary of which is set out in paragraph 7.9 of Part 7 of this Prospectus
“ <i>Regulation S</i> ”	Regulation S promulgated under the US Securities Act
“ <i>Regulatory Information Service</i> ” ...	a regulatory information service
“ <i>Relevant Law</i> ”	any existing or future legislation enacted by any jurisdiction that provides for or is intended to secure the exchange of information (including, without limitation, under Sections 1471 to 1474 of the Code, commonly known as “FATCA”, any bilateral intergovernmental agreement between Guernsey (or any Guernsey government body) and the United States or any other jurisdiction (including any government bodies in such jurisdiction), and any similar regime, including any automatic exchange of information regime arising from or in connection with the OECD Common Reporting Standard) and any regulations made thereunder or associated therewith, any official interpretations or guidance thereof, or any agreements made pursuant to the implementation of the foregoing, in each case as enacted, made, amended or replaced from time to time
“ <i>Relevant Law Deduction</i> ”	a withholding or deduction required by Relevant Law and all associated interest, penalties and other losses, liabilities, costs (including, without limitation, compliance costs) or expenses provided for under, or otherwise arising in connection with, Relevant Law
“ <i>Rules</i> ”	The Registered Collective Investment Schemes Rules 2015
“ <i>SEC</i> ”	the US Securities and Exchange Commission
“ <i>Section 110</i> ”	section 110 of the Taxes Consolidation Act 1997 (as amended) of the Republic of Ireland
“ <i>Secured Parties</i> ”	has the meaning given to it at page 149 in Part 7 of this Prospectus
“ <i>SEDOL</i> ”	Stock Exchange Daily Official List
“ <i>Sequential Trigger Event</i> ”	has the meaning given to it at page 148 under the section headed “(F) Sequential Trigger Events” in paragraph 6.2 of paragraph 6 of Part 7 of this Prospectus
“ <i>Services Agreement</i> ”	the services agreement dated on or around 12 November 2015 (as amended) between Funding Circle UK and the Company

“ <i>Servicing Agreements</i> ”	the Dutch Servicing Agreement, the German Servicing Agreement, the Spanish Servicing Agreement, the UK Servicing Agreement, the US Servicing Agreement and the CE Servicing Agreements
“ <i>Share Issuance Agreement</i> ”	the conditional agreement between the Company and Numis, a summary of which is set out in paragraph 7.21 of Part 7 of this Prospectus
“ <i>Share Issuance Programme</i> ”	the proposed programme of Issues of Ordinary Shares and/or C Shares as described in this Prospectus, in particular in Part 5 of this Prospectus
“ <i>Share Issuance Programme Price</i> ”	the price at which Ordinary Shares and/or C Shares will be issued pursuant to an Issue under the Share Issuance Programme to Placees, as set out in Part 3 of this Prospectus
“ <i>Shares</i> ”	Ordinary Shares and/or C Shares (or both), in each case as the context requires
“ <i>Shareholder</i> ”	a holder of Ordinary Shares or C Shares (or both) as the context requires
“ <i>Similar Law</i> ”	any federal, state, local or non-US law that is substantially similar to the prohibited transaction provisions of section 406 of ERISA and/section 4975 of the Code
“ <i>SME</i> ” or “ <i>small business</i> ”	a small or medium-sized enterprise, as defined by Funding Circle
“ <i>Spanish Marketplace</i> ”	the marketplace loan origination platform operated in Spain by Funding Circle Spain
“ <i>Spanish Origination Agreement</i> ” ...	the origination agreement between the Company, the CE IrishCo, Funding Circle Spain, Funding Circle CE and Funding Circle UK, a summary of which is set out in Part 6 of Prospectus
“ <i>Spanish Servicing Agreement</i> ”	the servicing agreement between the Company, the CE IrishCo, Funding Circle CE and Funding Circle Spain, a summary of which is set out in paragraph 7.17 of Part 7 of this Prospectus
“ <i>SPV</i> ”	a special purpose vehicle, being a company or other entity whose sole purpose is the holding of any particular asset or assets
“ <i>Sponsor</i> ”	Numis Securities Limited
“ <i>Sterling</i> ”	the lawful currency of the UK
“ <i>Stichting</i> ”	Stichting Derdengelden Funding Circle
“ <i>Takeover Code</i> ”	the City Code on Takeovers and Mergers
“ <i>TIOPA 2010</i> ”	UK Taxation (International and Other Provisions) Act 2010, as amended
“ <i>UK</i> ” or “ <i>United Kingdom</i> ”	the United Kingdom of Great Britain and Northern Ireland
“ <i>UK Assets</i> ”	Credit Assets acquired by the Company through the UK Marketplace
“ <i>UK Corporate Governance Code</i> ” or “ <i>UK Code</i> ”	the UK Corporate Governance Code as published by the Financial Reporting Council
“ <i>UK IrishCo</i> ”	Basinghall Lending Designated Activity Company, a designated activity company limited by shares incorporated under the laws of the Republic of Ireland under company registration number 565019
“ <i>UK IrishCo Administration Agreement</i> ”	the administration agreement between the UK IrishCo and the UK IrishCo Administrator, a summary of which is set out in paragraph 7.11 of Part 7 of this Prospectus
“ <i>UK IrishCo Administrator</i> ”	Sanne Capital Markets Ireland Limited
“ <i>UK IrishCo Note</i> ”	the £200,000,000 profit-participating note (as amended on 1 June 2016) issued by the UK IrishCo to the Company

“UK IrishCo Note Subscription Agreement”	the UK IrishCo Note Subscription Agreement dated on or around 12 November 2015 between the Company and the UK IrishCo pursuant to which the Company subscribed for the UK IrishCo Note
“UK Marketplace”	the marketplace loan origination platform operated in the UK by Funding Circle UK
“UK Listing Authority”	The FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“UK Origination Agreement”	the origination agreement between the Company, the UK IrishCo and Funding Circle UK, a summary of which is set out in paragraph 7.2 of Part 7 this Prospectus
“UK Qualifying Asset”	has the meaning given to it at page 151 of Part 7 of this Prospectus
“UK Reference Rate”	the London interbank offered rate administered by ICE Benchmark Administration (or any other person which takes over the administration of that rate) for 6-month British pounds sterling displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters
“UK Servicing Agreement”	the servicing agreement between the Company, the UK IrishCo and Funding Circle UK, a summary of which is set out in paragraph 7.4 of Part 7 of this Prospectus
“uncertificated” or “in uncertificated form”	recorded on the Company’s register of members as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“US Assets”	Credit Assets acquired by the Company through the US Marketplace
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended
“US Marketplace”	the marketplace loan origination platform operated in the US by Funding Circle US and administered by Funding Circle USA, Inc.
“US Investment Advisors Act”	the US Investment Advisors Act of 1940, as amended
“US Investment Company Act”	the US Investment Company Act of 1940, as amended
“US Origination Agreement”	the loan purchase agreement between the Company and Funding Circle US, a summary of which is set out in paragraph 7.3 of Part 7 of this Prospectus
“US Persons”	has the meaning given to it in Regulation S under the US Securities Act
“US Qualifying Asset”	has the meaning given to it at page 156 of Part 7 of this Prospectus
“US Securities Act”	the US Securities Act of 1933, as amended
“US Servicing Agreement”	the master servicing agreement between the Company and Funding Circle US, a summary of which is set out in paragraph 7.5 of Part 7 of this Prospectus
“US\$” or “US Dollars”	the lawful currency of the United States

APPENDIX 1: TERMS AND CONDITIONS OF ANY PLACING

1. Introduction

Each Placee which confirms its agreement to Numis Securities Limited and any other Bookrunner, as applicable, to subscribe for Shares under a Placing will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Numis Securities Limited may amend these terms and/or conditions in respect of any Placee, may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a “Placing Letter”).

2. Agreement to Subscribe for Shares

Conditional on: (i) (in respect of a Placing) any Admission under a Placing occurring not later than 8.00 a.m. on the date of the relevant Admission and settlement of subscriptions for the Ordinary Shares and/or C Shares issued pursuant to the relevant Placing or such other dates as may be agreed between the Company and Numis prior to the closing of each Placing, not being later than the closing date of the Share Issuance Programme; (ii) in respect of a Placing, the Share Issuance becoming otherwise unconditional in all respects and not having been terminated on or before the closing date of the relevant Placing; and (iii) the Bookrunner confirming to the Placees their allocation of Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by the relevant Bookrunner at the Share Issuance Programme Price, as appropriate. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

Applications under a Placing must be for a minimum subscription amount of £50,000 (subject to the Bookrunner waiving such minimum amount in its absolute discretion).

Multiple applications or suspected multiple applications on behalf of a single investor are liable to be rejected.

Fractions of Shares will not be issued. To the extent that (other than on a scaling back) the fixed sum specified in relation to any applications for Shares exceeds the aggregate value, at the Issue Price, of the Shares issued pursuant to such application, the balance of such sum (which will never exceed the Issue Price) will be retained for the benefit of the Company.

3. Payment for Shares

Each Placee undertakes to pay the Share Issuance Programme Price, as appropriate, for the Shares issued to the Placee in the manner and by the time directed by the Bookrunner. In the event of any failure by any Placee to pay as so directed and/or by the time required by the Bookrunner, the relevant Placee shall be deemed hereby to have appointed the Bookrunner, or any nominee of the Bookrunner, as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Shares in respect of which payment shall not have been made as directed, and to indemnify the Bookrunner, and Affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such Shares shall not release the relevant Placee from the obligation to make such payment for relevant Shares to the extent that the Bookrunner as applicable or their nominee has failed to sell such Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Share Issuance Programme Price, as appropriate, per Share.

To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant by cheque (or such other method as Numis or the Company may determine) as soon as practicable thereafter.

4. Representations and Warranties

By agreeing to subscribe for Shares, each Placee which enters into a commitment to subscribe for Shares will (for itself and for any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, the Administrator, the Registrar and the Bookrunner (or if applicable, each Bookrunner) that:

- 4.1 in agreeing to subscribe for Shares under a Placing, it is relying solely on this Prospectus, any supplementary prospectus issued by the Company and any Regulatory Information Service announcement issued by the Company announcing and detailing the terms of a Placing at or around the time of the relevant Placing and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Shares or a Placing. It agrees that none of the Company, the Bookrunner, the Administrator or the Registrar or any of their respective officers, agents, employees or Affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 it warrants that it has complied with all laws applicable to its agreement to subscribe for Shares under the relevant Placing, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Bookrunner, the Administrator or the Registrar or any of their respective officers, agents, employees or Affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction in connection with the relevant Placing;
- 4.3 it has carefully read and understands this Prospectus (and any supplements hereto) in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Appendix 1, and the Articles as in force at the date of the relevant Admission;
- 4.4 it has not relied on the Bookrunner, or any person Affiliated with the Bookrunner, in connection with any investigation of the accuracy of any information contained in this Prospectus (or any supplement hereto);
- 4.5 it acknowledges that the content of this Prospectus (or any supplement hereto) is exclusively the responsibility of the Company and its Directors and none of the Bookrunner, nor any person acting on their behalf nor any of its Affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus (and any supplements hereto) or any information published by or on behalf of the Company and /or a Placing based on any information, representation or statement contained in this Prospectus (or any supplement hereto) or otherwise;
- 4.6 it acknowledges that no person is authorised in connection with a Placing to give any information or make any representation other than as contained in this Prospectus (or any supplement hereto) and, if given or made, any information or representation must not be relied upon as having been authorised by any of the Bookrunner, the Company, the Administrator or the Registrar;
- 4.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.8 it accepts that none of the Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;
- 4.9 if it is within the UK, it is both a “qualified investor” within the meaning of section 86(7) of the Financial Services and Markets Act 2000 and a person who falls within Articles 49 or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the UK would apply, that it is a person to whom the Shares may be lawfully offered under that other jurisdiction’s laws and regulations;
- 4.10 if it is a resident in the EEA (other than the UK), it is (a) a “qualified investor” within the meaning of the law in the relevant member state implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive, and (b) if the relevant member state has implemented the AIFM Directive, it is a person to whom the Shares may lawfully be marketed to under the applicable implementing legislation (if any) of the relevant member state;

- 4.11 in the case of any Shares acquired by an investor as a financial intermediary within the meaning of the law in the relevant member state implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive: (i) the Shares acquired by it in a Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant member state other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Bookrunner, has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any relevant member state other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.12 if it is outside the UK, neither this Prospectus nor any other offering, marketing or other material in connection with a Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Placing and/or Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.13 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a non-discretionary basis for any such person;
- 4.14 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- 4.15 it acknowledges that none of the Bookrunner, nor any of its respective Affiliates nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with a Placing or providing any advice in relation to a Placing and participation in a Placing is on the basis that it is not and will not be a client of the Bookrunner, and that the Bookrunner does not have any duties or responsibilities to it for providing protection afforded to its clients or for providing advice in relation to a Placing nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in any Placing Letter;
- 4.16 it acknowledges that, save in the event of fraud on the part of Bookrunner, none of the Bookrunner, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of the Bookrunner's role as sponsor, broker and financial adviser or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 4.17 it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to a Placing in the form provided by the Company and/or the Bookrunner. It agrees that the provision of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.18 it irrevocably appoints any Director of the Company and any director of the Bookrunner, to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under a Placing, in the event of its own failure to do so;
- 4.19 it accepts that if a Placing does not proceed or the conditions to a Placing under the Share Issuance Agreement are not satisfied or the Shares for which valid application are received and accepted are not admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities for any reason whatsoever then none of the

Bookrunner or the Company nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

- 4.20 in connection with its participation in a Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the UK; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Guernsey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.21 it acknowledges that due to anti-money laundering requirements, the Bookrunner and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Bookrunner and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify the Bookrunner and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- 4.22 it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended);
- 4.23 it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002, The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 as amended, and The Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007, as amended;
- 4.24 it acknowledges and agrees that information provided by it to the Company, Registrar or Administrator will be stored on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of the DP Law and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the "Purposes"), being to:
- (A) process its personal data (including sensitive personal data) as required by or in connection with its holding of Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (B) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Shares;
 - (C) provide personal data to such third parties as the Administrator or Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Shares or as the DP Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
 - (D) without limitation, provide such personal data to the Company or the Bookrunner and their respective Affiliates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and
 - (E) process its personal data for the Registrar's or the Administrator's internal administration;
- 4.25 in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subjects to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the

processing of any sensitive personal data for the purpose set out in paragraph 4.21 above). For the purposes of this Prospectus, “data subject”, “personal data” and “sensitive personal data” shall have the meaning attributed to them in the DP Law;

- 4.26 the Bookrunner and the Company are entitled to exercise any of their rights under the Share Issuance Agreement or any other right in their absolute discretion without any liability whatsoever to them;
- 4.27 the representations, undertakings and warranties contained in this Prospectus are irrevocable, and it acknowledges that the Bookrunner and the Company and their respective Affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Shares are no longer accurate, it shall promptly notify the Bookrunner and the Company;
- 4.28 where it or any person acting on behalf of it is dealing with the Bookrunner, any money held in an account with the Bookrunner, on behalf of it and/or any person acting on behalf of it, will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority, and therefore the Bookrunner shall not be obliged to segregate such money, as that money will be held by the Bookrunner, under a banking relationship and not as trustee;
- 4.29 any of its clients, whether or not identified to the Bookrunner, will remain its sole responsibility and will not become clients of the Bookrunner, for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;
- 4.30 it accepts that the allocation of Shares shall be determined by the Bookrunner and the Company in their absolute discretion and that such persons may scale down any Placing commitments for this purpose on such basis as they may determine;
- 4.31 time shall be of the essence as regards its obligations to settle payment for the Shares and it agrees to comply with its other obligations under a Placing; and
- 4.32 it authorises the Bookrunner to deduct from the total amount subscribed under the Placing the aggregation commission (if any) (calculated at the rate agreed with the Placee) payable on the number of Shares allocated under a Placing.

5. United States Restrictions

By participating in a Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company the Bookrunner (or each of the Bookrunners, as applicable), that:

- 5.1 it is not a US Person, is not located within the United States, is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Shares for the account or benefit of a US Person;
- 5.2 it acknowledges that the Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and may not at any time be offered or sold in the United States or to, or for the account or benefit of, US Persons;
- 5.3 it acknowledges that the Company has not been and will not be registered under the US Investment Company Act and that it will not be entitled to the benefits of the US Investment Company Act; and
- 5.4 it is not, and for so long as it holds a Share (or any interest therein) will not be, an “employee benefit plan” as defined in ERISA that is subject to Title I of ERISA, a “plan” as defined in and subject to Section 4975 of the Code, or any entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, “plan assets” by reason of such plan’s investment in the entity.

6. Supply and Disclosure of Information

If any Bookrunner, the Registrar or the Company or any of their agents request any information about a Placee’s agreement to subscribe for Shares under a Placing, such Placee must promptly disclose it to them.

7. Miscellaneous

The rights and remedies of the Bookrunner (and each Bookrunner, if applicable), the Registrar, the Administrator and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with a Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Shares under a Placing and the appointments and authorities mentioned in Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Bookrunner, the Company, the Administrator and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Shares under a Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Each Bookrunner and the Company expressly reserve the right to modify a Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined. Any Placing is subject to the satisfaction of the conditions contained in the Share Issuance Agreement and to the Share Issuance Agreement not having been terminated. Further details of the terms of the Share Issuance Agreement are contained in Part 7 of this Prospectus.

APPENDIX 2: TERMS AND CONDITIONS OF ANY OFFER

Should the Company launch an Offer, it will publish an information booklet setting out the terms and conditions of that Offer. The Company currently intends that the terms and conditions will be consistent with the following:

- 1 The minimum application amount shall be £1,000 per investor and there shall be no maximum application amount;
- 2 Retail investors would be able to directly apply for Ordinary Shares and/or C Shares (as applicable) through an Offer structured as an offer for subscription;
- 3 Intermediaries offers will be made only to participating intermediaries acting on behalf of their usual retail client base;
- 4 It is not intended that the Company will pay commissions to intermediaries introducing investors to any Offer(s);
- 5 Applications under any Offer(s) will be based on the terms and conditions of such Offer and applicants will also receive a copy of this Prospectus and any supplementary prospectus required to be published by the Company under the FCA Handbook; and
- 6 Applications under any Offer(s) will only be accepted from investors resident in the United Kingdom, the Channel Islands and the Isle of Man.

