

PROSPECTUS DATED 11 NOVEMBER 2021



CHARITIES AID FOUNDATION

3.5 per cent. Bonds due 8 December 2031

Issued by RCB Bonds PLC

secured on a loan to Charities Aid Foundation

MANAGER



City & Continental Ltd trading as Allia C&C

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. YOU SHOULD HAVE REGARD TO THE FACTORS DESCRIBED IN SECTION 2 (“*RISK FACTORS*”) OF THIS PROSPECTUS. YOU SHOULD ALSO READ CAREFULLY SECTION 11 (“*IMPORTANT LEGAL INFORMATION*”).

IMPORTANT NOTICES

About this document

This prospectus (the “**Prospectus**”) has been approved by the Financial Conduct Authority (the “**FCA**”) as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act (the “**EUWA**”) (the “**UK Prospectus Regulation**”). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of RCB Bonds PLC (the “**Issuer**”), Charities Aid Foundation (the “**Charity**”) or the quality of the sterling denominated 3.5 per cent. Bonds due 8 December 2031 (the “**Bonds**”) that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Certain of the Bonds may immediately be purchased by the Issuer on the Issue Date (any such Bonds so purchased, the “**Retained Bonds**”). The aggregate principal amount of Retained Bonds (if any) will be specified in the Issue Size Announcement (as defined below).

The proceeds of the Bonds (including (if applicable) the proceeds of any Retained Bonds following a sale of such Retained Bonds to any third party from time to time) described in this Prospectus will be loaned to the Charity by way of a Loan (as defined below) on the terms of a loan agreement (the “**Loan Agreement**”) to be entered into between the Issuer and the Charity on 8 December 2021 (the “**Issue Date**”).

Payments of interest and principal due on the Loan and those due on the Bonds will be identical (save that payments of interest and principal under the Loan will be paid two business days prior to each interest payment date or redemption date, as the case may be, on the Bonds and subject to any withholding taxes either on amounts paid under the Loan or under the Bonds), so that payments of interest and repayment of the Loan by the Charity will provide the Issuer with funds to make the corresponding payment on the Bonds.

The Bonds are transferable debt instruments and are to be issued by the Issuer on the Issue Date. The principal amount of each Bond (being the amount which is used to calculate payments made on each Bond) is £100. The aggregate principal amount of the Bonds to be issued (including (if applicable) details of the aggregate principal amount of any Retained Bonds) will be specified in the issue size announcement published by the Issuer on a regulatory information service (the “**Issue Size Announcement**”) but will not exceed an aggregate principal amount of £50,000,000.

You should note that both the issuance of the Bonds and the aggregate principal amount of any Bonds issued are conditional upon, amongst other things, the outcome of an offer by the Charity to purchase the outstanding 5.00 per cent. Bonds due 12 April 2026 issued by the Issuer on 12 April 2016 and secured on a loan to the Charity, as announced by the Issuer on the date of this Prospectus (the “**Tender Offer**”). If the outcome of the Tender Offer is such that no Bonds will be issued, this will be announced in the Issue Size Announcement.

This Prospectus contains important information about the Issuer, the Charity, the terms of the Bonds and details of how to apply for the Bonds and certain information about how the Bonds may be allocated to investors. This Prospectus also describes the risks relevant to the Issuer and the Charity and their respective businesses and risks relating to an investment in the Bonds generally. You should read and understand fully the contents of this Prospectus before making any investment decisions relating to the Bonds.

Responsibility for the information contained in this Prospectus

The information contained in this Prospectus was current as at the date of this Prospectus.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. Where information has been sourced from a third party, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been

omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

The Charity accepts responsibility for the information in this Prospectus contained in Section 1 (“*Summary*”) (in so far as the information relates to the Charity only), Section 2 (“*Risk Factors - Factors that may affect the Charity’s ability to fulfil its obligations under the Loan Agreement*”), Section 3 (“*Description of the Charity*”), Section 4 (“*Information about the Bonds*”) (in so far as the information relates to the Charity only), the information relating to it under the headings “*Use of Proceeds*”, “*Material or Significant Change*”, “*Litigation*” and “*Auditors*” in Section 10 (“*Additional Information*”) and the documents listed as items 3, 4 and 5 in Section 12 (“*Documents Incorporated by Reference*”). To the best of the knowledge of the Charity the information contained in these sections of the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. Where information has been sourced from a third party, this information has been accurately reproduced and, as far as the Charity is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see Section 12 (“*Documents Incorporated by Reference*”). This Prospectus shall be read and construed on the basis that those documents are incorporated in and form part of this Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see Section 12 (“*Documents Incorporated by Reference*”)), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

Use of defined terms in this Prospectus

Certain terms or phrases in this Prospectus are defined in double quotation marks and bold type and subsequent references to that term are designated with initial capital letters. The locations in this Prospectus where these terms are defined are set out in Appendix A (“*Defined Terms Index*”) of this Prospectus.

In this Prospectus, references to the “**Issuer**” are to RCB Bonds PLC, which is the issuer of the Bonds, references to the “**Charity**” are to Charities Aid Foundation, the borrower under the Loan Agreement, references to “**CAF Bank**” are to CAF Bank Limited and references to the “**CAF Group**” are to the Charity and its subsidiaries. See Sections 3 (“*Description of the Charity*”) and 7 (“*Description of the Issuer*”).

UK MiFIR product governance / Retail investors, professional investors and ECPs target market

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA, and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the Bonds are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor’s suitability and appropriateness obligations under COBS, as applicable. Any person subsequently offering, selling or recommending the Bonds (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under COBS, as applicable.

Key Information Document

A key information document (“**KID**”) pursuant to Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA has been prepared by the Issuer in connection with the Bonds. If you have not received a copy of the KID you

should request this from your stockbroker or other financial intermediary prior to making any investment decision in relation to the Bonds.

The Bonds are not protected by the Financial Services Compensation Scheme

The Bonds are not protected by the Financial Services Compensation Scheme (the “FSCS”). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer. **If the Charity or the Issuer goes out of business or becomes insolvent or otherwise fails to pay amounts when due on the Loan or the Bonds (as the case may be), you may lose all or part of your investment in the Bonds.**

No independent investigation by the Issuer of the Charity

The Issuer has not undertaken and will not undertake any investigations or due diligence to establish the creditworthiness of the Charity for the benefit of holders of the Bonds (“Bondholders”). The Issuer does not provide any credit enhancement, guarantee or any other credit support in respect of the Charity or its obligations under the Loan Agreement.

How to apply

Applications to purchase Bonds cannot be made directly to the Issuer. Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you.

After the closing time and date of the offer period (i.e. 12.00 noon (London time) on 2 December 2021) no Bonds will be offered for sale (a) by or on behalf of the Issuer or (b) by any authorised offeror, except with the permission of the Issuer.

See Section 5 (“How to Apply for the Bonds”) for more information, including as to how the Bonds may be allocated to investors.

You may not be allocated all (or any) of the Bonds for which you apply.

Holding interests in the Bonds through CREST Depository Interests

You may hold the Bonds through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (“CREST”). CREST allows bondholders to hold bonds in a dematerialised form, rather than holding physical bonds. Instead of issuing physical bonds, CREST issues what are known as depository interests which are held and transferred through CREST (“CDIs”), representing the interests in the relevant Bonds underlying the CDIs (the “Underlying Bonds”). Holders of CDIs (the “CDI Holders”) will not be the legal owners of the Underlying Bonds. The rights of CDI Holders to the Underlying Bonds are represented by the relevant entitlements against CREST Depository Limited (the “CREST Depository”) through which CREST International Nominees Limited holds interests in the Underlying Bonds. Accordingly, rights under the Underlying Bonds cannot be enforced by CDI Holders directly against the Issuer; instead they must be enforced through CREST. **This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Bonds in the event of any insolvency or liquidation of CREST, in particular where the Underlying Bonds held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of CREST.**

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer, including the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the “CREST Deed Poll”). You should note that the provisions of the CREST Deed Poll, the CREST International Manual dated 14 April 2008, as amended, modified, varied or supplemented from time to time (the “CREST Manual”), and the CREST Rules contained in the CREST Manual applicable to the CREST International Settlement Links Service contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result,

the rights of and returns received by CDI Holders may differ from those of holders of Bonds which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service (the “**CREST International Settlement Links Service**”). These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Bonds through the CREST International Settlement Links Service.

You should note that none of the Issuer, the Charity, the Manager, the Trustee or the Paying Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

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

Queries relating to this Prospectus and the Bonds

If you have any questions regarding the content of this Prospectus and/or the Bonds or the actions you should take, you should seek advice from your financial adviser or other professional adviser before deciding to invest.

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SUMMARY

The following section summarises certain information contained in this Prospectus, including information with respect to the Issuer, the Charity and the Bonds. The nature and order of the information contained in the Summary is prescribed by the UK Prospectus Regulation and associated legislation.

SUMMARY

INTRODUCTION AND WARNINGS

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference. An investor in the Bonds could lose all or part of the invested capital. Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to the Issuer solely on the basis of this summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

The Bonds described in this Summary are 3.5 per cent. Bonds due 8 December 2031 (the "**Bonds**"), with International Securities Identification Number ("**ISIN**") XS2408363278, issued by RCB Bonds PLC (the "**Issuer**") and secured on a loan (the "**Loan**") to Charities Aid Foundation (the "**Charity**"). The registered office of the Issuer is Future Business Centre, King's Hedges Road, Cambridge CB4 2HY. The registered office of the Charity is 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4TA. The Prospectus has been approved as a prospectus by the Financial Conduct Authority (the "**FCA**"), 12 Endeavour Square, London E20 1JN on 11 November 2021.

KEY INFORMATION ON THE ISSUER

Who is the Issuer of the securities?

The Issuer is a public limited company incorporated and domiciled in England and Wales. The Issuer's Legal Entity Identifier (LEI) is 21380081925ENBZ6KM68. The Issuer is a special purpose entity established by Allia Ltd, a UK charity and specialist in impact finance, for the purpose of issuing asset-backed securities. Its principal activities and corporate objects are limited to issuing debt securities and using the proceeds thereof to make or acquire loans to charities and ethical companies in the UK for the purpose of promoting positive social and/or environmental impact and to doing all such other things as are incidental or conducive to the attainment of these objects. The entire issued share capital of the Issuer is held by: (i) RC Bond Holdings Limited, which holds 50,000 ordinary shares; and (ii) Allia Ltd, which holds one ordinary share designated as a special share. The directors of the Issuer are: John Tattersall LVO (Chair); Ian Coleman; Gordon D'Silva OBE; Tom Hackett; Tim Jones; Alex Stephens; and Philip Wright. The statutory auditors of the Issuer are RSM UK Audit LLP, who have audited the Issuer's accounts (without qualification) in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) ("**UK GAAP**") for the years ended 31 August 2019 and 31 August 2020.

Who is the Charity?

The Charity is a UK charity registered with, and regulated by, the Charity Commission for England and Wales, with registered charity number 268369. The Charity is governed by a declaration of trust dated 2 October 1974, which sets out the Charity's purpose as being to raise money and hold funds for the benefit of the charitable institutions or such charitable purposes anywhere in the world as the Trustees should think fit. The Charity has a number of subsidiaries (together with the Charity, the "**CAF Group**") in the UK and overseas, the largest of these being CAF Bank Limited ("**CAF Bank**"), a bank for charities and social purpose organisations, and CAF America, a US 501c3 public charity that provides donation services to US citizens and corporations. The Charity is governed by a Board of Trustees, consisting of Sir James Leigh-Pemberton CVO (Chair), Cyrus Ardalan, Tiina Lee, Roger Perkin, Janet Pope, Sir Ernest Ryder, David Shalders, Dr Priya Singh and Susannah Storey. The Board oversees an executive management team, which is led by Neil Heslop OBE and further consists of Mike Dixon (Finance Director), Mark Greer (Managing Director of Philanthropy Services), Alison Taylor (CEO, CAF Bank and CEO, CAF Charity Services), Ted Hart (CEO of CAF International and President and CEO of CAF America and CAF Canada), Nora Sakaan (Group Brand and Marketing Director), Angus Macfarlane (Group Transformation Director) and David Jessop (Director of People and Purpose). The statutory auditors of the Charity are Deloitte LLP who have audited the

Charity's accounts (without qualification) in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) for the years ended 30 April 2019, 30 April 2020 and 30 April 2021.

What is the key financial information regarding the Issuer?

	For the year ended 31 August 2020	For the year ended 31 August 2019
		£ thousand
Profit and total comprehensive income for the year	2	2
	As at 31 August 2020	As at 31 August 2019
		£ thousand
Total Assets	225,835	211,367
Total Liabilities	225,774	211,308
Financial Assets designated at fair value through profit or loss	-	-
Derivative financial assets	-	-
Non-financial assets if material to the entity's business	-	-
Financial Liabilities designated at fair value through profit or loss	-	-
Derivative financial liabilities	-	-

What is the key financial information regarding the Charity?¹

	For the year ended 30 April 2021	For the year ended 30 April 2020	For the year ended 30 April 2019
		£ million	
Net income / (loss)	208.4	(20.1)	3.0
	As at 30 April 2021	As at 30 April 2020	As at 30 April 2019
		£ million	
Net financial debt (long term debt plus short term debt minus cash)	(760.2)	(605.0)	(653.0)
	For the year ended 30 April 2021	For the year ended 30 April 2020	For the year ended 30 April 2019
		£ million	
Net Cash flows from operating activities	228.6	80.5	(72.8)
Net Cash flows from financing activities	(1.0)	(1.0)	(1.0)
Net Cash flows from investing activities	(69.1)	(128.6)	(143.4)

What are the key risks that are specific to the Issuer and the Charity?

In purchasing the Bonds, investors assume the risk that the Issuer and/or the Charity may become insolvent or otherwise be unable to make all payments due in respect of the Bonds or the Loan, as applicable. There is a wide range of factors which individually or together could result in the Issuer and/or the Charity becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer or the Charity, as the case may be, may not be aware of all relevant factors and certain factors which it currently deems not to be material may

¹ The financial information below is consolidated financial information of the Charity and its subsidiaries and has been prepared in compliance with the requirements of Commission Delegated Regulation (EU) 2019/979 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

become material as a result of the occurrence of events outside the Issuer or the Charity's control. Each of the Issuer and the Charity has identified a number of factors which could materially adversely affect its business and ability to make payments due. These factors include:

Issuer

- The Issuer is an entity which has been established for the purpose of issuing asset-backed securities. It has very limited assets. As investors in the Bonds, holders of the Bonds (“**Bondholders**”) will only have limited recourse to certain of those assets in the event that the Issuer fails to make payments in respect of the Bonds.
- The Issuer’s only material assets in respect of the Bonds will be its rights under the loan agreement pursuant to which the proceeds of the Bonds are loaned to the Charity (the “**Loan Agreement**”) and, accordingly, as investors in the Bonds, Bondholders will take credit risk on the Charity.
- The Issuer is a party to contracts with a number of third parties that have agreed to perform certain services in relation to the Bonds. The nature of some of these services is highly specialised and disruptions in these arrangements could lead to Bondholders incurring losses on the Bonds.

Charity

- The Charity is reliant upon its reputation and the appeal of its brand to donors and charities. Any damage to the CAF Group’s reputation and appeal could harm the charity, its finances and its prospects.
- The Charity’s ability to pay is contingent upon receiving income from investments, legacies and fees paid by individuals, companies and charities as well as receiving donations. A lack of growth or a reduction in this income may adversely affect the Charity’s ability to make payments under the Loan Agreement.
- CAF Bank could fail to achieve expected income from planned growth in drawn down loans or see a rise in impairment charges if there are adverse economic conditions in the UK. Historically CAF Bank’s profits have been gifted to the Charity. Therefore, a reduction in CAF Bank’s profits could decrease the Charity’s income.
- Changes in regulation may adversely affect CAF Bank’s ability to gift all or part of its profits to the Charity, which would reduce the Charity’s income.
- Changes in government policy which reduce the tax benefits afforded to charities and charitable donations could reduce the Charity’s income.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The Bonds are 3.5 per cent. Bonds due 8 December 2031, with ISIN XS2408363278. The currency of the Bonds is Pounds Sterling (“£”). The principal amount of each Bond (being the amount which is used to calculate payments on each Bond) is £100. There are no restrictions on the free transferability of the Bonds.

Status (Ranking)

Ranking: The Bonds will constitute direct, limited recourse obligations of the Issuer secured in the manner described under “*Security*” and “*Limited recourse*” below, and will rank *pari passu* (i.e. equally in right of payments) among themselves.

Security: The Trustee (as defined below) will take security over the Issuer’s rights arising under the Loan Agreement.

Limited recourse: Bondholders will have no rights or recourse to any loan agreements for any other series of bonds issued by the Issuer.

Enforcement

If the Charity does not meet its obligations under the Loan Agreement resulting in the occurrence of an event of default under the terms and conditions of the Bonds, the Trustee will be entitled to accelerate the Loan (which means that it becomes immediately due and payable). The Trustee will be entitled to take such steps as it in its absolute discretion considers appropriate in an attempt to ensure the payment of the outstanding sum under the Bonds and, if necessary, may take action against the Charity to enforce the Issuer's rights under the Loan Agreement. However, the Trustee will not be bound to take any such enforcement action unless it has been indemnified and/or secured and/or pre-funded to its satisfaction.

Taxation

All payments in respect of the Bonds by the Issuer or any paying agent appointed in respect of the Bonds (each a "**Paying Agent**") and the Loan by the Charity will be made without withholding or deduction for or on account of taxes unless such withholding or deduction is required by applicable law. In the event that any such deduction is made, neither the Issuer, nor any Paying Agent, nor the Charity (as applicable) will be required to pay additional amounts to cover the amounts so deducted or withheld.

Events of default

An event of default is a breach by the Issuer of certain provisions in the terms and conditions of the Bonds or the occurrence of other specified events. Events of default under the Bonds include (amongst others) the following: (a) (subject to the right of the Issuer to defer the payment of principal on the Bonds until the Legal Maturity Date (as defined below)) default in payment of any principal or interest due in respect of the Bonds, continuing for a specified period of time; (b) non-performance or non-observance by the Issuer of any other obligations under the conditions of the Bonds or the trust deed constituting the Bonds (the "**Trust Deed**"), continuing for a specified period of time; (c) certain events relating to the insolvency or winding-up of the Issuer; and (d) (subject to the right of the Issuer to defer the payment of principal on the Bonds until the Legal Maturity Date) a default under the Loan Agreement which is not remedied within 30 days of the occurrence thereof.

Meetings

The conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit a certain number of people to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

Governing law

English law.

Interest

The Bonds bear interest from their date of issue at the fixed rate of 3.5 per cent. per annum. The yield of the Bonds is 3.5 per cent. per annum until the Expected Maturity Date (as defined below). Interest will be paid semi-annually in arrear on 8 June and 8 December in each year. If repayment of the Loan is deferred until the Legal Maturity Date (as defined below) rather than being made on the Expected Maturity Date, the rate of interest payable on the Bonds will be increased by an additional 1.00 per cent. per annum from, and including, the Expected Maturity Date to, but excluding, the Legal Maturity Date.

Redemption

Subject to any purchase and cancellation or early redemption, the Bonds are scheduled to be redeemed at 100 per cent. of their principal amount on 8 December 2031 (the "**Expected Maturity Date**"). However, if and to the extent that the Charity elects to extend the maturity date of the Loan pursuant to its right to do so under the terms of the Loan, the redemption of the Bonds will be postponed until 8 December 2033 (the "**Legal Maturity Date**").

The Bonds will be redeemed early if the Charity repays the Loan early and in full in circumstances in which it is permitted to do so, at the Sterling Make-Whole Redemption Amount, which is an amount calculated to ensure that the redemption price produces a sum that, if reinvested in a reference bond (in this case a UK gilt), would continue to give the Bondholders the same yield on the money that was originally invested as they would have received had the Bonds not been redeemed.

Representative of holders

Prudential Trustee Company Limited (the “**Trustee**”) will act as trustee for the Bondholders and Allia Bond Services Limited will act as servicer (the “**Servicer**”) for the Issuer.

Where will the securities be traded?

The Bonds are expected to be listed on the Official List of the FCA and admitted to trading on the main market of the London Stock Exchange plc (the “**London Stock Exchange**”) and through the London Stock Exchange’s electronic Order book for Retail Bonds (the “**ORB**”).

What are the key risks that are specific to the securities?

- The Bonds are limited recourse obligations of the Issuer and the rights of enforcement for investors are limited.
- Bondholders do not have direct recourse to the Charity in respect of any failure of the Charity to fulfil its obligations under the Loan Agreement. However, the Issuer will assign by way of security its rights, title and interest in the Loan Agreement in favour of the Trustee for the benefit of the Bondholders and the other secured parties.
- The Bonds are not protected by the UK Financial Services Compensation Scheme.
- In certain circumstances, repayment of the Bonds may be deferred to a later date, and such deferral will not constitute a default under the terms of the Bonds, provided the Bonds are repaid on the Legal Maturity Date.
- Neither the Bonds nor the Loan Agreement contains a gross-up provision requiring the Issuer or the Charity to pay any additional amounts to Bondholders or (in the case of the Loan Agreement) the Issuer, to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Bonds or the Loan Agreement.
- If the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Companies Regulations 2006 (S.I. 2006/3296) (as amended) (or subsequently ceases to satisfy those conditions), then the Issuer could suffer tax liabilities not contemplated in the cash flows for the transaction described herein.

KEY INFORMATION ON THE OFFER OF THE BONDS AND ADMISSION TO TRADING ON A REGULATED MARKET

Are the Bonds being offered to the public as part of a Public Offer?

The Bonds are being offered in a Public Offer (as defined below) in the United Kingdom.

Consent: Subject to the conditions set out below, the Issuer and, as applicable, the Charity consent to the use of the Prospectus in connection with a public offer of Bonds in the United Kingdom (“**Public Offer**”) by each Authorised Offeror. The “**Authorised Offerors**” are: (i) City & Continental Ltd trading as Allia C&C (the “**Manager**”); (ii) AJ Bell Securities Limited, Arnold Stansby & Co. Limited, Equiniti Financial Services Limited, Hedley & Company Stockbrokers Limited, Interactive Investor Services Limited and Redmayne Bentley LLP; (iii) any other financial intermediary appointed after the date of this Prospectus and whose name is published on the Issuer’s website (<https://rcb-bonds.com/bonds/charities-aid-foundation>) and identified as an Authorised Offeror in respect of the Public Offer; and (iv) any financial intermediary which

is authorised to make such offers under the Financial Services and Markets Act 2000, as amended, and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):

“We, [insert legal name of financial intermediary], refer to the 3.5 per cent. Bonds due 8 December 2031 (the “Bonds”) described in the Prospectus dated 11 November 2021 (the “Prospectus”) published by RCB Bonds PLC (the “Issuer”). In consideration of the Issuer and Charities Aid Foundation (the “Charity”) offering to grant their consent to our use of the Prospectus in connection with the offer of the Bonds in the United Kingdom during the period from 11 November 2021 to 12.00 noon (London time) on 2 December 2021 and subject to the other conditions to such consent, each as specified in the Prospectus, we hereby accept the offer by the Issuer and the Charity in accordance with the Authorised Offeror Terms (as specified in the Prospectus) and confirm that we are using the Prospectus accordingly.”

Offer period: The Issuer’s and, as applicable, the Charity’s consent referred to above is given for Public Offers of Bonds during the period from 11 November 2021 to 12.00 noon (London time) on 2 December 2021 (the “Offer Period”).

Conditions to consent: The conditions to the Issuer’s and the Charity’s consent (in addition to the conditions described above) are that such consent (a) is only valid in respect of the Bonds; (b) is only valid during the Offer Period; and (c) only extends to the use of the Prospectus to make a Public Offer of the Bonds in the United Kingdom.

IF YOU INTEND TO ACQUIRE OR DO ACQUIRE ANY BONDS IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR, YOU WILL DO SO, AND OFFERS AND SALES OF THE BONDS TO YOU BY SUCH AN AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND YOU INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH YOU IN CONNECTION WITH THE OFFER OR SALE OF THE BONDS AND, ACCORDINGLY, THIS PROSPECTUS DOES NOT CONTAIN SUCH INFORMATION. THE INFORMATION RELATING TO THE PROCEDURE FOR MAKING APPLICATIONS WILL BE PROVIDED BY THE RELEVANT AUTHORISED OFFEROR TO YOU AT THE RELEVANT TIME.

Under which conditions and timetable can I invest in this security?

The offer of the Bonds is expected to open on 11 November 2021 and close at 12.00 noon (London time) on 2 December 2021 or such other time and date as may be agreed between the Issuer and the Manager and announced via a regulatory information service. You will be notified by the relevant Authorised Offeror of your allocation of Bonds and instructions for delivery of and payment for the Bonds. You may not be allocated all (or any) of the Bonds for which you apply. When considering allocation of the new Bonds, the Manager, on behalf of the Issuer, may give preference to holders of the Issuer’s outstanding 5.00 per cent. Bonds due 12 April 2026 secured on a loan to the Charity who have validly tendered or have indicated a firm intention to tender their bonds for purchase by the Charity pursuant to the Charity’s offer to purchase such bonds, as announced by the Issuer on the date of this Prospectus (the “Tender Offer”). The Bonds will be issued at the issue price (which is 100 per cent. of the principal amount of the Bonds) and the aggregate principal amount of the Bonds to be issued will be specified in an issue size announcement (the “Issue Size Announcement”) published by the Issuer on a regulatory information service but will not exceed an aggregate principal amount of £50,000,000.

The issue of Bonds is conditional upon (i) a subscription agreement being signed by the Issuer and the Manager on or about 6 December 2021 (the “Subscription Agreement”), (ii) a commitment agreement being signed by the Issuer, the Manager, the Servicer and the Charity on or about 6 December 2021; (iii) the Loan Agreement being signed by the Issuer and the Charity on or about 8 December 2021; and (iv) the outcome of the Tender Offer. The Subscription Agreement will include certain conditions customary for transactions of this type (including the issue of the Bonds and the delivery of legal opinions and comfort letters in a form satisfactory to the Manager). If the outcome of the Tender Offer is such that no Bonds will be issued, this will be announced in the Issue Size Announcement.

The minimum subscription amount per investor is for a principal amount of £500 of the Bonds. There are no expenses charged to the investor by the Issuer. An Authorised Offeror may charge you expenses. However, these are beyond the control of the Issuer and are not set by the Issuer. The Issuer estimates that, in connection with the sale of Bonds to you, the expenses charged to you by one of the Authorised Offerors known to it as of the date of this Prospectus will be between 1

per cent. and 7 per cent. of the aggregate principal amount of the Bonds sold to you. An estimate of the total expenses incurred by the Issuer in connection with the issue of the Bonds will be set out in the Issue Size Announcement.

The Bonds are expected to be listed on the Official List of the FCA and admitted to trading on the main market of the London Stock Exchange and through the ORB. Such listing and admission to trading is expected to take place on or around 9 December 2021.

Why is this prospectus being produced?

The proceeds from the issue of the Bonds (including (if applicable) the proceeds of any Retained Bonds following a sale of such Retained Bonds to any third party from time to time) will be advanced by the Issuer to the Charity pursuant to the Loan Agreement, to be applied by the Charity: (i) to settle the Tender Offer; and (ii) to the extent there is a balance left after settling the Tender Offer, to further its charitable objects.

The estimated net proceeds of the issue of the Bonds will be specified in the Issue Size Announcement.

The Manager has agreed to procure subscribers for the Bonds pursuant to the Subscription Agreement and will be paid aggregate commissions equal to 0.50 per cent. of the principal amount of the Bonds (other than any Retained Bonds) issued. The Authorised Offerors will also receive commissions of up to 0.25 per cent. of the principal amount of the Bonds (other than any Retained Bonds) delivered to them (payable out of the fee paid to the Manager). The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

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RISK FACTORS

The following section sets out certain risks relating to an investment in the Bonds, including (1) risks relating to the Issuer's ability to make payments under the Bonds, (2) risks relating to the Charity's ability to make payments under the Loan Agreement, (3) risks relating to the structure of the Bonds and (4) risks relating to the market generally.

RISK FACTORS

The following is a description of the principal risks and uncertainties which may affect the Issuer's or, as the case may be, the Charity's ability to fulfil its obligations under the Bonds or the Loan Agreement, respectively.

1. FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE BONDS

The Issuer is an entity which has been established for the purpose of issuing asset-backed securities. It has very limited assets, and investors in the Bonds will only have limited recourse to certain of those assets in the event that the Issuer fails to make payments in respect of the Bonds

The Issuer is an entity which has been established for the purpose of issuing asset-backed securities, which means that it has been incorporated for specific purposes only (i.e. to issue bonds), will not conduct business more generally and has very limited assets. The Issuer will not engage in any business activity other than the issuance of bonds under an established issuance facility, the use of the proceeds of the issue of such bonds to make or acquire loans to charities and ethical companies in the United Kingdom for the purpose of promoting positive social and/or environmental impact, the entry into and performance of its obligations in respect of such issuance facility and the performance of any act incidental to or necessary in connection with the aforesaid.

The proceeds of the issue of the Bonds (including (if applicable) the proceeds of any Retained Bonds following a sale of such Retained Bonds to any third party from time to time) described in this Prospectus will be loaned to the Charity under the Loan Agreement to be dated the date of issue of the Bonds. Since the Issuer does not have any general income-producing business, its ability to make payments under the Bonds will depend entirely on the Charity making payments to the Issuer under the Loan Agreement.

The Issuer's only material assets corresponding to the Bonds will be its rights under the Loan Agreement and under the issuance facility insofar as they relate to the Bonds and the Loan Agreement. Whilst the Issuer may issue other bonds and make or acquire loans to other charities or to ethical companies, the Issuer's rights in respect of those other loan agreements will be held as security for the holders of the corresponding bonds and will not be available to investors in the Bonds described in this Prospectus. Accordingly, in the event that the Issuer fails to make payments in respect of the Bonds, investors in the Bonds will have recourse only to certain of the assets of the Issuer.

If the Charity fails to make payments under the Loan Agreement, the Issuer will not be able to meet its payment obligations in respect of the Bonds.

The Issuer's only material assets corresponding to the Bonds will be its rights under the Loan Agreement and, accordingly, investors in the Bonds will take credit risk on the Charity

Credit risk can be described as the risk that a borrower of money will be unable to repay it. Investors in the Bonds will take credit risk on the Charity. If the Charity becomes unable to pay its debts as they fall due, an investor in the Bonds could lose some or the entire amount of its investment. Accordingly, investors should have regard to the detailed information contained in this Prospectus in relation to the Charity to assess the credit risk of an investment in the Bonds, including the risk factors set out under "*Factors that may affect the Charity's ability to fulfil its obligations under the Loan Agreement*" below.

The Issuer's reliance on third parties

The Issuer is a party to contracts with a number of third parties that have agreed to perform certain services in relation to the Bonds.

For example, the Servicer has agreed to provide services in respect of the Loan Agreement and the Bonds under the Services Agreement (which include, among other things, the provision of certain servicing and cash management services to the Issuer and the forwarding of information to the Trustee received from the Charity and publishing such information on the Issuer's website). Since the Issuer has no employees, it relies entirely on the Servicer to perform these services on its behalf.

The nature of such services provided by the Servicer is highly specialised and it may be difficult to identify a replacement service provider with the requisite skills and experience to perform these roles.

Disruptions in cash management or servicing arrangements, which may be caused by the failure to appoint a successor servicer or a failure of the Servicer to carry out its services, could lead to Bondholders not receiving (or receiving late) payments that are otherwise due on the Bonds.

The Issuer will rely on the Servicer to carry out certain obligations of the Issuer under the respective agreements to which it is a party. In the event that the Servicer were to fail to perform its obligations under the Services Agreement, the Bondholders may be adversely affected. In particular, the failure of the Servicer to deliver or publish information received from the Charity on behalf of the Issuer where it is obliged to do so could mean that Bondholders are not aware of certain information relating to the Charity.

No ability to appoint an administrative receiver in respect of the Issuer

The security granted by the Issuer to the Trustee will not entitle the Trustee to appoint an administrative receiver. Therefore, if the Issuer were to be subject to administration proceedings, the Trustee would have no ability to block such administration. As a result, if such administration proceedings were commenced in respect of the Issuer, the enforcement of the security by the Trustee may be subject to an administration moratorium, which would result in such enforcement, and therefore the ability for the Bondholders to recover against the Issuer, being postponed for a period of time.

For a description of certain risks which may affect the Charity's ability to make payments due under the Loan Agreement, see "*Factors that may affect the Charity's ability to fulfil its obligations under the Loan Agreement*" below.

2. FACTORS THAT MAY AFFECT THE CHARITY'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE LOAN AGREEMENT

The Charity is reliant upon its reputation and the appeal of its brand to donors and charities. Any damage to CAF Group's reputation and appeal could harm the Charity, its finances and its prospects

Any circumstance that causes real or perceived damage to the Charity's brand may negatively affect its relationships with donors, customers and charities, which could have a material adverse effect on the Charity's business, finances and prospects. Potential reputational issues that may affect members of CAF Group include, but are not limited to:

- breaching or facing allegations of having breached legal and regulatory requirements such as conduct requirements, money laundering, data protection laws and charity laws and regulations;
- failing to or facing allegations of having failed to maintain appropriate standards of donor and customer privacy, levels of customer service and record keeping;
- failing to appropriately address potential conflicts of interest;
- experiencing technology failures that adversely affect customer services and accounts;

- failing to properly identify legal, reputational, credit, liquidity and market risks inherent in products offered; and
- changing the terms of product offerings or pricing that may result in outcomes for customers which are unfair, or have the potential to be unfair.

A failure to address these issues appropriately could result in donors, customers or charities being unwilling to do business with CAF Group, which could have a material adverse effect on its business, financial condition, results and prospects. This may affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

A lack of growth or a reduction in income may adversely affect the Charity

The ability of the Charity to make payments of principal and interest under the Loan Agreement will depend primarily on receipt by the Charity of income from investments, legacies and fees paid by individuals, companies and charities for services which the Charity and CAF Bank provide, and on controlling operating costs.

Investment returns represent a significant proportion of CAF Group's income. The Charity has an investment portfolio that is generated from donations held in charity accounts, company accounts and trust accounts. A decline in the volume of donations received, an increase in the value of donations paid to charitable causes or a shortening of the period over which the Charity holds the donations, may reduce the value of the investment income earned from the portfolio.

The Charity's and CAF Bank's investment portfolios hold a mix of cash deposits, gilts and corporate bonds. If UK interest rates continue to remain low for an extended period this portfolio may produce returns below expectations, resulting in investment income being lower than expected.

Over the last few years the Charity and CAF Bank have been investing in technology and new products ahead of expected revenue growth. The ability of CAF Group to continue to make these investments depends on its ability to maintain the level of its income. If the Charity and CAF Bank do not see a return on such investments this could affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

A reduction in investment income as a result of continued low interest rates or an inability to grow legacy and fee income could affect the Charity's business, financial condition, results and prospects. If material and prolonged, this could affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

A reduction in the level of donations received may adversely affect the Charity

The fees charged in relation to donations received by the Charity are a key element of its income. The level of donations can be affected by:

- levels and use of tax relief received on donations;
- competition for the provision of services to donors and charities; and
- the general economic outlook.

These factors could result in a fall in donations processed and therefore a reduction in income earned by the Charity. A reduction in income could have an adverse effect on the Charity's business, finances and prospects. This may affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

The Charity's business is subject to inherent liquidity risks

The Charity and CAF Bank together hold a significant portfolio of gilts and corporate bonds that they hold to maturity. Both the Charity and CAF Bank hold substantial short term cash deposits to address liquidity requirements. If these cash deposits were not sufficient to deal with exceptional demand then it would be necessary to sell gilts and bonds prior to their maturity and possibly at a loss. This loss, if material, may affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

CAF Bank could fail to achieve expected income from planned growth in drawn down loans

CAF Bank receives income from the provision of loans to customers. CAF Bank lends predominantly to UK charities, and drawn loans are affected by the risk appetite of charity trustees, the opportunities available to charities and the financial health of the charity sector. Although the operating environment for charities has been stable over long periods of time and under varying economic conditions, British charities are not immune from the impact of general macroeconomic conditions in the UK and volatility in global economic and financial markets generally. A deterioration of economic and market conditions and/or prolonged volatility resulting in a smaller than expected loan book could have an overall material adverse effect on CAF Group's business, financial condition, results of operations and prospects.

Failure to achieve the planned growth in drawn down loans could result in a lower level of income. CAF Bank's surplus profits have historically been gifted to the Charity and therefore this may affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

Changes in regulation may adversely affect CAF Bank and consequently the Charity

CAF Bank is a wholly-owned subsidiary of the Charity and is authorised and regulated by the Prudential Regulation Authority and regulated by the FCA. Changes in regulation may prevent or restrict the ability of the board of CAF Bank to gift all or part of its profits to the Charity.

CAF Bank faces risks associated with an uncertain and evolving prudential regulatory environment, pursuant to which it is required, among other things, to maintain adequate capital resources and to satisfy specified capital and leverage ratios at all times. Effective management of CAF Bank's capital is critical to its ability to operate its business and to pursue its strategy. The directors of CAF Bank set CAF Group's internal target amount of capital by taking account of the assessment of the risk profile of the business, market expectations and regulatory requirements. If regulatory requirements as to capital level and/or leverage ratio increase, driven by, for example, new regulatory measures or views that the board of CAF Bank may have on the amount of capital that CAF Bank should retain, CAF Bank may need to increase its capital and/or leverage ratios. CAF Bank may also need to increase its capital level in response to changing market conditions or expectations. If CAF Bank requires more capital then CAF Bank will be required to (i) source this externally; (ii) require capital from the Charity (which could reduce the amount available to the Charity to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds); or (iii) adjust its balance sheet. If CAF Bank is required to adjust its balance sheet to meet the capital requirements this could reduce the amount of cash available to CAF Bank to be distributed to the Charity, which could affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

CAF Bank's capital requirements could be affected by various prudential regulatory developments, which include possible changes to credit risk weightings in a revised standardised approach to credit risk, and the implementation of minimum requirements for own funds and eligible liabilities ("MREL"), which is the obligation under applicable law for credit institutions to maintain at all times a minimum requirement of own funds (that is, regulatory capital) and eligible liabilities (that is, liabilities not excluded from the scope of the bail-in tool). Currently, the Bank of England's preferred resolution strategy for CAF Bank remains a modified

form of insolvency and its MREL requirement is equal to its total capital requirement. Should this change to a bailed-in requirement, CAF Bank would need to ensure it has sufficient eligible liabilities to meet this requirement.

Changes to government policy may adversely affect the Charity

The Charity derives much of its income directly and indirectly from donations. A change in government policy that significantly affects the tax effectiveness of donations made to the Charity may impact on the Charity's investment and fee income.

As an organisation which operates giving accounts and payroll giving facilities in order to allow donors to give in a tax-effective manner, significant changes in the tax treatment of charitable donations may have an impact on the appeal of the Charity's products and the behaviour of its donors. Broader changes in tax policy not specifically aimed at donations may also have ramifications. For instance, any change in the rate of either basic, higher or additional rate income tax will affect the value of tax incentives for charitable donations.

Current tax policy allows charities to reclaim basic rate tax paid on donations under the Gift Aid scheme, at the discretion of donors. It also allows donors to reclaim any higher rate or additional rate tax paid on donations through their self-assessment tax return. Changes in this policy could have an effect on the use of CAF Charity Accounts and CAF Charitable Trusts.

The Charity is also a major processor of Gift Aid on behalf of both donors and charities, for whom it offers fundraising processing services. A major change to Gift Aid policy could have an effect on these operations.

The Charity processes gifts of legacies, shares, land and property on behalf of some donors. These benefit from a range of tax reliefs. Changes in policy relating to any of the relevant reliefs or donations schemes could also affect the propensity of donors to give in this way.

The Charity and its affiliates worldwide facilitate cross-border giving between jurisdictions. Changes in the tax treatment of donations both in the UK and overseas, and/or restrictions on international funding of charities in some countries could impact on such donations.

The Charity is also Britain's largest provider of payroll giving services, which allow people to donate to charity from gross pay before tax is deducted. The UK government last reviewed payroll giving policy in 2013, and while the government has given no indication that it intends to make any major changes to this policy, this remains a possibility.

Any change that reduces the tax efficiency of donations could impact on the Charity's fee and investment income earned on donations which, if material, would have an impact on the Charity's ability to make payments under the Loan Agreement and, in turn, the Issuer's ability to make payments under the Bonds.

Any failure to comply with the rules and requirements of HM Revenue & Customs ("HMRC") could have a material adverse impact on the Charity

A significant part of the Charity's current business model is built on the facilitation of tax-effective giving by donors. The Charity is required by HMRC to ensure that it is carrying out appropriate processes to validate charities and not-for-profit organisations, correctly calculating and collecting Gift Aid on appropriate donations and diligently performing the role of payroll giving agent for the collection and forward transmission of Give As You Earn ("GAYE") donations. Whilst the Charity believes that its processes and procedures are operating correctly, and these are audited and reviewed regularly, in the event that at a future date they are found to be defective, HMRC have various enforcement powers including removing the Charity's ability to process GAYE and Gift Aid donations.

Such action could damage the Charity's reputation with donors and charities and have a material adverse effect on CAF Group's business, financial condition, results and operations and prospects. This may affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

CAF Group may be subject to privacy or data protection failures and cyber-theft.

CAF Group is subject to regulation regarding the use of personal customer data. CAF Group processes personal customer data as part of its business and therefore must comply with strict data protection and privacy laws. CAF Group seeks to ensure that procedures are in place to ensure compliance with the relevant data protection regulations by its employees and any third party service providers and also implements security measures to help prevent cyber-theft. Notwithstanding such efforts, CAF Group is exposed to the risk that data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection regulations. If CAF Group or any of the third-party service providers on which it relies fails to store or transmit customer information in a secure manner, or if any loss of personal customer data were otherwise to occur, CAF Group could face liability under data protection laws.

Any of these events could also result in the loss of the goodwill of its donors, customers and charities and deter new donors, customers and charities, which could have a material adverse effect on CAF Group's business. This may affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

Failure to execute the new strategy Building Opportunity Together

The Charity plans to invest in systems and people in the coming years as part of its new strategy "Building Opportunity Together". Failure to execute this strategy and to achieve its intended revenue growth and cost savings may affect the Charity's ability to make payments under the Loan Agreement, which would, in turn, affect the Issuer's ability to make payments under the Bonds.

3. RISKS RELATING TO THE PARTICULAR STRUCTURE AND NATURE OF THE BONDS

Investors in the Bonds will have limited recourse to the assets of the Issuer in the event that it fails to make any payments on the Bonds and, further, the rights of enforcement for investors are limited, including that there are restrictions on the ability of investors to petition for bankruptcy of the Issuer

The Bonds are limited recourse obligations of the Issuer and are payable solely from the proceeds of the charged assets. The charged assets are, in general terms, the Issuer's rights under the Loan Agreement and certain related rights under the Issuance Facility Documents (the "**Charged Assets**").

If the Charity fails to make payments to the Issuer under the Loan Agreement and, following the occurrence of an event of default under the Bonds, the Trustee (acting on the instructions of the Bondholders) takes action against the Charity to enforce the Loan Agreement, then any amounts received by the Issuer in respect of the Charged Assets would be available for the Trustee and other priority-ranking parties under the established issuance facility, as well as (if sufficient monies are received) for making payments in respect of the Bonds. However, if payments on the Charged Assets are insufficient to enable the Issuer to make payments to such secured parties and to make full payment in respect of the Bonds, no other assets of the Issuer will be available for payment of any shortfall to the Bondholders. If such a shortfall remains following enforcement and/or realisation of the Charged Assets, no further amounts will be payable to Bondholders and no debt shall be owed by the Issuer in respect of any such shortfall.

Investors should note that, pursuant to the Loan Agreement, the Charity is required to pay to the Issuer amounts representing the arrangement fee pursuant to the Loan Agreement. Such amounts in respect of the arrangement fee are required to be paid in order of priority ahead of the payment of amounts of interest and principal due on

the Loan. In the event insufficient amounts are available in order to pay such amounts, the Servicer is entitled to apply amounts that would have otherwise been available for payments of principal and interest on the Bonds towards the payment of such amounts which may lead to a shortfall of payments of principal or interest on the Bonds leading to losses on the Bonds. Investors are referred to Condition 6.1 in this regard.

None of the Bondholders or the other secured parties shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, examination, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the issuance of the Bonds, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer in relation thereto and provided that the Trustee may enforce the security over the Charged Assets and appoint a receiver in accordance with the provisions of the Trust Deed.

Bondholders will have no direct recourse to the Charity in the event that the Charity fails to make payments under the Loan Agreement

The Issuer will assign by way of security its rights, title and interest in the Loan Agreement in favour of the Trustee for the benefit of the Bondholders (and certain other secured parties under the established issuance facility), and the Trustee may enforce the security over the Charged Assets including taking action against the Charity on behalf of the Bondholders. However, the Bondholders will not have any direct recourse against the Charity in respect of any failure by the Charity to make payments under the Loan Agreement.

As a function of the logistical challenges in organising a large number of disparate investors, the terms and conditions of the Bonds provide that the Trustee will not be bound to take any such enforcement action unless it has been indemnified and/or secured and/or pre-funded to its satisfaction. It may not be possible for Bondholders to arrange for the Trustee to be so indemnified or secured or pre-funded, which may result in a delay or failure by the Trustee to take enforcement action and Bondholders may lose some or all of their investment in the Bonds.

The Bonds are not protected by the Financial Services Compensation Scheme

The FSCS is the UK statutory compensation fund of last resort for customers of authorised financial services firms. In the event of the failure of a bank or certain other institutions, the customers of the relevant institution may be able to obtain compensation from the FSCS for certain of their losses. For example, deposits in a bank account are protected by the FSCS up to certain limits.

However, unlike a bank deposit, the Bonds are not protected by the FSCS. If the Issuer is unable to pay any amounts in respect of the Bonds, investors will have no recourse to the FSCS for compensation or any other amounts. If the Issuer or the Charity goes out of business or becomes insolvent, investors may lose all or part of their investment in the Bonds.

In certain circumstances, repayment of the Bonds may be deferred to a later date, and such deferral will not constitute a default under the terms of the Bonds provided the Bonds are repaid no later than the Legal Maturity Date (as defined below)

The Loan Agreement will provide for repayment of the loan by the Charity on 8 December 2031 (the “**Expected Maturity Date**”). However, the terms of the Bonds provide that, if the Charity is unable to repay the loan in full on the Expected Maturity Date, the principal amount of the Bonds corresponding to the unpaid amount of the loan will not become due and payable on the Expected Maturity Date and will be deferred. Such deferral will not constitute an event of default under the Bonds. If the Charity fails to repay the loan on the Expected Maturity Date and repayment is deferred until the Legal Maturity Date (as defined below), under the terms of the loan the Charity will be required to make additional interest payments at the rate of 1.00 per cent. per annum. This means that the interest rate on the Bonds from 8 December 2031 will also increase by 1.00 per

cent. per annum. In such circumstances, the deferred amounts of principal in respect of the Bonds will be paid to the holders of the Bonds on 8 December 2033 (the “**Legal Maturity Date**”).

Accordingly, investors in the Bonds may not be repaid their investment on the Expected Maturity Date, and will not be entitled to take action to enforce the Bonds unless the full principal amount outstanding on the Bonds has not been repaid by the Legal Maturity Date.

Neither the Bonds nor the Loan Agreement contains a gross-up provision requiring the Issuer or the Charity to pay any additional amounts to Bondholders or, in the case of the Loan Agreement, the Issuer, to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Loan Agreement or the Bonds

The Issuer will not be obliged to pay any additional amounts to Bondholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Bonds by the Issuer or The Bank of New York Mellon, London Branch. Neither will the Charity be obliged to pay any additional amounts to the Issuer to reimburse the Issuer for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Loan Agreement by the Charity. However, in such circumstances, the Charity will be required to take such reasonable steps to ensure that the gross amount of all payments due in respect of the Loan Agreement is paid to the Issuer (in its capacity as Lender under the Loan Agreement). In the event of a withholding or deduction for or on account of tax in respect of payments due on the loan by the Charity resulting in a shortfall in the amounts available to the Issuer to satisfy amounts of interest due on the Bonds, an amount equal to such shortfall will be deferred in accordance with Condition 8.5. Furthermore, unless the Issuer is able to recover in full any amounts so withheld or deducted by way of a refund from the relevant tax authority, the Issuer is unlikely to have sufficient funds available to satisfy any such deferred amounts in full.

Accordingly, in the event of a change of tax law requiring any such withholding or deduction, there may be an adverse effect on the amount of principal or interest receivable by Bondholders under the terms of the Bonds.

The Issuer expects to benefit from specific UK tax treatment given the specific nature of the transactions it conducts. However, if the Issuer does not benefit, or ceases to benefit, from such tax treatment, the Issuer’s ability to make payments in full on the Bonds may be adversely affected

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as set out in the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended) (the “**Securitisation Regulations**”)), and as such should be taxed only on the amount of its “retained profit” (as that term is defined in the Securitisation Regulations), for so long as it satisfies the conditions of the Securitisation Regulations. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Regulations (or subsequently ceases to satisfy those conditions), then the Issuer could be subject to additional tax liabilities not contemplated in the cash flows for the transaction described in this Prospectus which could adversely affect its ability to make payments on the Bonds and may result in investors receiving less interest and/or principal than expected.

Withholding tax on the Bonds

Provided that the Bonds carry a right to interest and are and continue to be “listed on a recognised stock exchange” (within the meaning of section 1005 of the Income Tax Act 2007), as at the date of this Prospectus no withholding or deduction for or on account of United Kingdom income tax will be required on payments of interest on the Bonds. However, there can be no assurance that the law in this area will not change during the life of the Bonds.

Pursuant to Condition 11, the Issuer shall withhold or deduct from any payments it makes in respect of the Bonds any amounts on account of tax where so required by applicable law. Neither the Issuer nor any other person is required to make any “gross up” payments or otherwise compensate the Bondholders in respect of any

withholding tax applied in respect of payments on the Bonds. Accordingly, where the Issuer is required by law to withhold or deduct any amount from a payment it makes on the Bonds, Bondholders will receive less than the amount they would have received had no such withholding or deduction been made. The difference between the amount a Bondholder would have received (had there been no such withholding or deduction) and the amount it actually receives will not be recoverable by that Bondholder from the Issuer or any other person.

The Bonds pay a fixed rate of interest, and the value of the Bonds may therefore be affected by changes in prevailing interest rates in the market

The Bonds bear interest at a fixed rate. Investors should note that, if interest rates available in the market generally start to rise, then the income to be paid by the Bonds might become less attractive and the price the investors get if they sell such Bonds could fall. However, the market price of the Bonds has no effect on the interest amounts due on the Bonds or what investors will be due to be repaid at maturity of the Bonds if the Bonds are held by the investors until maturity. Investors should also note that inflation will reduce the real value of the Bonds over time, which may affect what investors can buy with their investments in the future and which may make the fixed interest rate on the Bonds less attractive in the future.

The provisions of the Bonds provide for modification of the terms of the Bonds and the waiver of certain rights, in certain circumstances without the consent of the Bondholders

The terms and conditions of the Bonds contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Bondholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Bondholders who voted in a manner contrary to the majority.

The terms and conditions of the Bonds also provide that the Trustee may, without the consent of Bondholders and without regard to the interests of particular Bondholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds, or (ii) determine without the consent of the Bondholders that any event of default shall not be treated as such where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders to do so or may agree without Bondholder consent to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven.

Either the Issuer or the Charity may propose a Restructuring Plan under Part 26A of the Companies Act 2006

Where the Issuer or the Charity encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a Restructuring Plan (a "Plan") with its creditors under Part 26A of the Companies Act 2006 (introduced by the Corporate Insolvency and Governance Act 2020) to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Should this happen, creditors whose rights are affected are organised into creditor classes and can vote on any such Plan (subject to being excluded from the vote by the English courts for having no genuine economic interest in the Issuer or the Charity (as the case may be)). Providing that one class of creditors (who would receive a payment, or have a genuine economic interest in the Issuer or the Charity (as the case may be)) has approved the relevant Plan, and in the view of the English courts any dissenting class(es) who did not approve the relevant Plan are no worse off under such Plan than they would be in the event of the "relevant alternative" (such as, broadly, liquidation or administration), then the English court can sanction the relevant Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members, regardless of whether they approved it. Any such sanctioned Plan in relation to the Issuer or the Charity may, therefore, adversely affect the rights of Bondholders and the price or value of their investment in the Bonds, as it may have the effect of modifying or disapplying certain terms of the Bonds (in the case of a sanctioned Plan relating to the Issuer) or the Loan (in the case of a sanctioned Plan relating to the Charity) (by,

for example, writing down the principal amount of the Bonds or the Loan (as the case may be) or modifying the interest payable on the Bonds or the Loan (as the case may be), the maturity date or dates on which any payments are due). In the worst case scenario, the principal amount of the Bonds or the Loan (as the case may be) could be written down to zero. In either such case, Bondholders may lose their entire investment in the Bonds.

Change of law

The conditions of the Bonds are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus, and any such change could materially adversely impact the value of any Bonds affected by it.

4. RISKS RELATED TO THE MARKET GENERALLY

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Bonds do not have an established trading market when issued, and one may never develop. Whilst the Issuer has made an application for the Bonds to be admitted to the London Stock Exchange's electronic Order book for Retail Bonds (the "**ORB**") and one or more market makers on the ORB will be appointed in respect of the Bonds, there can be no guarantee that a significant market in the Bonds will develop. If a market for the Bonds does develop, it may not be very liquid. Further, whilst the market maker(s) in respect of the Bonds will be required to quote buy and sell prices during normal business hours, there is no restriction on the prices which they can quote. If the secondary market in the Bonds is not liquid, the prices quoted may be unfavourable to investors, and the prices quoted over time may be volatile. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. There is no guarantee of what the market price for selling or buying the Bonds will be at any time. Any actual or perceived weaknesses in the creditworthiness of the Issuer or the Charity, the absence of a liquid market in the Bonds and prevailing market conditions generally can all affect the market price of the Bonds and, accordingly, if an investor in the Bonds elects or is required to sell its Bonds in the market, it may achieve a price for its Bonds which is significantly lower than the price it paid for them.

Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products as it forms part of domestic law pursuant to the EUWA (the "**UK PRIIPs Regulation**") mandates a pre-contractual disclosure regime in relation to (1) "packaged retail investment products" or "PRIIPs" and (2) "insurance-based investment products" (collectively, "**PRIIPs**"). The principal obligations under the UK PRIIPs Regulation are: (i) an entity that falls within the definition of a "PRIIP manufacturer" will be required to produce a "key information document" (a "**KID**") and publish it on its website; (ii) any person advising on or selling a PRIIP to retail investors must provide the investors with the KID in good time before they are bound by any contract or offer relating to the PRIIP; (iii) a PRIIP manufacturer must regularly review and update the KID; and (iv) a PRIIP manufacturer must establish appropriate complaint and redress procedures for retail investors. The Issuer has prepared a key information document as required by the UK PRIIPs Regulation for the initial offer and sale of the Bonds as of the date hereof. However, the Issuer gives no assurance pursuant to this Prospectus that the KID will be regularly reviewed or updated. Therefore, the KID may not be kept up-to-date. This may impact the development of a secondary market in the Bonds since, without an up-to-date KID, offering or selling the Bonds or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

Exchange rate risk and exchange controls

The Issuer will pay principal and interest on the Bonds in sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds, and (3) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3

DESCRIPTION OF THE CHARITY

This section sets out information about the Charity.

DESCRIPTION OF THE CHARITY

The Charity is the Charities Aid Foundation, a UK charity registered with the Charity Commission for England and Wales, with registered charity number 268369.

The Charity is governed by a declaration of trust dated 2 October 1974, which sets out the Charity's purpose as being to raise money and hold funds for the benefit of the charitable institutions or such charitable purposes anywhere in the world as the Trustees should think fit.

The principal place of business of the Charity is 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4TA. The telephone number of its registered address is 03000 123000 and its email address is enquiries@cafonline.org.

The Charity owns 100 per cent. of the equity share capital or controls a number of subsidiaries in the UK and overseas (the Charity and its subsidiaries together, “**CAF Group**”). The largest of these subsidiaries are CAF Bank Limited (“**CAF Bank**”) and CAF America. CAF Bank is a bank for charities and social purpose organisations and is authorised and regulated by the Prudential Regulation Authority (“**PRA**”) and regulated by the Financial Conduct Authority (“**FCA**”). It is a company limited by shares incorporated in England and Wales with registered number 1837656. CAF America is a US 501c3 public charity that provides donation services to US citizens and corporations.

The Charity is currently the fourth largest registered charity in England and Wales by income and expenditure according to data sourced from the Charity Commission register of charities and which therefore relates only to charities registered with the Charity Commission.

In the year to 30 April 2021, donations received by the CAF Group totalled £1.027 billion while £958 million was paid to charities and partners (in each case including donations processed by the Charity through Give As You Earn (“**GAYE**”) and CAF Donate).

As at 30 April 2021, the CAF Group had assets under management totalling £3.0 billion consisting of the unrestricted and restricted funds of the CAF Group (excluding CAF Bank) totalling £1.6 billion and CAF Bank depositor balances of £1.4 billion.

Mission and Aims

The Charity operates in the UK and internationally, acting as a meeting point connecting companies, private philanthropists, charitable foundations, governments, charities and not-for-profit enterprises. Its work connects organisations, institutions and individuals working to ensure that everyone has a stake in the future. The Charity believes that the agency of lasting change lies across sectors and borders, in the hearts, minds and hands of those driven to make a difference.

The Charity’s purpose is to accelerate progress in society towards a fair and sustainable future for all. It delivers on this purpose in a variety of ways:

- The Charity and its subsidiaries operate in the UK, the United States and Canada, and together work with companies and private philanthropists to enable them to give more.
- Through regulatory expertise, the Charity ensures that funds reach charities and social enterprises as quickly and safely as possible, providing validation services to enable cross-border giving.
- Partnering with government and donors to achieve maximum impact, including the delivery of large-scale grant making programmes.

- Working with regular donors to help them support charities.
- Helping companies deliver employee charitable giving and to support their communities and chosen charities.
- Enabling charities to do more life-changing work with lasting benefits for all by providing them with funding and financial solutions including banking, investments, fundraising tools and social investment.
- Leading an international network of like-minded charitable organisations; collaborating across sectors and borders to inspire innovation, share best practices and improve cross-border giving in support of civil society.
- Acting as a voice for the charitable sector with government and external stakeholders to deliver supportive legal, fiscal and regulatory conditions for donors, charities and social enterprises.

Products and Services

For individuals

The Charity provides two principal services for individuals: the CAF Charity Account and the CAF Charitable Trust. Both services enable individuals to put money aside tax-effectively to support their philanthropic aims at any time. The Charity currently has over 30,000 CAF Charity Accounts, 24,000 individual GAYE accounts and 2,700 CAF Charitable Trust customers.

The CAF Charity Account enables individuals to make donations to any charitable organisation in the UK or worldwide, via telephone, online, or by charity cheque. Charity cheques are presented by donors to charities and are then cleared through the Charity's systems. A CAF Charity Account can be opened with a minimum of £10 per month for regular givers or a one-off payment of £100. If the donor is a UK taxpayer, the Charity will claim and add Gift Aid to the donation at an amount equivalent to the standard rate of income tax. The donor decides which charities to donate to, and the Charity validates the charities and passes on the donations.

A CAF Charitable Trust is designed to help major donors plan their long-term philanthropy without the time-consuming tasks and expense usually involved in setting up and running a charitable trust, as there is no requirement to establish a separately registered charitable trust with the Charity Commission. There are no legal, accountancy or audit fees. The Charity handles all the on-going administration. Experienced advisors help donors to achieve their charitable goals. CAF Charitable Trusts are available to individuals who can donate at least £10,000.

A CAF Charitable Trust enables major donors to give cash, shares or other assets. The Charity adds Gift Aid where a gift is eligible and holds or, at the donor's request, invests the funds for the future until donors wish to send their donations to charitable causes around the world and to distribute to single or multiple causes over a period of time. A wide range of savings and investment options are available to grow the value of a CAF Charitable Trust over the longer term.

Internationally, CAF America offers Donor Advised Funds (“**DAF**”) to individual donors and the CAF American Donor Fund (“**CADF**”) offers a tax-efficient solution for dual UK-US taxpayers. Establishing a DAF with CAF America is an efficient and cost-effective way to conduct both US domestic and international grant making through a single fund and eliminates the time and expenses required to establish and maintain a private foundation as well as obtain tax-exempt status from the US Internal Revenue Service.

CADF enables individuals, liable for tax in both the UK and US, to obtain tax relief on charitable gifts in each country. Where applicable, CADF claims Gift Aid in the UK which is added to the fund while donors can claim

further US tax relief and get a tax deduction in the US. Donors can make gifts from the fund to charitable organisations anywhere in the world provided these are recognised as charitable under both UK and US law.

CADF operated 136 Donor Advised Accounts (£5,000 minimum donation into the fund), 55 Premier Donor Advised Funds (£50,000 minimum donation) and 278 Donor Advised Gift Accounts at 30 April 2021, the latter allowing funds to be invested to generate income and capital growth to support long-term philanthropic goals.

The Charity also offers the CAF Global Trustees service and the CAF Charitable Legacy service.

CAF Global Trustees acts as a corporate trustee to independent UK registered charities set up by ultra high net worth individuals.

The CAF Charitable Legacy service provides an easy and flexible way for an individual to remember a charity in their will. To create a CAF Charitable Legacy, the donor names the Charity in their will, accompanied by a letter of wishes identifying the charities they wish to support. The Charity then distributes funds in accordance with the donor's wishes. Should the donor want to add or change the beneficiaries, the letter of wishes can simply be amended rather than changing the will.

For companies

The Charity provides a range of products and services to its nearly 2,800 corporate clients in the UK and the US to support them in corporate giving, employee engagement and developing and delivering corporate social responsibility and community programmes in the UK and globally. The Charity helps companies to identify the right charity partners and to develop skilled volunteering programmes.

A CAF Company Account enables companies to give tax effectively and to donate safely to charitable organisations around the world. Companies can donate any time to charitable organisations of their choice in any way, including online. Accounts can be linked to CAF Matched Giving and CAF Give As You Earn, combining the management of a company's charitable giving in one location. Payments into a CAF Company Account qualify as charitable donations and can be spread across tax years to support tax planning. The Charity validates all beneficiaries as charitable, enabling customers to safely donate to organisations around the world.

The Charity supports companies with services to engage employees with charitable giving and involving staff in corporate responsibility. Specifically, the Charity helps companies formulate a corporate fundraising strategy that links with their values, encourage employees to make regular donations using the Charity's GAYE payroll giving scheme, and provide support with matching their donations.

The Charity's GAYE scheme is the most popular payroll-giving scheme in the UK based on HMRC reporting of payroll giving, helping 2,400 companies and 123,000 staff to give £63 million to charity in the year to 30 April 2021. Once a company signs up for GAYE, participating employees instruct their payroll departments to deduct an amount from their monthly pay for donation to either fund a CAF Charity Account or CAF Charitable Trust or to send immediately to charities of their choice in the UK or worldwide. The Charity validates the beneficiary as charitable and, as an HMRC approved payroll-giving agency, forwards payroll deductions to the organisations chosen by employees.

Both in the UK and internationally, the Charity underpins its services to companies with expert consultancy and advice, supporting clients to develop successful corporate social responsibility programmes.

For charities and not-for-profit social purpose organisations

The Charity's products and services enable charities to do more life-changing work with lasting benefits for all by providing them with funding or financial solutions including banking, investments, fundraising tools and social investment. In the year to 30 April 2021 the CAF Group's services supported more than 100,000 charities in over 100 countries.

Banking

CAF Bank provides banking services to over 14,000 charities and social purpose organisations as at 30 April 2021. CAF Bank offers transactional current and savings deposit accounts and loans to UK customers. It provides customers with telephone and internet banking, with dedicated relationship managers for larger charities. CAF Bank has arrangements in place with HSBC and RBS to provide customers with access to branches across England, Scotland and Wales. Cheques can also be paid in through the Post Office.

Deposits by charities totalled £1.4 billion at 30 April 2021. CAF Bank's customer base spans a wide range of charities, including grant giving foundations, faith organisations, education, health and social care organisations, youth clubs and a wide range of community organisations.

CAF Bank aims to make a direct contribution to the charitable sector through donating any residual profit each year, after meeting interest payable on capital instruments, and after ensuring its own capital adequacy, to the Charity.

Through CAF Financial Solutions Limited (“**CFSL**”), CAF has partnerships with third parties on savings products. Introductions are made by CFSL and the accounts are provided and administered by the third parties and held on the third parties' balance sheets. CFSL receives commission for the balances held and any profits that it makes are donated to the Charity. The CAF 60 Day Notice and 12 month Fixed Rate Saver Accounts are provided by Shawbrook Bank. The CAF 90 Day Notice Account and CAF One Year Fixed Term Deposit Account are provided by Scottish Widows Bank.

Working with deposit platform provider Flagstone Investment Management, CFSL offers a solution to meet the needs of charities which have a minimum deposit of £50,000. The platform keeps costs to a minimum and provides access to as many as 20 banks and building societies. CFSL is regulated by the FCA.

Lending

CAF Bank's loans are designed for UK incorporated charities and social purpose organisations that have been running for at least three years.

Loans to charities and social purpose organisations start at £150,000 and go up to £5 million or (£9 million for social housing schemes), are secured on property at maximum loan-to-value (LTV) ratios of 70 per cent. (87 per cent. for social housing valuations) for terms from 5-25 years.

Loans have been provided to charities and not-for-profit organisations in the faith, social housing, heritage, disability, training and education sectors. Loans are made to organisations across the UK, the larger regions at 31 December 2020 being London and the South East, Scotland Yorkshire and Humber, East Anglia and South West England. Committed loans and advances totalled £165 million at 30 April 2021. Social housing represented 53 per cent. of the loan book by value.

The Charity's social investment arm, CAF Venturesome, provides affordable financial support by way of loans up to 10 years between £25,000 and £400,000 to charities, social enterprises and community groups that have a clear charitable or social agenda, have been trading for at least one year and have an annual turnover of at least £60,000. CAF Venturesome recently completed its 690th deal and has offered almost £60 million of repayable finance and quasi-equity since its establishment in 2002.

Investments

The CAF Managed Portfolio Service, managed by Abrdn, offers a range of investment profiles, each with a pre-determined level of risk and targeted long-term objectives. This service is designed to align with Charity Commission CC14 guidance and provides access to a range of investments according to a profile selected by the organisation.

The IFSL CAF Funds are managed by Abrdn and provide four multi-asset, multi-manager funds covering UK equities, fixed income, international equities and alternative strategies.

The CAF UK Equitrack Fund is a low cost passive investment fund tracking the UK FTSE All Share index provided by Legal and General. The fund is structured as a common investment fund (CIF), an investment fund designed for charities.

Fundraising Processing Service

The Charity's CAF Donate service provides an online donation processing platform for charities. By providing secure, branded and GDPR-compliant online donation pages and a platform for processing donations, CAF Donate gives charities the tools to fundraise through the web, mobile devices and Facebook and to process donations received by post and phone.

Advice and Grantmaking

The Charity's advisory service supports charities to become financially sustainable and resilient and provides a bespoke service to charities of all sizes, at all stages of development. The service covers fundraising strategies, impact management and strategic and governance development.

The Charity provides a full on-line grantmaking service and has over 70 years' experience in designing and running grant programmes. Clients include a number of larger corporates and the UK government.

Charity Support

The Charity acts as a voice of the charitable sector with government and external stakeholders and its research and policy work helps inform government, industry, donors, the media and the charitable sector in their work. It helps to shape policy and legislation in order to improve the environment for giving and to secure supportive legal, fiscal and regulatory conditions for donors, charities and social enterprises.

The Charity has a long history of successfully influencing policy in order to encourage more people to give and ensure there is a continuing supportive environment for civil society. The Charity was instrumental in launching payroll giving in the UK and more recently led a successful campaign opposing government plans to cap higher rate relief on charitable donations. During the COVID-19 pandemic, the Charity's insights team used a data driven approach to identify both geographic and cause areas which were experiencing the highest levels of needs and ensured the CAF Resilience Fund targeted the most vulnerable communities.

The Charity's policy aims are:

- a strong and thriving civil society;
- a charitable sector that is empowered and enabled to demonstrate accountability and effectiveness, in order to have healthy, equal and mature relationships with government and the private sector;
- for equal partnerships that support the resilience, sustainability, individuality and independence of the sector; and
- to make it easy for individuals and companies to maximise the impact of their charitable giving. This may be through tax-effective mechanisms such as Gift Aid or payroll giving, or through supporting the development of new models of social investment and corporate engagement.

International Activities

The CAF Group's international focus is on facilitating giving across borders to carefully validated charities and charitable projects with a particular focus on giving from the three countries where it operates: UK, US and Canada.

The Charity in the UK, US and Canada leads an international network of like-minded charitable organisations, collaborating across sectors and borders to inspire innovation, share best practices and improve cross-border giving in support of civil society.

The international network currently includes organisations in Australia and New Zealand, Brazil, Russia, India, Africa and Bulgaria.

Structure of CAF Group

The CAF Group includes (amongst others) the Charity, CAF Bank and CAF America.

Various other entities (Good2Give (Australia), IDIS (Brazil), CAF India, The 'CAF' Charitable Foundation for Philanthropy Development (Russia), CAF Southern Africa and BCause (Bulgaria)) are independent local entities subject to legal agreements with the Charity that determine use of brand and partnership arrangements. However, such entities do not form part of CAF Group.

Strategy and Key Objectives

The scale and growth of the Charity's activities in the UK, US and Canada in the last year and the impact of the COVID-19 pandemic on the charity sector are signs that the Charity's services are needed today more than they have ever been.

The Charity's Trustees work to ensure that the organisation is well governed and has the capability to grow in a way which is sustainable, financially robust and which meets the demands and expectations of all its stakeholders. A review of the Charity's governance arrangements was carried out from October 2020 through to December 2020, which reflected on the organisation's enduring purpose, asking how the organisation needs to embrace change in order to sustainably do more.

The Charity's new Chief Executive and Executive team have developed and begun to implement a new four-year strategy called 'Together Building Opportunity'. The objective is to ensure that the Charity fulfils its aim to grow its impact sustainably and to strengthen the organisation to ensure that it is future-fit.

The main elements of the strategy are:

- Digital transformation – modernising systems, particularly with like-minded organisations and simplifying the Charity's service to charities.
- Seek out new partners for the CAF International giving network who can work alongside the Charity to grow the flow of funds into charities in the UK, US and Canada and across borders around the world.
- Support companies with the design and delivery of their own giving plans, helping to ensure that their social purpose is reflected in the contribution that they make to communities near and far.
- Build upon the work done by CAF America in aligning and reporting donations to the 17 United Nations Sustainable Development Goals (SDGs) and extend this approach across the whole organisation in pursuit of the 2030 sustainability agenda.

- Continue to grow the number of philanthropy clients that the Charity supports and help colleagues in the wealth adviser community with the Charity's expertise so that they may better navigate the needs of donors and charities alike.
- Strengthen with major investment, the CAF Group's banking, investment and advisory services for charities and social enterprises, to ensure that the right people with the right tools are in place to further increase service excellence.
- Enrich the range of investment options that are enshrined in ESG principals for donor and charity partners.
- Through thought leadership and policy research work, the Charity will collaborate with others to amplify the voice of the charitable and non-profit sector.
- Modernise the Charity's long-standing partnership with its founder, the National Council of Voluntary Organisations, to ensure that the two organisations are making the most of every opportunity to collaborate and build on one another's expertise.

Financial Summary

A summary of CAF Group's historical statements of financial activities and balance sheets is set out below.

The selected financial information regarding CAF Group set out below has been extracted from the audited consolidated financial information of CAF Group for the years ended 30 April 2021, 30 April 2020 and 30 April 2019.

Group Statements of Financial Activities

	Unrestricted Funds			Restricted Funds			Total		
	2020/21	2019/20	2018/19	2020/21	2019/20	2018/19	2020/21	2019/20	2018/19
	£ million								
Income									
Donations, legacies and grants	5.8	3.3	3.1	954.1	657.9	561.9	959.9	661.2	565.0
Charitable activities:.....									
Fee income.....	21.5	17.2	15.7	-	-	-	21.5	17.2	15.7
CAF Bank net interest income	9.8	11.5	12.3	-	-	-	9.8	11.5	12.3
Investment income	6.4	7.9	7.0	10.9	14.8	14.3	17.3	22.7	21.3
Total income	43.5	39.9	38.1	965.0	672.7	576.2	1,008.5	712.6	614.3
Expenditure									
Charitable Activities:.....									
Donations payable to charities ...	0.1	0.6	0.5	811.4	640.0	587.4	811.5	640.6	587.9
Other expenditure on charitable activities	45.7	42.9	38.4	0.1	-	-	45.8	42.9	38.4
	45.8	43.5	38.9	811.5	640.0	587.4	857.3	683.5	626.3
US Fundraising.....	-	-	-	73.7	6.2	-	73.7	6.2	-
Total expenditure	45.8	43.5	38.9	885.2	646.2	587.4	931.0	689.7	626.3
Net income/(expenditure) before net gains/(losses) on investments	(2.3)	(3.6)	(0.8)	79.8	26.5	(11.2)	77.5	22.9	(12.0)
Group share of losses in associate	-	-	(0.1)	-	-	-	-	-	(0.1)
Net gains/(losses) on financial investments	(0.2)	-	-	131.1	(43.0)	15.2	130.9	(43.0)	15.2
Net gains/(losses) on other investments	-	-	-	-	-	(0.1)	-	-	(0.1)
Net income/(expenditure).....	(2.5)	(3.6)	(0.9)	210.9	(16.5)	3.9	208.4	(20.1)	3.0
Transfers between funds	3.2	9.4	0.2	(3.2)	(9.4)	(0.2)	-	-	-
Net movement in funds before other recognised gains and (losses)	0.7	5.8	(0.7)	207.7	(25.9)	3.7	208.4	(20.1)	3.0
Other recognised gains and (losses)									
Gain on revaluation of tangible fixed assets	-	-	1.0	-	-	-	-	-	1.0
Defined benefit pension plan:.....									
Actuarial gains/(losses).....	0.8	(0.5)	0.2	-	-	-	0.8	(0.5)	0.2
Removal of asset limit	-	-	1.0	-	-	-	-	-	1.0
Net movement in funds	1.5	5.3	1.5	207.7	(25.9)	3.7	209.2	(20.6)	5.2
Reconciliation of funds									
Total funds brought forward.....	67.0	61.7	60.2	1,332.2	1,358.1	1,354.4	1,399.2	1,419.8	1,414.6
Total funds carried forward.....	68.5	67.0	61.7	1,539.9	1,332.2	1,358.1	1,608.4	1,399.2	1,419.8

CAF Group Donations and Payments

	Donations, Legacies and Grants Received			Payment to Charities and Partners		
	2020/21	2019/20	2018/19	2020/21	2019/20	2018/19
	£ million					
Restricted Funds per Group Statement of Financial Activities	954.1	657.9	561.9	885.2	646.1	587.4
CAF Donate and Give As You Earn donations	72.9	62.1	58.4	73.1	61.8	59.0
	1,027.0	720.0	620.3	958.3	707.9	646.4

CAF Group's finances encompass unrestricted, restricted and endowment funds and CAF Bank balances and donor client balances.

Group Summary Balance Sheets

	30th April		
	2021	2020	2019
	£ million		
Assets			
Balances at Bank of England.....	417.7	327.6	318.2
Loans and advances to banks	688.0	702.9	695.7
Loans and advances to customers.....	147.9	109.2	97.6
Debt securities.....	965.7	802.6	702.0
Financial investments.....	775.0	627.5	650.2
Other investments.....	8.3	4.6	4.0
Associate undertaking	-	3.3	3.3
Tangible fixed assets	5.4	5.6	5.6
Intangible fixed assets	1.2	-	-
Other debtors.....	12.9	6.8	7.6
Prepayments and accrued income.....	31.7	25.6	26.7
Pension scheme asset	1.8	1.1	1.5
Total assets	3,055.6	2,616.8	2,512.4
Liabilities			
CAF Bank depositor balances	1,396.9	1,156.5	1,033.2
Give As You Earn and CAF Donate balances	4.5	4.8	4.5
Due to beneficiary charities.....	10.3	14.5	12.4
Other creditors.....	13.0	7.4	6.9
Accruals and deferred income	2.7	4.6	5.8
Repurchase agreement.....	-	10.1	10.1
Long-term loan.....	19.8	19.7	19.7
Total liabilities	1,447.2	1,217.6	1,092.6
Funds			
Unrestricted.....	68.5	67.0	61.7
Restricted	1,539.9	1,332.2	1,358.1
Total funds	1,608.4	1,399.2	1,419.8
Total liabilities and charitable funds	3,055.6	2,616.8	2,512.4

Assets Under Management

	30th April		
	2021	2020	2019
	£ million		
Unrestricted and Restricted Funds.....	1,608.4	1,399.2	1,419.8
CAF Bank depositor balances	1,396.9	1,156.5	1,033.2
	3,005.3	2,555.7	2,453.0

Group Cash Flow Statements

	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>
		£ million	
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	228.6	80.5	(72.8)
Cash flows from investing activities			
Increase in cash ratio deposit with Bank of England	(0.8)	(0.2)	(0.6)
Net decrease/(increase) in loans and advances to banks	80.7	(64.2)	(110.1)
Net increase in debt securities	(186.6)	(103.6)	(96.3)
Payments to acquire financial investments	(137.2)	(149.4)	(112.6)
Proceeds on disposal of financial investments.....	171.8	170.7	162.5
Payments to acquire other investments.....	(0.3)	(0.8)	-
Proceeds on disposal of other investments	-	0.2	1.7
Payments to acquire tangible fixed assets.....	-	(0.3)	-
Payments to acquire intangible fixed assets.....	(1.2)	-	-
Decrease/(increase) in investment portfolio cash and settlements pending.....	3.8	4.3	(2.2)
Settlement of repurchase agreement	(10.1)	-	-
Receipts of Trust Funds investment income	10.8	14.7	14.2
Net cash used in investing activities	(69.1)	(128.6)	(143.4)
Cash flows from financing activities			
Payments of interest on long-term loan	(1.0)	(1.0)	(1.0)
Net cash used in financing activities	(1.0)	(1.0)	(1.0)
Change in cash and cash equivalents in the year	158.5	(49.1)	(217.2)
Cash and cash equivalents as at 1 May	624.7	672.7	887.5
Change in cash and cash equivalents due to exchange rate movements	(3.2)	1.1	2.4
Cash and cash equivalents as at 30 April	780.0	624.7	672.7
Represented by:.....			
Balances at Bank of England repayable on demand	415.5	326.1	317.0
Loans and advances to banks repayable on demand.....	364.5	298.6	355.7
	780.0	624.7	672.7

Charity Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Total
	2020/21	2020/21	2020/21
	£ million		
Income			
Donations, legacies and government grants.....	5.3	510.9	516.2
Charitable activities:.....			
Fee income.....	9.9	-	9.9
Investment income.....	7.2	9.9	17.1
Total income	22.4	520.8	543.2
Expenditure			
Charitable Activities.....			
Donations payable to charities.....	0.1	435.8	435.9
Other expenditure on charitable activities.....	25.7	0.1	25.8
Total Expenditure	25.8	435.9	461.7
Net expenditure before net gains/(losses) on investments.....	(3.4)	84.9	81.5
Net gains/(losses) on financial investments.....	(0.2)	123.5	123.3
Net income/(expenditure).....	(3.6)	208.4	204.8
Transfers between funds	3.2	(3.2)	-
Net movement in funds before other recognised gains/(losses).....	(0.4)	205.2	204.8
Other recognised gains and (losses)			
Defined benefit pension plan:.....			
Actuarial gains/(losses).....	0.8	-	0.8
Net movement in funds	0.4	205.2	205.6
Reconciliation of funds			
Total funds brought forward.....	63.6	1,170.3	1,233.9
Total funds carried forward	64.0	1,375.5	1,439.5

Charity Balance Sheets

	30th April		
	2021	2020	2019
	£ million		
Assets			
Loans and advances to banks	569.8	593.9	615.1
Loans and advances to customers	23.4	5.6	7.1
Debt securities	78.1	19.2	19.4
Financial investments	716.9	576.7	607.3
Other investments	8.3	4.6	4.0
Subsidiary undertakings	41.9	41.9	41.9
Associate undertaking	-	3.4	3.4
Tangible fixed assets	5.2	5.5	5.5
Other debtors	11.5	7.9	10.9
Prepayments and accrued income	27.9	21.2	22.3
Pension Scheme asset	1.8	1.1	1.5
Total assets	1,484.8	1,281.0	1,338.4
Liabilities			
Give As You Earn and CAF Donate balances	4.5	4.8	4.5
Due to beneficiary charities	8.8	14.1	12.3
Other creditors	10.3	6.5	5.4
Accruals and deferred income	1.9	2.0	5.2
Long Term loan	19.8	19.7	19.7
Total liabilities	45.3	47.1	47.1
Funds			
Unrestricted	64.0	63.6	59.3
Restricted	1,375.5	1,170.3	1,229.7
Endowment	-	-	2.3
	1,439.5	1,233.9	1,291.3
Total liabilities and charitable funds	1,484.8	1,281.0	1,338.4

Charity Cash Flow Statement

	<u>2020/21</u>
	<u>£ million</u>
Cash flow from operating activities	
Net cash used in operating activities	(2.1)
Cash from investing activities	
Net decrease in loans and advances to banks.....	77.2
Net increase in debt securities	(59.4)
Payments to acquire financial instruments	(116.4)
Proceeds on disposal of financial investments.....	139.6
Payments to acquire other investments.....	(0.3)
Decrease in investment portfolio and settlements pending	5.8
Receipts of Trust Funds investment income	9.8
	<u>56.3</u>
Cash flows from financing activities	
Payments of interest on long-term loans.....	(1.0)
Net cash used in financing activities	(1.0)
Change in cash and cash equivalent in the year	<u>53.2</u>
Cash and cash equivalents as at 1 May	193.1
Change in cash and cash equivalents due to exchange rate movements	(0.1)
Cash and cash equivalents as at 30 April	<u>246.2</u>

Trustees

Sir James Leigh-Pemberton CVO

Chair

Sir James is Non-Executive Chairman of RIT Capital Partners and Deputy Chairman of UK Government Investments, and Trustee of the Royal Collection Trust and The Alnwick Garden Trust.

Cyrus Ardalan

Chair, Investment Advisory Committee

Cyrus is currently Chairman of Citigroup Global Markets, OakNorth Bank and a senior adviser at Alvarez and Marsal, he was Vice Chairman of Barclays, the International Finance Facility for Immunisation supporting GAVI, the Vaccine Alliance and Chairman of the International Capital Markets Association.

Tiina Lee

Tiina is the Chief Executive Officer, UK and Ireland for Deutsche Bank. She is responsible for all Deutsche Bank's activities in the region and is a leading advocate on diversity and inclusion. She also serves on the board of trustees of Donmar Warehouse Projects.

Roger Perkin

Chair, Audit Risk & Compliance Committee

Roger was for many years a partner at Ernst & Young and now serves on the boards of Hargreaves Lansdown and AIB UK, and as a Trustee of Chiddingstone Castle.

Janet Pope

Chair, CAF Bank Limited

Janet is Director, Sustainable Business and Chief of Staff, Lloyds Banking Group plc, with responsibility for Inclusion and Diversity, Responsible Business and Sustainable Business. She is also a member of the Finance Service Culture Board and Chair of Governors at Camden School for Girls and a board member of the Banking Standards Board.

Sir Ernest Ryder

Sir Ernest was until recently a Lord Justice of Appeal, and Senior President of Tribunals for the UK. He is Master of Pembroke College, University of Oxford and a Trustee of the Nuffield Foundation.

David Shalders

David is the Chief Operating Officer and Head of Integration at London Stock Exchange Group. Prior to this he was Group Operations and technology Director at Willis Towers Watson.

Dr Priya Singh

Priya is chair of the National Council for Voluntary Organisations (NCVO). She has a background in general practice, specialising in medical law, ethics and patient safety.

Susannah Storey

Susannah is Director General for the Digital and Media Group in the Department for Digital, Culture, Media and Sport. Prior to this she was Director General for the Economic Partnership at the Department for Exiting the European Union. Before being a civil servant she worked in investment banking at Citigroup.

Save that Roger Perkin is a board member of Hargreaves Lansdown, which is the Charity's pension provider, no Trustee has any potential conflict of interest between his or her duties to the Charity and his or her private interests and/or other duties.

Executive Management

Neil Heslop OBE

Chief Executive

Prior to joining Charities Aid Foundation in October 2020, Neil was Chief Executive of the international pan-disability charity Leonard Cheshire, which he joined in 2016. Over the previous 25 years, Neil held senior leadership roles in the telecoms industry in North America and Europe.

Mike Dixon, FCA

Mike has been Finance Director of Charities Aid Foundation since 2008. He qualified as a chartered accountant with Price Waterhouse where he worked with a range of international businesses. Prior to joining Charities Aid Foundation he was with HSBC Insurance Brokers for 14 years, as Finance Director and Chief Executive. Mike is a Trustee of Age UK.

Mark Greer

Managing Director of Philanthropy Services

Mark joined Charities Aid Foundation in 2016, having been Philanthropy Director at UK Community Foundation and CEO of the Beacon Awards for Philanthropy. He is responsible for the Charity's giving and social investing services, including donor advised services for private clients, corporate giving services, grant-making services and the Charity's social investment arm, CAF Venturesome.

Alison Taylor

CEO, CAF Bank and CEO, CAF Charity Services

Alison is a chartered accountant and joined CAF Bank as CEO in December 2019 and is leading the Charity's strategic focus on growing services to UK charities and social purpose clients. Before joining CAF, Alison spent many years at HSBC in corporate banking and UK leadership roles.

Ted Hart

Chief Executive of CAF International and President and Chief Executive of CAF America and CAF Canada

Ted joined Charities Aid Foundation in 2012 and is responsible for developing the Charity's services internationally. Ted has over 30 years of experience in advising global philanthropy.

Nora Sakaan

Group Brand and Marketing Director

Nora joined Charities Aid Foundation in January 2020 after nine years at NatWest, where she managed the retail bank's digital offering, oversaw the redesign of NatWest.com and RBS.co.uk and led the bank's digital and social media strategy. Nora started her career in advertising and media before specialising in building digital brands and customer experiences.

Angus Macfarlane

Group Transformation Director

Angus joined Charities Aid Foundation in 2021 and is the lead behind the organisation-wide change programme, with a specific aim of taking CAF Group forward digitally, whilst building products and services that meet its customers' evolving needs. Before joining the Charity, Angus served in numerous international CxO, Executive and Non-Executive roles across Financial Services, Insurance, Utilities, Charities and FMCG sectors, in the UK, Australasia and Europe.

David Jessop

Director of People and Purpose

David joined Charities Aid Foundation in 2021 following professional positions spanning both commercial and charitable organisations. His previous positions have included Director of HR and Operations at Royal British Legion Industries and most recently Executive People Director at international pan-disability charity Leonard Cheshire.

4

INFORMATION ABOUT THE BONDS

This following section summarises the key features of the Bonds.

The full terms and conditions of the Bonds are contained in Appendix B (*“Terms and Conditions of the Bonds”*). It is important that you read the entirety of this Prospectus, including the Terms and Conditions of the Bonds, before deciding to invest in the Bonds. If you have any questions, you should seek advice from your financial adviser or other professional adviser before deciding to invest.

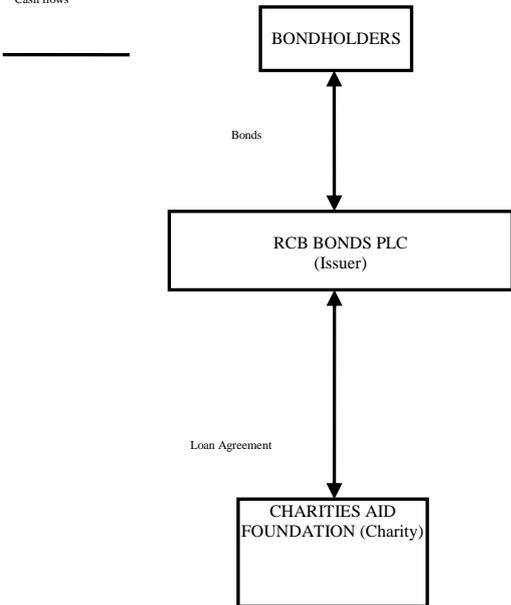
INFORMATION ABOUT THE BONDS

		Refer to
<p>What is a bond?</p>	<p>A bond is a form of borrowing by a company seeking to raise funds from investors. The company that issues a bond promises to pay interest to each investor in the relevant bond periodically until the date when the relevant bond becomes repayable (usually on the specified maturity date, although a bond may also become repayable early in certain circumstances), at which time the company also promises to repay the amount borrowed.</p> <p>An investor does not have to keep a bond until the date when the bond matures. Unlike a typical bank loan, a bond is a tradable instrument, so can be sold to another investor in the market. The market price of a bond will fluctuate between the start of the bond's life and when it matures.</p> <p>This Prospectus relates to a proposed issue of Charities Aid Foundation 3.5 per cent. Bonds due 8 December 2031 issued by RCB Bonds PLC and secured on a loan to the Charity.</p>	<p>N/A</p>
<p>Who is issuing the Bonds?</p>	<p>The Bonds will be issued by the Issuer.</p> <p>The Issuer is an entity which has been established for the purpose of issuing asset-backed securities, which means that it has been incorporated for specific purposes only (i.e. to issue bonds), will not conduct business more generally and has very limited assets. The Issuer will not engage in any activities which are not related to the issue of bonds.</p> <p>The Issuer has been incorporated with a view to making it easier for United Kingdom charities to raise money from investors in the capital markets, without each such charity having to issue bonds directly. Instead, the Issuer may issue bonds from time to time and lend the proceeds of such issue to a charity. Payments of interest and principal due on the loan and those due on the bonds will be identical (save that payments of interest and principal under the loan will be required to be paid two business days prior to each interest payment date or redemption date, as the case may be, on the bonds) so that payments of interest and repayment of the loan by the charity will provide the Issuer with funds to make the corresponding payment on the related bonds.</p> <p>The proceeds of the Bonds (including (if applicable) the proceeds of any Retained Bonds following a sale of such Retained Bonds to any third party from time to time) described in this Prospectus will be loaned to the Charity by way of the Loan on the terms of the Loan Agreement. The Issuer will depend on the Charity to make payments under the Loan Agreement in order for it to be able to make payments on the Bonds. Therefore, investors in the Bonds will be assuming credit risk on the Charity, as to which investors</p>	<p>Appendix B <i>("Terms and Conditions of the Bonds")</i></p> <p>Section 7 <i>("Description of the Issuer")</i></p>

		Refer to
	<p>should refer to Section 2 (“<i>Risk Factors – Factors that may affect the Issuer’s ability to fulfil its obligations under the Bonds – The Issuer’s only material assets corresponding to the Bonds will be its rights under the Loan Agreement and, accordingly, investors in the Bonds will take credit risk on the Charity</i>”).</p>	
<p>What are Retained Bonds?</p>	<p>When the Bonds are issued by the Issuer, the Issuer may immediately purchase some of the Bonds (any such Bonds so purchased, the “Retained Bonds”). The aggregate principal amount of Retained Bonds (if any) will be set out in the Issue Size Announcement.</p> <p>Any Retained Bonds will be held by The Bank of New York Mellon, London Branch in its capacity as bond custodian in respect of such Retained Bonds (or any successor or replacement custodian thereto) (the “Custodian”) pursuant to a bond custody agreement dated the Issue Date between the Issuer and the Custodian (or such other custody agreement entered into from time to time between the Issuer and the Custodian) in respect of the Retained Bonds (the “Custody Agreement”).</p>	N/A
<p>How will the Issuer deal with any Retained Bonds?</p>	<p>If any Retained Bonds are issued, the Issuer may, following agreement with the Charity and the Manager (or, failing agreement with the Manager, any third party), sell or dispose of all or some of such Retained Bonds in the market by private treaty at any time provided that:</p> <p>(i) the relevant Bonds will, following the relevant sale or disposal, be exempt from all United Kingdom stamp duties on transfer and will not be “deeply discounted securities” for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005; or</p> <p>(ii) if the Issuer would otherwise be in any material doubt, HM Revenue & Customs has prior to the relevant sale or disposal confirmed to the Issuer in writing that the relevant Bonds will be exempt from all United Kingdom stamp duties on transfer and will not be “deeply discounted securities” for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 following the relevant sale or disposal.</p> <p>The proceeds of any such Retained Bonds (following a sale or disposal to any third party from time to time) will be loaned to the Charity under the terms of the Loan Agreement.</p> <p>Any Retained Bonds shall, following a sale to any third party from time to time, cease to be Retained Bonds to the extent of and upon such sale or disposal. Bonds which have ceased to be Retained Bonds shall carry the same rights and be subject in all respects to the same conditions as other Bonds.</p>	<p>N/A</p> <p>Appendix D (“<i>Loan Agreement</i>”)</p>

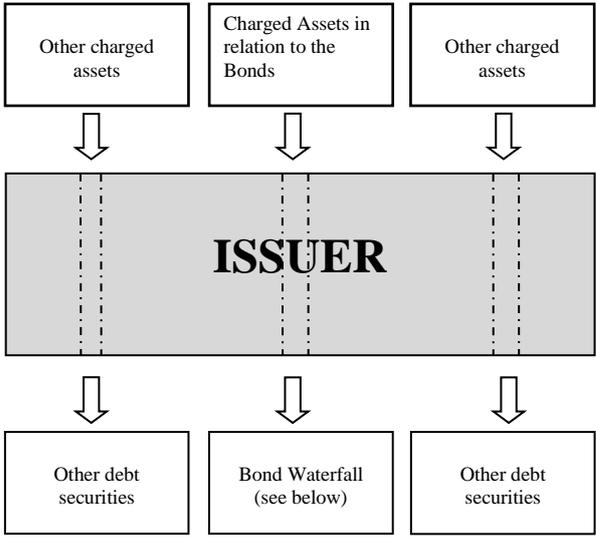
		Refer to
What is the Custody Agreement?	The Issuer will, if any of the Bonds to be issued are Retained Bonds, enter into the Custody Agreement with the Custodian whereby it appoints the Custodian to act as custodian and hold such Retained Bonds on its behalf. The Custody Agreement will contain customary terms for custody agreements and limited recourse and non-petition language on terms similar to the Terms and Conditions of the Bonds. If applicable, the Custodian will be one of the secured parties under the Trust Deed.	N/A
Why doesn't the Charity issue the Bonds directly?	<p>There are various constraints on the Charity issuing the Bonds directly and also several advantages for both investors and the Charity in the Bonds being issued by the Issuer:</p> <p><i>Listing and costs for the Charity:</i> The Issuer has been established as a means to enable charities and other ethical companies to access the capital markets with reduced transaction costs using a master set of legal documents, including an Issuance Facility Agreement, a Master Trust Deed and an Agency Agreement. The terms of these legal documents contain contractual provisions that can be used to issue further bonds in the future. This has the overall effect of making a capital markets exercise of this nature cost-effective for the end borrower. However, it will be necessary for the Issuer and other end borrowers wishing to use the facility to prepare a new prospectus. Each prospectus is subject to review by the UK Financial Conduct Authority and must be approved on a case-by-case basis.</p> <p><i>ISA and SIPPS:</i> it is a requirement for eligibility for inclusion in a United Kingdom individual saving account or a self-invested pension plan that assets be obligations of a body corporate having issued share capital. The Issuer qualifies for this. The Charity does not.</p>	N/A
Who is the Charity?	The Charity is Charities Aid Foundation, a UK charity registered with the Charity Commission for England and Wales, with registered charity number 268369.	Section 3 (<i>"Description of the Charity"</i>)
What are the terms of the Bonds?	<p>The Bonds will be subject to Appendix B (<i>"Terms and Conditions of the Bonds"</i>).</p> <p>The Bonds:</p> <ul style="list-style-type: none"> entitle the Bondholders to receive semi-annual interest payments at a fixed interest rate of 3.5 per cent. per annum, subject to Condition 8; have a principal amount of £100 per Bond; are scheduled to be redeemed on 8 December 2031, although if the Charity fails to repay the Loan on that date, redemption shall be deferred until 8 December 2033 without default. If the 	Appendix B (<i>"Terms and Conditions of the Bonds"</i>)

		Refer to
	<p>Charity fails to repay the Loan on 8 December 2031, and repayment is deferred until 8 December 2033, under the terms of the Loan the rate of interest payable on the Bonds will increase by an additional 1.00 per cent. per annum;</p> <ul style="list-style-type: none"> • will be redeemed at 100 per cent. of their principal amount on 8 December 2031 or, if redemption is deferred, on 8 December 2033; • may be redeemed early if the Charity repays the Loan early and in full, in the circumstances in which it is permitted to do so, at the Sterling Make-Whole Redemption Amount (as defined below); and • are intended to be admitted to trading on the London Stock Exchange’s main market and through ORB. 	
<p>What does it mean that the Bonds are “secured on a loan” to the Charity?</p>	<p>The proceeds of the Bonds (including (if applicable) the proceeds of any Retained Bonds following a sale of such Retained Bonds to any third party from time to time) will be lent by the Issuer to the Charity on the terms of the Loan Agreement. The Loan Agreement will be in substantially the form set out in Appendix D of this Prospectus. The terms of the Loan and those of the Bonds will be aligned such that payments of interest and repayments of principal are identical (save that payments of interest and repayments of principal under the Loan will be required to be paid two business days prior to each interest payment date or redemption date, as the case may be, on the Bonds, and subject to any withholding for or on account of taxes either on amounts paid under the Loan or under the Bonds), so that payments of interest and principal by the Issuer in respect of the Bonds will be funded by the interest and principal which the Issuer receives from the Charity under the Loan Agreement.</p> <p>The Issuer’s rights in respect of the Loan Agreement from the Charity (and certain related rights) will be charged as security and assigned to the Trustee for the benefit of the Bondholders and certain other secured parties. This means that if the Charity fails to make payments of interest or principal under the Loan Agreement and this results in the occurrence of an event of default under the terms and conditions of the Bonds, the Trustee (acting on the instructions of the Bondholders) may enforce the terms of the Loan Agreement against the Charity, and if any amounts are recovered under the Loan they will be available, following payment of certain costs related to enforcement (such as the fees of the Trustee), for payment to the holders of the Bonds. The Loan Agreement contains certain covenants which the Charity must comply with such as, for example: (i) limitations on the sale of certain assets by the Charity or its subsidiaries (other than CAF Bank); (ii) a requirement to procure a guarantee from certain subsidiaries (not including CAF Bank) incurring financial indebtedness over £3</p>	<p>Appendix D (“<i>Loan Agreement</i>”)</p>

		Refer to
	<p>million; and (iii) a restriction on the Charity and certain subsidiaries (not including CAF Bank) incurring financial indebtedness at a time when group financial indebtedness (excluding indebtedness of CAF Bank) is greater than group unrestricted funds (excluding funds of CAF Bank).</p> <p>Whilst the Issuer’s rights in respect of the Loan are secured in the manner described above, the Loan itself is not secured by any asset of the Charity or otherwise.</p> <p>A description of the transaction structure is included below:</p> <p>Cash flows</p>  <p>N.B. the proceeds of any Retained Bonds, once sold to any third party from time to time, will be advanced under the Loan Agreement at that time.</p> <p>Whilst the Issuer may, from time to time, issue other bonds and use the proceeds of those issues to acquire or make loans to other charities or other ethical companies, the only assets of the Issuer to which investors in the Bonds will have recourse if the Issuer fails to make payments in respect of the Bonds will be the Issuer’s rights against the Charity under the Loan Agreement, the related rights under the issue documents in relation to the Loan. The holders of the Bonds will not have recourse to the other assets of the Issuer in connection with the other bond issues.</p>	
<p>Why are the Bonds being issued? What will the proceeds be</p>	<p>The Charity will use the proceeds of the issue of the Bonds: (i) to settle the Tender Offer; and (ii) to the extent there is a balance left after settling the Tender Offer, to further its charitable objects.</p>	<p>Section 3 (“Description of the Charity”)</p>

		Refer to
used for?		
Will I be able to trade the Bonds?	<p>The Issuer will make an application for the Bonds to be admitted to trading on the London Stock Exchange plc, on its main market and through ORB. If this application is accepted, the Bonds are expected to commence trading on or around 9 December 2021.</p> <p>Once admitted to trading, the Bonds may be purchased or sold through a broker. The market price of the Bonds may be higher or lower than their issue price depending on, among other things, the level of supply and demand for the Bonds and movements in interest rates. See Section 2 (<i>“Risk Factors – Risks related to the market generally – The secondary market generally”</i>).</p>	Section 10 (<i>“Additional Information – Listing and admission to trading of the Bonds”</i>)
How will payments on the Bonds be funded?	<p>Payments of interest and principal by the Issuer in respect of the Bonds will be funded by the interest and principal which the Issuer receives from the Charity under the Loan. Payments of interest and principal due on the Loan and those due on the Bonds (other than any Retained Bonds) will be identical (save that payments of interest and principal under the Loan will be required to be paid two business days prior to each interest payment date or redemption date, as the case may be, on the Bonds, and subject to withholding for or on account of taxes either on amounts paid under the Loan or under the Bonds), and accordingly the Loan has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Bonds.</p>	<p>Section 7 (<i>“Description of the Issuer”</i>)</p> <p>Section 3 (<i>“Description of the Charity”</i>)</p> <p>Appendix D (<i>“Loan Agreement”</i>)</p>
What is the interest rate and can the interest rate change?	<p>The Bonds bear interest from their date of issue at the fixed rate of 3.5 per cent. per annum. The yield of the Bonds is 3.5 per cent. per annum until the Expected Maturity Date (as defined below). Interest will be paid semi-annually in arrear on 8 June and 8 December in each year. If repayment of the Loan is deferred until the Legal Maturity Date (as defined below) rather than being made on the Expected Maturity Date, the rate of interest payable on the Bonds will be increased by an additional 1.00 per cent. per annum from, and including, the Expected Maturity Date to, but excluding, the Legal Maturity Date. (see <i>“When will the Bonds be repaid?”</i> below).</p>	Condition 8 (<i>“Interest”</i>) of Appendix B (<i>“Terms and Conditions of the Bonds”</i>)
When will interest payments be made?	<p>The first payment of interest in relation to the Bonds is due to be made on 8 June 2022.</p> <p>Following the first payment, interest is expected to be paid on 8 June and 8 December in each year up to and including the date the Bonds are repaid.</p>	Condition 8 (<i>“Interest”</i>) of Appendix B (<i>“Terms and Conditions of the Bonds”</i>)
How is the amount of interest payable calculated?	<p>The Issuer will pay a fixed rate of 3.5 per cent. interest per year in respect of the Bonds. Interest will be payable in two semi-annual instalments. Therefore, for each £100 principal amount of Bonds that you buy on 8 December 2021, for instance, you will receive £1.75 on 8 June 2022 and £1.75 on 8 December 2022, and so on</p>	Condition 8 (<i>“Interest”</i>) of Appendix B (<i>“Terms and Conditions of the</i>

		Refer to
	every six months until and including the Expected Maturity Date (unless you sell the Bonds or they are repaid by the Issuer) (as such terms are defined below and see “ <i>When will the Bonds be repaid?</i> ” below). As the amount of interest payable will increase following the Expected Maturity Date, the amount payable thereafter will be re-calculated accordingly.	<i>Bonds</i> ”)
What is the yield on the Bonds?	On the basis of the issue price of the Bonds of 100 per cent. of their principal amount, the initial yield (being the interest received from the Bonds expressed as a percentage of their principal amount) of the Bonds on the Issue Date is 3.5 per cent. per annum until 8 December 2031. This initial yield is not an indication of future yield.	N/A
What will the Bondholders receive in a winding up of the Issuer?	<p>The Issuer has been established for the purpose of issuing asset-backed securities, which means that the risk of its entering into insolvency proceedings is low, even if the Charity fails to make payments on the Loan thereby preventing the Issuer from making payments on the Bonds. If the Issuer does become insolvent, it does not have any other financial or trade creditors which would rank ahead of the Bondholders (other than as contemplated under the Issuance Facility Documents (as defined in Appendix B (“<i>Terms and Conditions of the Bonds</i>”))).</p> <p>There is, however, no assurance that the Issuer’s continued solvency will mean the Issuer can meet its payment and other obligations in respect of the Bonds.</p> <p>If the Charity does not meet its obligations under the Loan Agreement resulting in the occurrence of an event of default under the terms and conditions of the Bonds, the Trustee shall be responsible for accelerating the Loan (which means that it becomes due and payable). The Trustee will be responsible for taking such steps as it in its absolute discretion considers appropriate in an attempt to ensure the payment of the outstanding sum and, if necessary, (acting on the instructions of Bondholders) shall take action against the Charity to enforce the Issuer’s rights under the Loan Agreement (see below in respect of the Bond Waterfall). However, the Trustee will not be bound to take any such enforcement action unless it has been indemnified and/or secured to its satisfaction.</p> <p>The obligations of the Issuer to the Bondholders in respect of the Bonds are limited in recourse to certain Charged Assets (being, in general terms, the Issuer’s rights under the Loan Agreement and certain related rights under the Issuance Facility Documents), which means that the holders of the Bonds will not have recourse to the other assets of the Issuer in connection with the other bond issues of the Issuer (see Diagram (<i>Limited Recourse</i>) below).</p>	Section 7 (“ <i>Description of the Issuer</i> ”)

		Refer to
	<p>Diagram (Limited Recourse)</p>  <p>Further information is contained in the detailed provisions of Condition 6.2 (“<i>Post-Enforcement</i>”) of Appendix B (“<i>Terms and Conditions of the Bonds</i>”).</p> <p>In a post enforcement scenario, i.e. if the Trustee (acting on the instructions of the Bondholders) takes enforcement action in relation to the Charged Assets, monies received will be used to make payments to the following parties in the order of priority below (the "Bond Waterfall"): </p> <ol style="list-style-type: none"> 1. (Any outstanding) Trustee fees and expenses insofar as they relate to the enforcement of the Bonds and/or the related Loan 2. (Any outstanding) Agent or (if applicable) Custodian fees and expenses insofar as they relate to the Bonds and are not otherwise payable out of the Expense Reserve Account* 3. (Any outstanding) Servicer fees and expenses insofar as they relate to the enforcement of the Bonds and/or the related Loan 4. (Any outstanding) payment of certain other amounts to cover the Issuer's general expenses due from the Charity under the Loan 5. Bondholders 6. Expense Reserve Account <p>* See “<i>Summary of the Servicer</i>” below.</p>	

		Refer to
	Further information is contained in the detailed provisions of Condition 6.2 (“ <i>Post-Enforcement</i> ”) of Appendix B (“ <i>Terms and Conditions of the Bonds</i> ”).	
Will the Bonds be rated by a credit rating agency?	No. Neither the Bonds nor the Issuer is rated by a credit rating agency, and the Issuer does not intend to seek a credit rating for the Bonds.	N/A
When will the Bonds be repaid?	<p>The Bonds are scheduled to be redeemed at 100 per cent. of their principal amount on the Expected Maturity Date. However, if and to the extent that the Charity elects to extend the maturity date of the Loan pursuant to its right to do so under the terms of the Loan, the redemption of the Bonds will be postponed until the Legal Maturity Date.</p> <p>The Bonds may be redeemed early if the Charity repays the Loan early and in full in circumstances in which it is permitted to do so, at the Sterling Make-Whole Redemption Amount.</p> <p>The “Sterling Make-Whole Redemption Amount” is an amount (inclusive of accrued and unpaid interest) which is calculated to ensure that the redemption price produces a sum that, if reinvested in a reference bond (in this case a UK gilt), would continue to give the Bondholder the same yield on the money that was originally invested as they would have received had the Bonds not been redeemed.</p>	Condition 10 (“ <i>Redemption and Purchase</i> ”) of Appendix B (“ <i>Terms and Conditions of the Bonds</i> ”)
Do the Bonds have voting rights?	Bondholders (other than holders of any Retained Bonds) have certain rights to vote at meetings of Bondholders, but are not entitled to vote at any meeting of shareholders of the Issuer.	Condition 17 (“ <i>Meetings of Bondholders, Modification and Waiver</i> ”) of Appendix B (“ <i>Terms and Conditions of the Bonds</i> ”)
Who will represent the interests of the Bondholders?	The Trustee is appointed to act on behalf of the Bondholders as an intermediary between Bondholders and the Issuer throughout the life of the Bonds. The main obligations of the Issuer (such as the obligation to pay and observe the various covenants in the terms and conditions of the Bonds) are owed to the Trustee. These obligations are enforceable by the Trustee only, not the Bondholders themselves. Although the entity chosen to act as the Trustee is chosen and appointed by the Issuer, the Trustee must act in the interests of the Bondholders in accordance with the terms of the Trust Deed.	Appendix B (“ <i>Terms and Conditions of the Bonds</i> ”)
Can the terms and conditions	The terms and conditions of the Bonds provide that the Trustee may agree to: (a) any modification of any of the provisions of the	Condition 17 (“ <i>Meetings of</i>

		Refer to
of the Bonds be amended?	<p>Trust Deed that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error (which is an error that is clear, plain and obvious) or an error which, in the opinion of the Trustee, is proven; (b) waive, modify or authorise a proposed breach by the Issuer of a provision of the Trust Deed or the terms and conditions of the Bonds if, in the opinion of the Trustee, such modification is not prejudicial to the interests of the Bondholders. The Trustee can agree to any such changes without obtaining the consent of any of the Bondholders.</p> <p>Bondholders may also sanction a modification of the terms and conditions of the Bonds by passing an extraordinary resolution.</p>	<p><i>Bondholders, Modification and Waiver</i>) of</p> <p>Appendix B (<i>Terms and Conditions of the Bonds</i>)</p>
How do I apply for Bonds?	<p>Details on how to apply for the Bonds are set out in Section 5 (<i>How to Apply for the Bonds</i>).</p>	<p>Section 5 (<i>How to Apply for the Bonds</i>)</p>
What if I have further queries?	<p>If you are unclear in relation to any matter, or uncertain if the Bonds are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether to invest.</p>	<p>N/A</p>

5

HOW TO APPLY FOR THE BONDS

The following section sets out what you must do if you wish to apply for any Bonds.

HOW TO APPLY FOR THE BONDS

<p>How and on what terms will Bonds be allocated to me?</p>	<p>Applications to purchase the Bonds cannot be made directly to the Issuer. Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you.</p> <p>It is important to note that none of the Issuer, the Charity, the Servicer, the Manager or the Trustee is party to such arrangements between you and the relevant authorised offeror (each an “Authorised Offeror”), being a person to whom the Issuer and, as applicable, the Charity have given their consent to use this Prospectus in accordance with Article 5(1) of the UK Prospectus Regulation. You must therefore obtain this information from the relevant Authorised Offeror. Because they are not party to the dealings you may have with the Authorised Offeror, the Issuer, the Charity, the Servicer, the Manager and the Trustee will have no responsibility to you for any information provided to you by the Authorised Offeror.</p> <p>When considering allocation of the new Bonds, the Manager, on behalf of the Issuer, may give preference to holders of the Issuer's outstanding 5.00 per cent. Bonds due 12 April 2026 secured on a loan to the Charity who have validly tendered or have indicated a firm intention to tender their bonds for purchase by the Charity pursuant to the Charity's offer to purchase such bonds, as announced by the Issuer on the date of this Prospectus (the “Tender Offer”).</p> <p>You may not be allocated all (or any) of the Bonds for which you apply.</p>
<p>What is the issue price of the Bonds?</p>	<p>The Bonds will be issued at the issue price of 100 per cent. (the “Issue Price”). Any investor intending to acquire any Bonds from an Authorised Offeror will do so at the Issue Price subject to and in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor, including as to price, allocations and settlement arrangements. Neither the Issuer nor (unless acting as an Authorised Offeror in that capacity) the Manager is party to such arrangements with investors and accordingly investors must obtain such information from the relevant Authorised Offeror. Neither the Issuer nor (unless acting as an Authorised Offeror in that capacity) the Manager has any responsibility to an investor for such information. See “<i>What is the amount of any expenses and taxes specifically that will be charged to me?</i>” below for further information.</p>
<p>How and when must I pay for my allocation and when will that allocation be delivered to me?</p>	<p>You will be notified by the relevant Authorised Offeror of your allocation of Bonds (if any) and the arrangements for the Bonds to be delivered to you in return for payment.</p>
<p>When can the Authorised Offerors offer the Bonds for sale?</p>	<p>An offer of the Bonds may be made by the Manager and the other Authorised Offerors in the United Kingdom, Guernsey, Jersey and/or the Isle of Man during the period from 11 November 2021 to 12.00 (London time) on 2 December 2021, or such other time and date as agreed between the Issuer and</p>

	<p>the Manager and announced via a regulatory information service (which is expected to be the Regulatory News Service operated by the London Stock Exchange) (the “Offer Period”).</p> <p>After the end of the Offer Period, no Bonds will be offered for sale (i) by or on behalf of the Issuer or (ii) by the Authorised Offerors (in their capacity as Authorised Offerors) except with the consent of the Issuer.</p>
<p>Is the offer of the Bonds conditional on anything else?</p>	<p>The issue of Bonds is conditional upon (i) a subscription agreement being signed by the Issuer and the Manager on or about 6 December 2021 (the “Subscription Agreement”), (ii) a commitment agreement being signed by the Issuer, the Manager, the Servicer and the Charity on or about 6 December 2021; (iii) the Loan Agreement to be dated the date of issue of the Bonds being signed by the Issuer and the Charity; and (iv) the outcome of the Tender Offer. The Subscription Agreement will include certain conditions customary for transactions of this type (including the issue of the Bonds and the delivery of legal opinions and comfort letters in a form satisfactory to the Manager). If the outcome of the Tender Offer is such that no Bonds will be issued, this will be announced in the Issue Size Announcement.</p>
<p>Is it possible that I may not be issued with the number of Bonds I apply for? Will I be refunded for any excess amounts paid?</p>	<p>You may not be allocated all (or any) of the Bonds for which you apply. This might happen for example if the total amount of orders for the Bonds exceeds the aggregate principal amount of Bonds ultimately issued. In addition, when considering allocation of the new Bonds, the Manager, on behalf of the Issuer, may give preference to holders of the Issuer's outstanding 5.00 per cent. Bonds due 12 April 2026 secured on a loan to the Charity who have validly tendered or have indicated a firm intention to tender their bonds for purchase by the Charity pursuant to the Tender Offer. There will be no refund as you will not be required to pay for any Bonds until any application for Bonds has been accepted and the Bonds have been allocated to you.</p>
<p>Is there a minimum or maximum amount of Bonds that I can apply for?</p>	<p>The minimum application amount for each investor is £500. There is no maximum amount of application.</p>
<p>How and when will the results of the offer of the Bonds be made public?</p>	<p>The results of the offer of the Bonds (including details of the aggregate principal amount of Retained Bonds (if any)) will be made public in the Issue Size Announcement, which will be published prior to the Issue Date. The Issue Size Announcement is currently expected to be made on or around 2 December 2021. If the outcome of the Tender Offer is such that no Bonds will be issued, this will also be announced in the Issue Size Announcement.</p>
<p>Who can apply for the Bonds? Have any Bonds been reserved for certain countries?</p>	<p>Subject to certain exceptions, Bonds may only be offered by the Authorised Offerors in the United Kingdom, Guernsey, Jersey and/or the Isle of Man during the Offer Period. No Bonds have been reserved for certain countries.</p>
<p>When and how will I be told of how many Bonds have been allotted to me?</p>	<p>You will be notified by the relevant Authorised Offeror of your allocation of Bonds (if any) in accordance with the arrangements in place between you and the Authorised Offeror.</p>

<p>Have any steps been taken to allow dealings in the Bonds before investors are told how many Bonds have been allotted to them?</p>	<p>No steps have been taken to allow the Bonds to be traded before informing you of your allocation of Bonds (if any).</p>
<p>What is the amount of any expenses and taxes specifically that will be charged to me?</p>	<p>The Issuer will not charge you any expenses.</p> <p>An Authorised Offeror may charge you expenses. However, these are beyond the control of the Issuer and are not set by the Issuer. The Issuer estimates that, in connection with the sale of Bonds to you, the expenses charged to you by one of the Authorised Offerors known to it as of the date of this Prospectus will be between 1 per cent. and 7 per cent. of the aggregate principal amount of the Bonds sold to you.</p>
<p>What are the names and addresses of those distributing the Bonds?</p>	<p>As of the date of this Prospectus, the persons listed below are initial Authorised Offerors who have each been appointed by the Issuer and the Manager to offer and distribute the Bonds in the United Kingdom, Guernsey, Jersey and/or the Isle of Man during the Offer Period:</p> <p>City & Continental Ltd Cheyne House Crown Court 62-63 Cheapside London EC2V 6AX</p> <p>AJ Bell Securities Limited 4 Exchange Quay Salford Quays Manchester M5 3EE</p> <p>Arnold Stansby & Co. Limited 30 Queen Street Manchester M2 5JJ</p> <p>Equiniti Financial Services Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA</p> <p>Hedley & Company Stockbrokers Limited 19 Trident Park Blackburn BB1 3NU</p> <p>Interactive Investor Services Limited Exchange Court Duncombe Street Leeds LS1 4AX</p> <p>Redmayne Bentley LLP 9 Bond Court Leeds LS1 2JZ</p>

	<p>The Issuer and, as applicable, the Charity have also granted consent to the use of this Prospectus by other relevant stockbrokers and financial intermediaries during the Offer Period on the basis of and so long as they comply with the conditions described in Section 11 (<i>“Important Legal Information – Public Offer of the Bonds – Authorised Offerors and Consent to use this Prospectus – Conditions to Consent”</i>). Neither the Issuer, the Charity nor the Manager has authorised, nor will they authorise, the making of any other offer of the Bonds in any other circumstances.</p>
<p>Will a registered market-maker be appointed?</p>	<p>A registered market-maker through ORB will be appointed in respect of the Bonds from the date on which the Bonds are admitted to trading on the main market of the London Stock Exchange. Market-making means that a person will quote prices for buying and selling the Bonds during trading hours.</p>

6

TAXATION

If you are considering applying for Bonds, it is important that you understand the taxation consequences of investing in the Bonds. You should read this section and discuss the taxation consequences with your tax adviser, financial adviser or other professional adviser before deciding whether to invest.

TAXATION

Tax legislation, including in the country where you are domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that you receive from the Bonds.

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Bonds and is a summary of the Issuer's understanding of current United Kingdom law and published HMRC practice (which may not be binding on HMRC) relating to certain aspects of United Kingdom taxation relating to the Bonds and is of a general nature and not intended to be exhaustive. References to "interest" refer to interest as that term is understood for United Kingdom tax purposes. Some aspects may not apply to certain classes of persons (such as dealers and persons connected with the Issuer), to whom special rules may apply. The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may be subject to change in the future. Prospective Bondholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

References to "**Bondholders**" in this section entitled "*United Kingdom Taxation*" should be taken to include references to holders of CDIs. The statements below assume that the holders of CDIs are, for United Kingdom tax purposes, absolutely beneficially entitled to the Bonds and to any payments on the Bonds.

A. Interest on the Bonds

Payment of interest on the Bonds

Payments of interest on the Bonds may be made without deduction of or withholding on account of United Kingdom income tax provided that the Bonds carry a right to interest and the Bonds are and continue to be "listed on a recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Bonds will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Bonds carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Bonds will be payable without withholding or deduction on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Bonds that have a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where a double tax treaty applicable to a Bondholder provides for a lower rate of withholding tax (or for no tax to be withheld), HMRC can issue a notice to the Issuer to pay interest to the Bondholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Bondholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Bondholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Bonds are attributable (and where that Bondholder is a company, unless that Bondholder carries on a trade in the United Kingdom through a permanent establishment in the United Kingdom in connection with which the interest is received or to which the Bonds are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Bondholders.

B. United Kingdom Corporation Tax Payers

In general, Bondholders which are within the charge to United Kingdom corporation tax (including, for non-United Kingdom resident Bondholders, where Bonds are acquired or held for the purposes of a trade carried on in the United Kingdom through a permanent establishment in the United Kingdom) will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Bonds (whether attributable to currency fluctuations or otherwise) broadly in accordance with their U.K. GAAP or IFRS accounting treatment.

C. Other United Kingdom Tax Payers

Taxation of Interest

Bondholders who are individuals (and certain trustees) and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Bonds are attributable will generally be liable to United Kingdom tax on the amount of any interest received in respect of the Bonds.

Taxation of Chargeable Gains

A disposal of Bonds by an individual Bondholder who is resident in the United Kingdom, or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Bonds are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains.

Accrued Income Scheme

On a disposal of Bonds by a Bondholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the Income Tax Act 2007, if that Bondholder is resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Bonds are attributable.

The Bonds may constitute variable-rate securities for the purposes of the accrued income scheme. Under the accrued income scheme on a disposal of Bonds by a Bondholder who is resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Bonds are attributable the Bondholder may be charged to income tax on an amount of income which is just and reasonable in the circumstances. The purchaser of such a Bond will not be entitled to any equivalent tax credit under the accrued income scheme to set against any actual interest received by the purchaser in respect of the Bonds (which may therefore be taxable in full).

Individual Savings Accounts

The Bonds will be qualifying investments for the stocks and shares component of an account (an “ISA”) under the Individual Savings Account Regulations 1998 (the “ISA Regulations”) provided that: (i) at the time the Bonds are first held in the account, the Bonds are; and (ii) the Bonds remain, listed on the official list of a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Individual Bondholders who acquire or hold their Bonds through an ISA and who satisfy the requirements for tax exemption in the ISA Regulations will not be subject to United Kingdom tax on interest or other amounts received in respect of the Bonds, provided that the ISA otherwise satisfies the requirements for tax exemption in the ISA Regulations.

The current overall yearly subscription limit for an ISA (except for a “Junior” and “Lifetime” ISA) is £20,000 (which may be split between a cash ISA and a stocks and shares ISA in any proportion the saver chooses).

The opportunity to invest in Bonds through an ISA is restricted to individuals. Individuals wishing to purchase the Bonds through an ISA should contact their professional advisers regarding their eligibility.

D. Stamp Duty and Stamp Duty Reserve Tax (SDRT)

No United Kingdom stamp duty or SDRT is payable on the issue of the Bonds or on a transfer of the Bonds.

E. US Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. A foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes under current law. Certain aspects of the application of FATCA and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

7

DESCRIPTION OF THE ISSUER

This section sets out certain information about the Issuer.

DESCRIPTION OF THE ISSUER

Incorporation and Status

The Issuer is a public limited company incorporated in England and Wales with registered number 8940313 on 14 March 2014 under the Companies Act 2006. The Issuer changed its name on 10 September 2021 from Retail Charity Bonds PLC to RCB Bonds PLC.

The registered address of the Issuer is Future Business Centre, King's Hedges Road, Cambridge CB4 2HY. The telephone number of its registered address is 01223 781200. The website of the Issuer is <https://rcb-bonds.com>. The Issuer has no subsidiaries.

Principal Activities of the Issuer

The Issuer is a special purpose entity established by Allia Ltd, a UK charity and specialist in impact finance, for the purpose of issuing asset-backed securities. Its principal activities and corporate objects are limited to issuing debt securities and using the proceeds thereof to make or acquire loans to charities and ethical companies in the UK for the purpose of promoting positive social and/or environmental impact and to doing all such other things as are incidental or conducive to the attainment of these objects. The Issuer will not engage in any activities which are not related to the issue of bonds.

In order to perform such activities, the Issuer has entered into certain arrangements with third parties, including, in particular, in relation to loan servicing, cash management and corporate administration services (as to which investors should refer to "*Description of the Servicer*" below).

The Issuer was established as an issuing vehicle whose objects (which were most recently amended on 24 September 2021) are described above. The Issuer is not itself a charity.

The Issuer is registered with the Financial Conduct Authority in accordance with the Money Laundering Regulations 2007.

United Kingdom Directors

The directors of the Issuer and their other principal activities outside the Issuer are:

Name	Other Principal Activities
John Tattersall LVO	John Tattersall is Chairman of the board of UK Asset Resolution Limited, and a non-executive director on the board of UBS Business Solutions AG. He is also Chair of two charities, a trustee of two others, a non-stipendiary priest in the Church of England and an Honorary Canon of Christ Church Cathedral in Oxford. He was appointed a Lieutenant of the Royal Victorian Order by Her Majesty The Queen in 2021 in recognition of his service as Chair of the Royal Foundation of St Katharine.
Ian Coleman	Ian Coleman is currently a non-executive director or consultant to organisations in the banking, property, professional services, and health sectors. He consults on business strategy, financial management, corporate transactions and restructurings, and business valuations (including undertaking expert witness work). By background he is an international business leader having led the global development of

Name	Other Principal Activities
	PricewaterhouseCoopers' Valuation & Strategy practice for over eight years. Prior to joining PwC Ian worked as an investment manager at 3i, a venture capital firm.
Gordon D'Silva OBE	Prior to his recent retirement Gordon started up and led numerous social businesses. In a career spanning over 30 years he and his companies have been acknowledged by numerous innovation, Social Entrepreneur of the Year and Social Enterprise of the Year Awards. He is the recipient of an honorary doctorate and professorship in business and was voted one of the UK's top seven social entrepreneurs by the Guardian newspaper in 2008. In 2011 he was inaugurated with the Order of the British Empire for his contributions to social enterprise and was until recently UN Senior Advisor on Social Enterprise.
Tom Hackett	Tom Hackett is a member of the board of trustees of a number of UK charities and, prior to retirement, was Director General, Lending, at European Investment Bank.
Tim Jones	Tim Jones was Chief Executive of the Allia Group for 17 years from 2002 to 2019 and is now Chairman of City & Continental Ltd. He is also Chairman of Treatt plc and Chairman of TMJ Interiors. Tim is a Member of the Chartered Institute for Securities and Investments (MCSI) and an Associate of the Chartered Insurance Institute (ACII).
Alex Stephens	<p>Alex Stephens is an Investment Director at Big Society Capital ("BSC") and sits within their Social Lending team, leading on debt funds. She has been involved in managing a range of different investments, including from charity bonds, blended finance and social ventures.</p> <p>Prior to joining BSC she worked at a foundation in Sydney, and before that at The Social Innovation Partnership where she advised funds and social sector organisations across the UK on how to effectively measure their social impact. Alex also trained to be a Chartered Accountant at Deloitte, is an On Purpose Fellow and has a degree in Civil Engineering from Nottingham University.</p>
Philip Wright	Philip Wright is a director of Allia Limited and a non-executive director of EuroEyes Limited, a quoted Hong Kong company specialising in laser eye and lens surgery and operating in Germany, the People's Republic of China and Denmark.

The business address of each of the directors is Future Business Centre, King's Hedges Road, Cambridge CB4 2HY.

The secretary of the Issuer is Briony Maritz. The business address of the secretary of the Issuer is Future Business Centre, King's Hedges Road, Cambridge CB4 2HY.

There are no potential conflicts of interest between any duties to the Issuer of the directors of the Issuer and their private interests and/or other duties except as described in the paragraph below.

Tim Jones is a director of the Manager and an advisor to Allia Ltd, and Philip Wright is a director of Allia Ltd. Allia Ltd is a shareholder in the Issuer (see below for details) and a majority shareholder in the Manager, which

is the sole shareholder in the Servicer. Accordingly, to manage any conflicts of interest neither Tim Jones nor Philip Wright will vote as directors of the Issuer in relation to any matters that concern the Issuer's relationship with the Servicer. The directors of the Issuer do not receive any remuneration in respect of their role as directors of the Issuer.

The directors have delegated certain of their powers, authorities and discretions to the following committees:

- (i) a nomination committee which will consider the appointment of directors of the Issuer and make recommendations to the board;
- (ii) a review committee which will consider and recommend to the board, potential transactions that the Issuer may enter into;
- (iii) an audit committee which will consider matters in relation to any audit of the Issuer and the appointment of external auditors and make recommendations to the board.

No recourse under any obligation, covenant or agreement of the Issuer under the Bonds shall be made against any director or member of the Issuer as such, it being understood that the obligations of the Issuer under the Bonds are corporate obligations of the Issuer, and no personal liability shall attach to, or be incurred by, the directors or members of the Issuer as such, under or by reason of any such obligations, covenants and agreements of the Issuer.

Share Capital and Major Shareholders

The entire issued share capital of the Issuer comprises 50,001 ordinary shares of £1 each, all of which are paid up to a total value of £12,501.

The entire issued share capital of the Issuer is held by:

- (i) RC Bond Holdings Limited, a private limited company incorporated in England and Wales whose registered address is at Future Business Centre, King's Hedges Road, Cambridge, CB4 2HY and with company number 08936422, which holds 50,000 ordinary shares; and
- (ii) Allia Ltd, a community benefit society registered under the Co-operative and Community Benefit Societies Act 2014, whose registered address is at Future Business Centre, King's Hedges Road, Cambridge, CB4 2HY and with registered number 28861R which holds one ordinary share designated as a special share (the "**Special Share**").

In respect of any resolution proposed in relation to any alteration in the articles of association of the Issuer (which includes any alteration to the corporate objects set out under "*Principal Activities of the Issuer*" above), the holder of the Special Share is entitled to cast such number of votes as is necessary to defeat the resolution and, in the event that the holder of the Special Share has not voted in respect of any such resolution, such resolution will be deemed not to have been passed. The holder of the Special Share shall not be entitled to vote in relation to any matter other than a proposed alteration in the articles of association of the Issuer.

Operations

On 29 July 2014, the Issuer issued £11,000,000 4.375% Bonds due 2021, secured on a loan to Golden Lane Housing Ltd (a wholly owned subsidiary of the Royal Mencap Society), which were redeemed on 29 July 2021. On 30 April 2015, the Issuer issued £27,000,000 4.4% Bonds due 2025, secured on a loan to Hightown Housing Association Limited (formerly known as Hightown Praetorian & Churches Housing Association Limited). On 12 April 2016, the Issuer issued £30,000,000 5.00% Bonds due 2026 (including Retained Bonds), secured on a loan to Charities Aid Foundation. On 30 March 2017, the Issuer issued £50,000,000 4.25% Bonds due 2026 (including Retained Bonds), secured on a loan to Greensleeves Homes Trust. On 6 July 2017, the Issuer issued

£45,000,000 4.25% Bonds due 2026 (including Retained Bonds), secured on a loan to The Dolphin Square Charitable Foundation. On 31 October 2017, the Issuer issued £38,000,000 4% Bonds due 2027 (including Retained Bonds), secured on a loan to Hightown Housing Association Limited. On 23 November 2017, the Issuer issued £18,000,000 3.9% Bonds due 23 November 2027 (including Retained Bonds), secured on a loan to Golden Lane Housing Ltd (a wholly owned subsidiary of the Royal Mencap Society). On 20 June 2018, the Issuer issued £50,000,000 4.5% Bonds due 20 June 2026 (including Retained Bonds), secured on a loan to Belong Limited. On 27 March 2020, the Issuer issued £18,000,000 5.00 per cent. Bonds due 27 March 2030 (including Retained Bonds), secured on a loan to The Alnwick Garden Trust. On 17 December 2020, the Issuer issued £25,000,000 5.00 per cent. Bonds due 17 December 2030 (including Retained Bonds), secured on a loan to Greensleeves Homes Trust. On 22 July 2021, the Issuer issued £15,000,000 3.25 per cent. Social Bonds due 22 July 2031 (including Retained Bonds), secured on a loan to Golden Lane Housing Ltd.

There have been no material changes in the Issuer's borrowing and funding structure since 31 August 2020.

The Issuer's audited financial statements for the years ended 31 August 2019 and 31 August 2020 have been filed with the Financial Conduct Authority and are incorporated by reference in this Prospectus. See Section 12 ("*Documents Incorporated by Reference*"). Copies of the Issuer's financial statements can be viewed electronically and free of charge on the website of the Issuer (<https://rcb-bonds.com/documents>).

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DESCRIPTION OF THE SERVICER

This section sets out information about the Servicer.

DESCRIPTION OF THE SERVICER

The Issuer has contracted with Allia Bond Services Limited (the “**Servicer**”), to provide certain services in relation to the Loan and the Bonds. These services include, in particular, liaising with the Charity (on the Issuer’s behalf) to ensure the Charity is aware of its obligations under the Loan Agreement to be dated the date of issue of the Bonds and administering correspondence received from the Charity. A summary of the duties of the Servicer is set out below. The Issuer cannot perform these functions itself because it does not have any employees and therefore contracts with the Servicer to perform them on its behalf. Investors should refer to Section 2 (“*Risk Factors – Factors that may affect the Issuer’s ability to fulfil its obligations under the Bonds - The Issuer’s reliance on third parties*”) for further information.

The Servicer is a private limited company incorporated under the laws of England and Wales with company number 09033937 whose registered office is at Future Business Centre, King’s Hedges Road, Cambridge, United Kingdom, CB4 2HY. It is a wholly owned subsidiary of the Manager, which itself is a subsidiary of Allia Ltd, a charitable community benefit society registered under the Co-operative and Community Benefit Societies Act 2014 (registered number 28861R).

Duties of the Servicer

The duties that the Servicer has agreed to perform are set out in a Services Agreement entered into between the Issuer and the Servicer. These services include, among others:

- a) management of the Issuer’s bank accounts including effecting payments from and to the Series Charged Account (which includes payments of principal and interest due on the Bonds) and the unsecured Expense Reserve Account (as set out in more detail below);
- b) monitoring and recording all receipts of funds into the Issuer’s bank accounts;
- c) at a prudent time prior to any scheduled payment date for amounts due to the Issuer, liaising with the Charity to ensure it is aware of its payment obligations under the Loan Agreement and to confirm receipt of the relevant funds to the Issuer to the extent such funds are received on or before their due date;
- d) notifying the Issuer, the registrar, the agent and the Trustee of (i) any unpaid interest and/or (ii) any early repayment in respect of the Loan Agreement;
- e) to the extent the Servicer receives any correspondence from the Charity in accordance with the Loan Agreement (including any compliance certificate, notices of prepayment, annual statements of social impact and notices of the occurrence of an event of default under the Loan Agreement), forward such correspondence as soon as practicable upon receipt to the Issuer and, to the extent the Issuer is so required, to the Trustee on behalf of the Issuer (investors should note, however, that the Servicer has no obligation to take any enforcement action in relation to the loan, as to which see Section 2 (“*Risk Factors – Risks relating to the particular structure and nature of the Bonds – The Servicer is under no obligation to take enforcement action in relation to the Loan Agreement*”));
- f) publishing any information required to be delivered to the Issuer by the Charity pursuant to the terms of the Loan Agreement on the relevant section of the investor website of the Issuer;
- g) promptly giving notice in writing to the Issuer and the Trustee of the occurrence of any default under a Loan Agreement upon becoming aware thereof and serving loan default notices on the Charity; and

- h) certain additional corporate administration services ancillary to the Issuer's activities (including, for example, in relation to the audit and tax affairs of the Issuer and the management of external marketing communications on behalf of the Issuer).

Management of Issuer Accounts

The Servicer has agreed to operate the bank accounts of the Issuer pursuant to the Services Agreement. The relevant bank accounts have been opened by National Westminster Bank plc (the "**Account Bank**"), a company registered in England with company number 00929027 whose registered office is at 135 Bishopsgate, London EC2M 3UR, pursuant to the terms of an Account Agreement dated 26 June 2014 between the Issuer, the Account Bank, the Servicer and the Trustee. The Services Agreement contains certain detailed provisions as to the amounts that can be paid into, and out of, the Issuer's bank accounts as summarised below:

Series Charged Account

The Series Charged Account is secured in favour of the Trustee (pursuant to the trust deed dated 26 June 2014 as supplemented from time to time) and is specific to the Bonds. The Series Charged Account is the account into which the proceeds of the Bonds (before being paid to the Charity) and payments of interest and principal received by the Issuer from the Charity are credited. Following receipt from the Charity, payments of principal and interest due on the Bonds are, in turn, made from the Series Charged Account by the Servicer in accordance with the order of priorities set out in Condition 6 ("*Order of Payments*") in Appendix B ("*Terms and Conditions of the Bonds*"). Investors should refer to Section 2 ("*Risk Factors – Risks relating to the particular structure and nature of the Bonds – Investors in the Bonds will have limited recourse to the assets of the Issuer in the event that it fails to make any payments on the Bonds and, further, the rights of enforcement for investors are limited, including that there are restrictions on the ability of investors to petition for bankruptcy of the Issuer*").

Expense Reserve Account

The Expense Reserve Account is not secured in favour of the Trustee (and neither the holders of the Bonds nor any other secured party has the benefit of it) and is a general reserve available to meet the general expenses of the Issuer. This account is funded by payments of arrangement fees by each relevant borrower (such as the Charity) on each relevant issue date of bonds by the Issuer and on each interest payment date of each series of bonds (other than the last interest payment date) under each relevant loan agreement entered into between the Issuer and the relevant borrower. Neither the holders of the Bonds nor any other secured party has any recourse to the balance standing to the credit of this account. The Services Agreement contains detailed provisions governing the amounts that may be paid out of this account by the Servicer, these include the following:

- a) fees and expenses in relation to a particular series of bonds that are payable on the issue date of such series;
- b) periodic expenses of the Issuer including, for example, trustee fees, agent fees and listing fees;
- c) an amount representing the Issuer's retained profit into the Issuer profit account;
- d) tax payable by the Issuer;
- e) companies registrar fees and expenses;
- f) amounts due in respect of certain professional services provided to the Issuer; and
- g) fees payable to the Servicer.

Remuneration

The Servicer shall be paid a fee as agreed between it and the Issuer.

Resignation and removal of the Servicer

The Servicer may resign at any time by giving at least 60 days' written notice to the Issuer.

The Servicer may be removed by the Issuer, giving reasons for such removal at any time forthwith by notice in writing from the Issuer if the Servicer:

- a) commits any material breach of the Services Agreement which is either incapable of remedy or has not been remedied within 30 days of the earlier of (i) the Issuer serving notice upon the Servicer requiring it to remedy the same; and (ii) the Servicer becoming aware of the breach;
- b) files a petition in bankruptcy or makes an assignment for the benefit of its creditors;
- c) is unable to pay or meet its debts as they fall due or suspend payment of its debts;
- d) consents to the appointment of an insolvency official or it enters an insolvency process; or
- e) ceases to carry on its business.

Any such resignation or removal shall only take effect upon the appointment by the Issuer of a successor Servicer, provided that (in the case of a resignation of the Servicer) if a successor is not appointed by the day falling 10 days prior to the expiry of any notice of resignation or (in the case of a removal of a Servicer) if a successor is not appointed by the day falling 60 days after the Issuer giving notice to remove the Servicer, the Servicer shall be entitled, on behalf of the Issuer, to appoint in its place a successor Servicer which is required to be a reputable institution of good standing.

Investors should refer to Section 2 ("*Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds – The Issuer's reliance on third parties*") for further information.

Delegation

The Servicer may not delegate to any third party the performance of all or any part of its obligations under the Services Agreement without the prior written consent of the Issuer. Subject to the Servicer's limitation of liability (see "*Limitation of liability of the Servicer*" below) the Servicer shall be liable to the Issuer for all matters so delegated and for the acts and omissions of any such third party or delegate.

Limitation of liability of the Servicer

The Servicer acts as the Issuer's agent in performing the functions set out above. The Services Agreement therefore provides that the Servicer is not liable for any liabilities suffered by the Issuer arising out of the performance by the Servicer (and/or its directors, officers, employees or agents) of its responsibilities under the Services Agreement except for such losses and/or damages resulting from fraud, negligence, wilful default and/or bad faith on the part of the Servicer (and/or its directors, officers, employees or agents) in the performance of its responsibilities under the Services Agreement.

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SUBSCRIPTION AND SALE

This section sets out certain information with respect to the initial issue and distribution of the Bonds, including certain information with respect to the public offer of the Bonds.

SUBSCRIPTION AND SALE

Under the Subscription Agreement expected to be dated on or about 6 December 2021, the Manager is expected to agree to procure subscribers for the Bonds (other than any Retained Bonds) at the issue price of 100 per cent. of the principal amount of the Bonds, less arrangement, management and applicable distribution fees. The Manager will receive fees of 0.50 per cent. of the principal amount of the Bonds (other than any Retained Bonds). Authorised Offerors are also eligible to receive a distribution fee of up to 0.25 per cent. of the principal amount of the Bonds (other than any Retained Bonds) allotted to them (payable out of the fee paid to the Manager). The Issuer will also reimburse the Manager in respect of certain of its expenses, and is expected to agree to indemnify the Manager against certain liabilities incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer. The issue of the Bonds will not be underwritten by the Manager, the authorised offerors or any other person.

The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

Selling Restrictions

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

European Economic Area

The Manager has represented and agreed that it has not made and will not make an offer of any Bonds to the public in any Member State of the European Economic Area.

For the purposes of this provision: the expression an “**offer of Bonds to the public**” in any Member State of the European Economic Area means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

United Kingdom

The Manager has represented and agreed that it has not made and will not make an offer of any Bonds to the public in the United Kingdom, except that it may, during the period from 11 November 2021 to 12.00 noon (London time) on 2 December 2021 and on the basis of this Prospectus (which it has the Issuer’s consent to use for such purpose), make an offer of the Bonds to the public in the United Kingdom following the date of publication of this Prospectus.

For the purposes of this provision: the expression an “**offer of Bonds to the public**” in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

The Manager has also represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

Jersey

The Manager has represented and agreed that it complies, and will comply, with all applicable laws, orders and regulations in Jersey in connection with the offer of any Bonds and any advertising or promotion thereof including, without limitation, the Financial Services (Jersey) Law 1998 and the Financial Services (Advertising) (Jersey) Order 2008.

Guernsey

The Manager has represented and agreed that:

- (a) the Prospectus Rules 2018 issued by the Guernsey Financial Services Commission (“**GFSC**”) do not apply to this Prospectus and, accordingly, this Prospectus has not been, nor is required to be, submitted to or approved or authorised by the GFSC for circulation in Guernsey;
- (b) the Bonds cannot be promoted, marketed, offered or sold in or from within the Bailiwick of Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended (the “**POI Law**”), and the regulations enacted thereunder, or any exemption therefrom; and
- (c) this Prospectus may not be distributed or circulated, directly or indirectly, to any persons in the Bailiwick of Guernsey other than:
 - (i) by a person licensed to do so under the terms of the POI Law; or
 - (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law 2002, as amended, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law 2002, as amended, or the Regulation of Fiduciaries, Administration Business and Company Directors etc (Bailiwick of Guernsey) Law 2000, as amended; and
 - (iii) the requirements set out in section 29(cc) of the POI Law in respect of (c)(ii) above have been complied with.

Isle of Man

The Manager has represented and agreed that the Bonds cannot be marketed, offered or sold in, or to persons resident in, the Isle of Man, other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 (as amended) or in accordance with any relevant exclusion contained in the Isle of Man Regulated Activities Order 2011 (as amended) or in accordance with any relevant exemption contained in the Isle of Man Financial Services (Exemptions) Regulations 2011 (as amended).

General

The Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses or distributes this Prospectus and/or any other offering material prepared in relation to the offering of the Bonds and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor the Trustee shall have any responsibility therefor.

None of the Issuer, the Trustee or the Manager represents that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

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ADDITIONAL INFORMATION

You should be aware of a number of other matters that may not have been addressed in detail elsewhere in this Prospectus.

These include the availability of certain relevant documents for inspection, confirmations from the Issuer and details of the listing of the Bonds.

ADDITIONAL INFORMATION

Authorisation

The issue of the Bonds has been duly authorised by a resolution of the board of directors of the Issuer passed on 3 November 2021.

Conditions to issue of the Bonds

The issue of the Bonds is conditional upon (i) a subscription agreement being signed by the Issuer and the Manager on or about 6 December 2021, (ii) a commitment agreement being signed by the Issuer, the Manager, the Servicer and the Charity on or about 6 December 2021; (iii) the Loan Agreement being signed by the Issuer and the Charity on or about 8 December 2021; and (iv) the outcome of the Tender Offer. The Subscription Agreement will include certain conditions customary for transactions of this type (including the issue of the Bonds and the delivery of legal opinions and comfort letters in a form satisfactory to the Manager). If the outcome of the Tender Offer is such that no Bonds will be issued, this will be announced in the Issue Size Announcement.

Listing and admission to trading of the Bonds

It is expected that the Bonds will be admitted to the official list of the FCA and to trading on the London Stock Exchange's main market and admitted to ORB on or around 9 December 2021, subject only to the issue of the global bond. Application has been made to the FCA for the Bonds to be admitted to its official list and to the London Stock Exchange for the Bonds to be admitted to trading on the London Stock Exchange's main market and admitted to the ORB.

Use of Proceeds

The proceeds from the issue of the Bonds (including the proceeds of any Retained Bonds following a sale of such Retained Bonds to any third party from time to time) will be advanced by the Issuer to the Charity under the Loan Agreement to be dated the date of issue of the Bonds, to be applied by the Charity: (i) to settle the Tender Offer; and (ii) to the extent there is a balance left after settling the Tender Offer, to further its charitable objects. The estimated proceeds, the amount of Retained Bonds (if any) to be purchased by the Issuer and the amount of the Loan to be advanced on the Issue Date will be published in the Issue Size Announcement.

Expenses

The estimated total expenses of the Issuer in connection with the issue and offering of the Bonds will be published in the Issue Size Announcement.

Indication of yield

The yield in respect of the issue of the Bonds is 3.5 per cent. per annum until 8 December 2031. The yield is calculated at the Issue Date on the basis of the Issue Price of 100 per cent., using the formula below. It is not an indication of future yield.

$$P = \frac{C}{r} \left(1 - (1 + r)^{-n} \right) + A(1 + r)^{-n}$$

where:

- “P” is the Issue Price of the Bonds;
- “C” is the annualised interest amount;
- “A” is the principal amount of Bonds due on redemption;
- “n” is time to maturity in years; and
- “r” is the annualised yield.

Documents Available

Copies of the following documents will, when published, be available for inspection from the website of the Issuer at <https://rcb-bonds.com/documents/>:

- (a) the constitutional documents of the Issuer;
- (b) the most recently published audited annual financial statements of the Issuer and the Charity together with any audit or review reports prepared in connection therewith;
- (c) the Issuance Facility Agreement dated 26 June 2014, the Master Trust Deed dated 26 June 2014 as supplemented from time to time, the Agency Agreement dated 26 June 2014 and the form of the Global Bond;
- (d) the Loan Agreement and any amendments thereto; and
- (e) this Prospectus and, if applicable, any supplements to this Prospectus.

Clearing Systems

The Bonds will be accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The ISIN for the Bonds is XS2408363278 and the Common Code for the Bonds is 240836327.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Interests in the Bonds may also be held through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (“**CREST**”) through CDIs, representing the interests in the relevant Bonds underlying the CDIs. The current address of CREST is Euroclear UK & Ireland Limited, 33 Cannon Street, London EC4M 5SB. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus. For more information on the CDI mechanism, refer to pages 4 and 5 of this Prospectus.

Material or Significant Change

There has been no material adverse change in the financial position or prospects of the Issuer since 31 August 2020.

There has been no material adverse change in the prospects and no significant change in the financial performance or financial position of the Charity since 30 April 2021.

Litigation

There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Issuer is aware during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Charity is aware during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Charity's financial position or profitability.

Auditors

The auditors of the Issuer are RSM UK Audit LLP, who have audited the Issuer's accounts (without qualification) in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) ("**UK GAAP**") for the years ended 31 August 2019 and 31 August 2020. The auditors of the Issuer have no material interest in the Issuer.

The auditors of the Charity are Deloitte LLP of 1 New Street Square, London EC4A 3BZ, who have audited the Charity's accounts (without qualification) in accordance with UK GAAP, including the Financial Reporting Standard 102, for each of the three financial years ending on 30 April 2019, 30 April 2020 and 30 April 2021. The auditors of the Charity have no material interest in the Charity.

Issuance Facility

The Issuer has entered into, amongst other documents, an Issuance Facility Agreement dated 26 June 2014 (the "**Issuance Facility Agreement**") and a Trust Deed dated 26 June 2014 (the "**Master Trust Deed**") as expected to be supplemented by a Supplemental Trust Deed to be dated the issue date of the Bonds (the "**Supplemental Trust Deed**"), pursuant to which it is able to issue bonds (such as the Bonds) from time to time (the "**Issuance Facility**"). Accordingly, bonds of different series may be issued under the Master Trust Deed from time to time. The Master Trust Deed as supplemented by the Supplemental Trust Deed, and as further modified and/or supplemented and/or restated from time to time in respect of the Bonds, is referred to in this Prospectus as the "**Trust Deed**".

Each series of bonds issued under the Issuance Facility will be attributed a Series number by the Issuer. The Series number attributed to the Bonds is 13.

Manager transacting with the Issuer and the Charity

The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and/or the Charity and their respective affiliates in the ordinary course of business.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to the Bonds or the Loan Agreement.

11

IMPORTANT LEGAL INFORMATION

This section sets out some important information relating to this Prospectus, including who takes responsibility for its preparation.

IMPORTANT LEGAL INFORMATION

What is this document?

This document is a prospectus for the purposes of Article 6 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") (the "UK Prospectus Regulation"). The UK Prospectus Regulation and associated legislation requires that issuers of bonds and other instruments must prepare a prospectus in certain circumstances. It also prescribes the type of information which such a prospectus must contain, depending on the nature of the issuer and of the bonds being issued.

Responsibility for this Prospectus

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

In addition to the Issuer, the Charity accepts responsibility for the information contained in Section 1 ("Summary") (in so far as the information relates to the Charity only), Section 2 ("*Risk Factors - Factors that may affect the Charity's ability to fulfil its obligations under the Loan Agreement*"), Section 3 ("*Description of the Charity*"), Section 4 ("*Information about the Bonds*") (insofar as the information relates to the Charity only), the information relating to it under the headings "*Material or Significant Change*", "*Litigation*" and "*Auditors*" in Section 10 ("*Additional Information*") and the documents listed as items 3, 4 and 5 in Section 12 ("*Documents Incorporated by Reference*"). To the best of the knowledge of the Charity the information contained in these sections of the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

No other person responsible

None of the Manager, the Charity (save as indicated above), the Servicer, the Trustee or any of the paying or transfer agents referred to in this Prospectus has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Manager, the Charity (save as indicated above), the Servicer, the paying or transfer agents or the Trustee as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Bonds. None of the Manager, the Charity (save as indicated above), the Servicer, the paying or transfer agents or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Bonds.

No person is or has been authorised by the Issuer, the Charity, the Servicer, the Trustee or the Manager to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Charity, the Servicer, the Trustee or the Manager.

No recommendation

Neither this Prospectus nor any other information supplied in connection with the Bonds (i) is intended to provide the sole basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Charity, the Trustee, the Servicer or the Manager that any recipient of this Prospectus or any other information supplied in connection with the Bonds should subscribe for or purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Charity. Neither this Prospectus nor any other information supplied in connection with the issue of the Bonds constitutes an offer or invitation by

or on behalf of the Issuer, the Charity, the Trustee, the Servicer or the Manager to any person to subscribe for or to purchase any Bonds.

PUBLIC OFFER OF THE BONDS

Authorised Offerors

If, in the context of the Public Offer (as defined below), you are offered Bonds by any entity, you should check that such entity is authorised to use this Prospectus for the purposes of making such offer before agreeing to purchase any Bonds. To be authorised to use this Prospectus in connection with the Public Offer (referred to below as an “**Authorised Offeror**”), an entity must comply with the Conditions to Consent referred to below and either be:

- the Manager, AJ Bell Securities Limited, Arnold Stansby & Co. Limited, Equiniti Financial Services Limited, Hedley & Company Stockbrokers Limited, Interactive Investor Services Limited or Redmayne Bentley LLP; or
- named on the Issuer’s website (<https://rcb-bonds.com/bonds/charities-aid-foundation>) and identified as an Authorised Offeror in respect of the Public Offer; or
- authorised to make such offers under the Financial Services and Markets Act 2000, as amended, and have published on its website that it is using this Prospectus for the purposes of the Public Offer in accordance with the consent of the Issuer.

Other than as set out above, none of the Issuer, the Charity, the Servicer or the Manager has authorised the making of a Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with any offer of the Bonds.

Conditions to Consent

Valid offers of Bonds may only be made by an Authorised Offeror in the context of the Public Offer in the United Kingdom and during the period from 11 November 2021 to 12.00 noon (London time) on 2 December 2021 (referred to below as the “**Conditions to Consent**”).

If you are in any doubt about whether you can rely on this Prospectus and/or who is responsible for its contents, you should take legal advice.

Please see below for certain important legal information relating to the Public Offer.

Offer Jurisdictions

This Prospectus has been prepared for the purposes of an offer of the Bonds in the following jurisdictions only:

- United Kingdom;
- Jersey;
- Guernsey; and
- Isle of Man.

The UK Prospectus Regulation requires that offers of Bonds can only be made to the public in the United Kingdom in circumstances where (i) the offer is made on the basis of an approved prospectus or (ii) the offer is made under an exemption from the requirement for an approved prospectus under the UK Prospectus Regulation. In this Prospectus, an offer of the type described in (i) is referred to as a “**Public Offer**”.

The Prospectus has been approved by the FCA as competent authority in the United Kingdom. Accordingly, this Prospectus may be used by Authorised Offerors (as described below) to make Public Offers of the Bonds in the United Kingdom during the period from 11 November 2021 to 12.00 noon (London time) on 2 December 2021.

The UK Prospectus Regulation does not apply in Jersey, Guernsey and the Isle of Man. The section “*Authorised Offerors and Consent to use this Prospectus*” below is applicable only in the context of the UK Prospectus Regulation and thus applies only to Public Offers of Bonds in the United Kingdom. Nevertheless, as a separate matter, each Authorised Offeror is also authorised by the Issuer to use the Prospectus in connection with offers of the Bonds to the public in Jersey, Guernsey and the Isle of Man during the period from 11 November 2021 to 12.00 noon (London time) on 2 December 2021, or such other time and date as agreed between the Issuer and the Manager and announced via a regulatory information service (which is expected to be the Regulatory News Service operated by the London Stock Exchange) (the “**Offer Period**”) and in accordance with the applicable securities laws and regulations of those jurisdictions.

Persons who are not Authorised Offerors are not authorised to use this Prospectus to make any offers of the Bonds in any jurisdiction. A potential investor in the Bonds should satisfy itself that the person purporting to make an offer of the Bonds to such potential investor is an Authorised Offeror.

Save as provided above, none of the Issuer, the Charity, the Servicer or the Manager has authorised, nor do they authorise, the making of any offer of Bonds in circumstances in which an obligation arises for the Issuer or any other person to publish or supplement a prospectus for such offer.

Authorised Offerors and Consent to use this Prospectus

The Issuer accepts responsibility for the content of this Prospectus with respect to the resale or final placement of the Bonds by any Authorised Offeror (as defined below), provided that the conditions attached to that consent are complied with by the Authorised Offeror (General and Specific Consent).

The Charity accepts responsibility for the content of this Prospectus with respect to the resale or final placement of the Bonds by any Authorised Offeror, provided that the conditions attached to that consent are complied with by the Authorised Offeror (General Consent only).

This Prospectus can only be used in connection with Public Offers of Bonds by persons to whom the Issuer and the Charity have given their consent (Specific Consent or General Consent) to use the Prospectus, in accordance with Article 5(1) of the UK Prospectus Regulation. Persons to whom the Issuer and, as applicable, the Charity have given such consent are referred to herein as the “**Authorised Offerors**”.

The Specific Consent and the General Consent are subject to the conditions described under “*Conditions to Consent*” below.

Specific Consent

The Issuer consents (the “**Specific Consent**”) to the use of this Prospectus in connection with the Public Offer of Bonds in the United Kingdom during the Offer Period by:

- the Manager;

- AJ Bell Securities Limited, Arnold Stansby & Co. Limited, Equiniti Financial Services Limited, Hedley & Company Stockbrokers Limited, Interactive Investor Services Limited and Redmayne Bentley LLP; and
- any other financial intermediary appointed after the date of this Prospectus and whose name and address is published on the Issuer’s website (<https://rcb-bonds.com/bonds/charities-aid-foundation>) and identified as an Authorised Offeror in respect of the Public Offer.

General Consent

In addition to the specific consents given above, the Issuer and the Charity also consent (the “**General Consent**”) and hereby offer to grant their consent to the use of this Prospectus in connection with a Public Offer of the Bonds in the United Kingdom during the Offer Period by any financial intermediary which satisfies the following conditions:

- (1) it is authorised to make such offers under the Financial Services and Markets Act 2000, as amended (in which regard, potential investors should consult the Financial Services Register maintained by the Financial Conduct Authority at: <https://register.fca.org.uk>); and
- (2) it accepts the Issuer’s and the Charity’s offer to grant consent to the use of this Prospectus by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

*“We, [insert legal name of financial intermediary], refer to the offer of 3.5 per cent. Bonds due 8 December 2031 (the “**Bonds**”) described in the Prospectus dated 11 November 2021 (the “**Prospectus**”) published by RCB Bonds PLC (the “**Issuer**”). In consideration of the Issuer and the Charity offering to grant their consent to our use of the Prospectus in connection with the offer of the Bonds in the United Kingdom (the “**Public Offer**”) during the Offer Period and subject to the other conditions to such consent, each as specified in the Prospectus, we hereby accept the offer by the Issuer and the Charity in accordance with the Authorised Offeror Terms (as specified in the Prospectus) and confirm that we are using the Prospectus accordingly”.*

The “**Authorised Offeror Terms**”, being the terms to which the relevant financial intermediary agrees in connection with using the Prospectus, are set out below under “*Authorised Offeror Terms and Authorised Offeror Contract*”. Any financial intermediary wishing to use the Prospectus in connection with a Public Offer of the Bonds on the basis of the Issuer’s and the Charity’s General Consent pursuant to the foregoing provisions must read the Authorised Offeror Terms carefully. By publishing the statement at paragraph (2) above on its website, such financial intermediary will enter into a contract with the Issuer and the Charity on the terms of the Authorised Offeror Terms.

Any financial intermediary who wishes to use this Prospectus in connection with a Public Offer of the Bonds on the basis of the Issuer’s and the Charity’s General Consent is required, for the duration of the Offer Period, to publish on its website the statement (duly completed) specified at paragraph (2) above.

Conditions to Consent

The conditions to the Issuer’s Specific Consent and the Issuer’s and the Charity’s General Consent (in addition to the Conditions described above) are that such consent:

- (a) is only valid in respect of the Bonds;
- (b) is only valid during the Offer Period; and
- (c) only extends to the use of this Prospectus to make Public Offers of the Bonds in the United Kingdom.

Consent given in accordance with Article 5(1) of the UK Prospectus Regulation

In the context of any Public Offer of Bonds, each of the Issuer and the Charity (in relation to the information indicated on pages 2 and 3 of this Prospectus only) accepts responsibility, in the United Kingdom, for the content of this Prospectus in relation to any person (an “**Investor**”) who purchases any Bonds in a Public Offer made by an Authorised Offeror, where that offer is made during the Offer Period and provided that the conditions attached to the giving of the consent for the use of this Prospectus are complied with. Such consent and conditions are described above under “*Authorised Offerors and Consent to use this Prospectus*”.

None of the Issuer, the Charity, the Servicer or the Manager has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such Public Offer.

Save as provided above, none of the Issuer, the Charity, the Servicer or the Manager has authorised the making of any Public Offer by any offeror and the Issuer has not consented to the use of this Prospectus by any other person in connection with any Public Offer of Bonds. Any Public Offer made without the consent of the Issuer is unauthorised and none of the Issuer, the Charity, the Servicer or the Manager accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.

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

ARRANGEMENTS BETWEEN INVESTORS AND THE FINANCIAL INTERMEDIARIES WHO WILL DISTRIBUTE THE BONDS

IN THE EVENT OF ANY PUBLIC OFFER BEING MADE BY AN AUTHORISED OFFEROR, THE AUTHORISED OFFEROR WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE PUBLIC OFFER AT THE TIME THE PUBLIC OFFER IS MADE.

Authorised Offeror Terms and Authorised Offeror Contract

This section sets out the Authorised Offeror Terms in connection with the Issuer’s and the Charity’s General Consent for use of the Prospectus in connection with Public Offers of the Bonds as described under “Authorised Offerors and Consent to use this Prospectus” above. Any financial intermediary who intends to use the Prospectus on the basis of such General Consent must read this section carefully.

The “**Authorised Offeror Terms**”, being the terms to which the relevant financial intermediary agrees in connection with using this Prospectus, are that the relevant financial intermediary:

- (1) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer, the Charity and the Manager that it will, at all times in connection with the Public Offer:
 - (a) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), including the Rules published by the United Kingdom Financial Conduct Authority (“**FCA**”) (including the guidance published by the FCA (or its predecessor, the Financial Services Authority) for distributors in “*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*”) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Bonds by any person and disclosure to any potential Investor, and will immediately inform the Issuer and the Manager if at any time such financial intermediary becomes aware or suspects that it is or may be in

violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

- (b) comply with the restrictions set out under Section 9 (“*Subscription and Sale*”) in this Prospectus which would apply as if it were a Manager and consider the relevant manufacturer’s target market assessment and distribution channels identified under the “UK MiFIR product governance” legend set out in this Prospectus;
- (c) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Bonds does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
- (d) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Bonds under the Rules, including authorisation under the Financial Services and Markets Act 2000 and/or the Financial Services Act 2012;
- (e) comply with applicable anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Bonds by the Investor), and will not permit any application for Bonds in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- (f) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Manager and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the Manager in order to enable the Issuer and/or the Manager to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applying to the Issuer and/or the Manager;
- (g) ensure that no holder of Bonds or potential Investor in Bonds shall become an indirect or direct client of the Issuer or the Manager for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- (h) co-operate with the Issuer and the Manager in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (f) above) upon written request from the Issuer or the Manager as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer or the Manager:
 - (i) in connection with any request or investigation by the FCA or any other regulator in relation to the Bonds, the Issuer or the Manager; and/or
 - (ii) in connection with any complaints received by the Issuer and/or the Manager relating to the Issuer and/or the Manager or another Authorised Offeror including, without limitation, complaints as defined in rules published by the FCA and/or any other regulator of competent jurisdiction from time to time; and/or
 - (iii) which the Issuer or the Manager may reasonably require from time to time in relation to the Bonds and/or as to allow the Issuer or the Manager fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- (i) during the period of the initial offering of the Bonds: (i) not sell the Bonds at any price other than the Issue Price (unless otherwise agreed with the Manager); (ii) not sell the Bonds otherwise than for settlement on the Issue Date; (iii) not appoint any sub-distributors (unless otherwise agreed with the Manager); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Bonds (unless otherwise agreed with the Manager); and (v) comply with such other rules of conduct as may be reasonably required and specified by the Manager;
 - (j) either (i) obtain from each potential Investor an executed application for the Bonds, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Bonds on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
 - (k) ensure that it does not, directly or indirectly, cause the Issuer or the Manager to breach any Rule or subject the Issuer or the Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
 - (l) comply with the conditions to the consent referred to under “*Conditions to Consent*” above;
 - (m) make available to each potential Investor in the Bonds this Prospectus (as supplemented as at the relevant time, if applicable), the KID and any information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Prospectus; and
 - (n) if it conveys or publishes any communication (other than this Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the Public Offer) in connection with the Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer, the Charity and the Manager accepts any responsibility for such communication and (C) does not, without the prior written consent of the Issuer, the Charity or the Manager (as applicable), use the legal or publicity names of the Issuer, the Charity or the Manager or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Bonds on the basis set out in this Prospectus;
- (2) agrees and undertakes to indemnify each of the Issuer, the Charity and the Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel’s fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Charity or the Manager; and

- (3) agrees and accepts that:
- (a) the contract between the Issuer, the Charity and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's and the Charity's offer to use this Prospectus with its consent in connection with the Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
 - (b) subject to (e) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "**Dispute**") and the Issuer, the Charity and the financial intermediary submit to the exclusive jurisdiction of the English courts;
 - (c) for the purposes of (3)(b) and (d), the financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
 - (d) to the extent allowed by law, the Issuer, the Charity and the Manager may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and
 - (e) the Charity, and the Manager will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

PUBLIC OFFERS: ISSUE PRICE AND OFFER PRICE

The Bonds will be issued by the Issuer at the Issue Price of 100 per cent. The Issue Price has been determined by the Issuer in consultation with the Manager. The offer price at which the Authorised Offerors will offer the Bonds to an Investor will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Bonds to such Investor. The Issuer is not party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Bonds to such Investor.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF BONDS GENERALLY

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer, the Charity, the Trustee, the Servicer and the Manager do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Charity, the Trustee, the Servicer or the Manager which is intended to permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction other than the United Kingdom, Jersey, Guernsey and the Isle of Man. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any

such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States, the United Kingdom, the EEA, Jersey, Guernsey and the Isle of Man – see Section 9 (“*Subscription and Sale*”) in this Prospectus.

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Bonds are legal investments for it, (2) Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”). Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account of, US persons (see Section 9 (“*Subscription and Sale*”) in this Prospectus).

In certain circumstances, investors may also hold interests in the Bonds through CREST through the issue of CDIs representing interests in Underlying Bonds. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated). Neither the Bonds nor any rights attached to the Bonds will be issued, settled, held or transferred within the CREST system other than through the issue, settlement, holding or transfer of CDIs. CDI Holders will not be entitled to deal directly in the Bonds and, accordingly, all dealings in the Bonds will be effected through CREST in relation to the holding of CDIs. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

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DOCUMENTS INCORPORATED BY REFERENCE

This section sets out certain documents that are incorporated in, and form part of, this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus shall be incorporated in, and form part of, this Prospectus:

1. The Issuer's audited financial statements for the year ended 31 August 2019 (including the audit report thereon) (available at: <https://rcb-bonds.com/wp-content/uploads/2019/12/Retail-Charity-Bonds-2019.pdf>).
2. The Issuer's audited financial statements for the year ended 31 August 2020 (including the audit report thereon) (available at: <https://rcb-bonds.com/wp-content/uploads/2020/12/Retail-Charity-Bonds-Plc.pdf>).
3. The Charity's audited financial statements for the year ended 30 April 2019 (including the audit report thereon) (available at: <https://rcb-bonds.com/wp-content/uploads/2016/03/190731-SIGNED-TRUSTEES-REPORT-AND-FINANCIAL-STATEMENTS-30042019.pdf>).
4. The Charity's audited financial statements for the year ended 30 April 2020 (including the audit report thereon) (available at: <https://rcb-bonds.com/wp-content/uploads/2016/03/Accounts-2020-Charities-Aid-Foundation-CAF.pdf>).
5. The Charity's audited financial statements for the year ended 30 April 2021 (including the audit report thereon) (available at: <https://rcb-bonds.com/wp-content/uploads/2021/05/CAF-Annual-Report-Accounts-30-Apr-2021-002.pdf>).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

A

APPENDIX A

DEFINED TERMS INDEX

The following is an index that indicates the location in this Prospectus where certain capitalised terms have been defined.

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All references in this Prospectus to “sterling“ and “£” refer to the lawful currency of the United Kingdom. All references in this Prospectus to “Euro“ and “€“ are to the currency introduced at the start of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

References to the singular in this document shall include the plural and *vice versa*, where the context so requires. All references to time in this Prospectus are to London time. In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

B

APPENDIX B

TERMS AND CONDITIONS OF THE BONDS

TERMS AND CONDITIONS OF THE BONDS

The following are the Terms and Conditions of the Bonds which will be incorporated by reference into each Global Bond (as defined below) and each certificate representing definitive Bonds, if issued.

This Bond is one of a Series (as defined below) of Bonds issued by RCB Bonds PLC (the “**Issuer**”) constituted by a Master Trust Deed dated 26 June 2014 (as modified and/or supplemented and/or restated from time to time, the “**Master Trust Deed**”) as supplemented by a Supplemental Trust Deed dated 8 December 2021 (the “**Supplemental Trust Deed**”), in each case made between the Issuer and Prudential Trustee Company Limited (the “**Trustee**”, which expression shall include any successor as Trustee). The Master Trust Deed as supplemented by the Supplemental Trust Deed, and as further modified and/or supplemented and/or restated from time to time in respect of the Bonds, is referred to in these Conditions as the “**Trust Deed**”.

References herein to the “**Bonds**” shall be references to the Bonds of this Series and shall mean:

- (a) for so long as such Bonds are represented by a global Bond (a “**Global Bond**”), units of each Specified Denomination in Sterling; and
- (b) such Global Bond.

The Bonds have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) dated 26 June 2014 and made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as issuing and principal paying agent (the “**Agent**”, which expression shall include any successor agent), The Bank of New York Mellon, London Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar and together with the Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), and a transfer agent and the other transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents). The Agent, the Paying Agents, the Registrar and the Transfer Agents together are referred to in these Conditions as the “**Paying and Transfer Agents**”.

Any reference to “**Bondholders**” or “**holders**” in relation to any Bonds shall mean the persons in whose name the Bonds are registered and shall, in relation to any Bonds represented by a Global Bond, be construed as provided below. The Trustee acts for the benefit of the holders for the time being of the Bonds in accordance with the provisions of the Trust Deed.

As used herein, “**Tranche**” means a tranche of bonds issued by the Issuer and constituted by the Trust Deed (including any supplemental trust deed supplemental thereto) which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of bonds issued by the Issuer together with any further Tranche or Tranches of bonds issued by the Issuer which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective issue dates, interest commencement dates and/or issue prices.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection during normal business hours at the registered office of the Issuer, the principal office for the time being of the Trustee, being at 10 Fenchurch Avenue, London EC3M 5AG, and at the specified office of each of the Paying Agents, the Registrar and the other Transfer Agents or (ii) may be provided by email to a Bondholder following their prior written request to the Issuer, the Trustee, any Paying Agent, the Registrar or any other Transfer Agent and provision of proof of holding and identity (in a form satisfactory to the person of whom such request is made). The Bondholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed and the Agency Agreement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed or the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail.

1. DEFINITIONS

In these Conditions:

“**Account Agreement**” means the account agreement dated 26 June 2014 and made between the Issuer, the Trustee, the Administration Services Provider, the Loan Management Servicer and the Account Bank;

“**Account Bank**” means National Westminster Bank plc as account bank pursuant to the Account Agreement or any successor account bank appointed thereunder;

“**Accrual Date**” has the meaning given to it in Condition 8.3;

“**Administration Services Provider**” means Allia Bond Services Limited pursuant to the Services Agreement or any successor administration services provider appointed thereunder;

“**Adjusted Rate of Interest**” has the meaning given to it in Condition 8.4;

“**Appointee**” means any attorney, manager, agent, delegate, nominee, custodian, receiver or other person appointed by the Trustee under the Trust Deed;

“**Arrangement Fee**” has the meaning given to it in the Loan Agreement;

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

“**Charity**” means Charities Aid Foundation;

“**Clearstream, Luxembourg**” has the meaning given to it in Condition 2;

“**Charged Assets**” has the meaning given to it in Condition 5;

“**Code**” has the meaning given to it in Condition 9.3;

“**Commitment Agreement**” means a commitment agreement entered into between, *inter alios*, the Issuer and the Charity for the purpose of confirming the terms upon which the Issuer will make the Loan available to the Charity;

“**Custodian**” means The Bank of New York Mellon, London Branch in its capacity as bond custodian in respect of the Retained Bonds (if any) (or any successor or replacement custodian thereto);

“**Custody Agreement**” means, if any Retained Bonds are issued, the custody agreement dated the Issue Date between the Issuer and the Custodian (or such other custody agreement entered into from time to time between the Issuer and the Custodian) in respect of the Retained Bonds (if any);

“**Day Count Fraction**” has the meaning given to it in Condition 8.3;

“**Deferred Principal**” has the meaning given to it in Condition 10.3;

“**Designated Account**” has the meaning given to it in Condition 9.2;

“**Designated Bank**” has the meaning given to it in Condition 9.2;

“**Event of Default**” has the meaning given to it in Condition 13.1;

“**Euroclear**” has the meaning given to it in Condition 2;

“**Exchange Event**” has the meaning given to it in Condition 2;

“**Expected Maturity Date**” has the meaning given to it in Condition 10.1;

“**Expense Reserve Account**” means the account of the Issuer established with the Account Bank for payment of expenses incurred by the Issuer in connection with, *inter alia*, the issue of the Bonds;

“**FA Selected Bond**” means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Bonds (which shall, for the avoidance of doubt, be assessed to the Expected Maturity Date or, if the Charity has deferred repayment of the Loan as contemplated by Condition 10.3, the Legal Maturity Date) that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Bonds and of a comparable maturity to the remaining term of the Bonds (which shall, for the avoidance of doubt, be assessed to the Expected Maturity Date or, if the Charity has deferred repayment of the Loan as contemplated by Condition 10.3, the Legal Maturity Date);

“**Final Redemption Amount**” has the meaning given to it in Condition 10.1;

“**Financial Adviser**” means an independent financial adviser acting as an expert, selected by the Issuer and approved in writing by the Trustee;

“**Gross Redemption Yield**” means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Financial Adviser on the basis set out by the UK Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields”, page 5, Section One: Price/Yield Formulae “Conventional Gilts/Double dated and Updated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Trustee may approve;

“**Interest Commencement Date**” means the Issue Date;

“**Interest Deferred Amount**” has the meaning given to it in Condition 8.5;

“**Interest Payment Date**” means 8 June and 8 December in each year commencing on 8 June 2022 up to (and including) the Expected Maturity Date or the Legal Maturity Date (as the case may be);

“**Interest Period**” means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each subsequent period from (and including) an Interest Payment Date to (but excluding) the next successive Interest Payment Date;

“**Interest Residual Amount**” has the meaning given to it in Condition 8.5;

“**Issuance Facility**” means the facility established by the Issuer for the purposes of issuing bonds (such as the Bonds) under the Issuance Facility Agreement and Master Trust Deed from time to time;

“Issuance Facility Agreement” means the agreement relating to the Issuance Facility entered into between the Issuer and the dealers from time to time appointed in respect of the Issuance Facility, as amended and/or supplemented and/or restated from time to time;

“Issuance Facility Amount” means the maximum aggregate principal amount of bonds which are permitted to be outstanding under the Master Trust Deed at any one time, which as at the Issue Date is £1,000,000,000 and which may be increased or decreased from time to time as provided in the Issuance Facility Agreement;

“Issuance Facility Documents” means (i) the Loan Agreement, (ii) any other loan agreements entered into in relation to any other bonds issued by the Issuer pursuant to the Master Trust Deed, (iii) the Master Trust Deed, (iv) the Supplemental Trust Deed, (v) any other supplemental trust deeds entered into in connection with the Master Trust Deed from time to time, (vi) the Agency Agreement, (vii) the Account Agreement, (viii) the Issuance Facility Agreement, (ix) the Services Agreement and (x) any Commitment Agreement;

“Issue Date” means 8 December 2021;

“Legal Maturity Date” has the meaning given to it in Condition 10.3;

“Loan” means the loan granted by the Issuer to the Charity on the terms of the Loan Agreement;

“Loan Agreement” means the Loan Agreement to be dated on or around the Issue Date and entered into between the Issuer and the Charity in connection with the Loan;

“Loan Management Servicer” means Allia Bond Services Limited pursuant to the Services Agreement or any successor loan management servicer appointed thereunder;

“Optional Loan Prepayment Date” has the meaning given to it in Condition 10.2;

“Origination Manager” means City & Continental Ltd pursuant to the Services Agreement or any successor origination manager appointed thereunder;

“Payment Day” has the meaning given to it in Condition 9.5;

“Post-Enforcement Priority of Payment” has the meaning given to it in Condition 6.2;

“Pre-Enforcement Priority of Payment” has the meaning given to it in Condition 6.1;

“Rate of Interest” has the meaning given to it in Condition 8.1;

“Reference Date” will be set out in the relevant notice of redemption pursuant to Condition 10.2;

“Register” has the meaning given to it in Condition 2;

“Relevant Date” has the meaning given to it in Condition 12;

“Retained Bonds” means the Bonds purchased by the Issuer on the Issue Date and held pursuant to the Custody Agreement (if any);

“Secured Parties” means the Trustee (for itself and the Bondholders), (if any Retained Bonds are issued) the Custodian, the Paying and Transfer Agents, the Administration Services Provider and the Loan Management Servicer;

“Security” has the meaning given to it in Condition 5;

“**Services Agreement**” means the services agreement entered into between the Issuer, the Origination Manager, the Administration Services Provider and the Loan Management Servicer dated 26 June 2014, as amended and/or supplemented and/or restated from time to time;

“**Specified Denomination**” has the meaning given to it in Condition 2;

“**Series Charged Account**” means the account of the Issuer established with the Account Bank, into which the Issuer shall deposit all payments of principal and interest received by it pursuant to the Loan Agreement prior to payment in accordance with Condition 6;

“**Sterling Make-Whole Redemption Amount**” has the meaning given to it in Condition 10.2;

“**Taxes**” has the meaning given to it in Condition 11; and

“**unpaid principal**” has the meaning given to it in Condition 10.3.

2. **FORM, DENOMINATION AND TITLE**

The Bonds are in registered form without coupons attached in Sterling and in denominations of £100 each (the “**Specified Denomination**”).

The Bonds will be issued outside the US in reliance on the exemption from registration provided by Regulation S under the Securities Act (“**Regulation S**”).

The Bonds will initially be represented by a global bond in registered form (a “**Global Bond**”). The Global Bond will be deposited with and registered in the name of a common nominee of, a common depository for, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”).

Payments of principal, interest and any other amount in respect of the Global Bond will be made to or to the order of the person shown on the Register (as defined in this Condition 2 as the registered holder of the Global Bond). None of the Issuer, any Paying Agent, the Servicer, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Bond or for maintaining, supervising, investigating, monitoring or reviewing any records relating to such beneficial ownership interests.

Interests in the Global Bond will be exchangeable (free of charge), in whole but not in part, for definitive bonds without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bonds represented by the Global Bond in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Bondholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Bond) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in part (iii) of the definition of “**Exchange Event**” above, the Issuer may also give notice to the Registrar requesting the exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

In the event that the Global Bond is required, in accordance with its terms, to be exchanged for definitive Bonds, such amendments shall be made to these Conditions, the Trust Deed and the Agency Agreement to reflect the exchange into definitive form as the Trustee may approve or require.

Subject as set out below, title to the Bonds will pass upon registration of transfers in the register of holders maintained by the Registrar (the “**Register**”) in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and the Paying and Transfer Agents will (except as otherwise required by law) deem and treat the registered holder of any Bond as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of the Global Bond, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bonds is represented by the Global Bond held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Paying and Transfer Agents as the holder of such principal amount of such Bonds for all purposes other than with respect to the payment of principal or interest on such principal amount of such Bonds, for which purpose the registered holder of the Global Bond shall be treated by the Issuer, Trustee and any Paying and Transfer Agent as the holder of such principal amount of such Bonds in accordance with and subject to the terms of the Global Bond and the expressions “**Bondholder**” and “**holder of Bonds**” and related expressions shall be construed accordingly.

Bonds which are represented by the Global Bond will be transferable only in book-entry form in Euroclear and Clearstream, Luxembourg in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system in which the Bonds may be cleared from time to time and approved by the Issuer, the Agent and the Trustee.

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

The Retained Bonds (if any) will be purchased by and held by or for the account of the Issuer following issue and may be sold or otherwise disposed of in whole or in part by private treaty at any time, and shall cease to be Retained Bonds to the extent of and upon such sale or disposal.

Any Retained Bonds shall, pending sale or disposal by the Issuer, carry the same rights and be subject in all respects to the same Conditions as the other Bonds, except that such Retained Bonds will not be treated as outstanding for the purposes of determining quorum or voting at meetings of Bondholders or of considering the interests of the Bondholders save as otherwise provided in the Trust Deed. Bonds which have ceased to be Retained Bonds shall carry the same rights and be subject in all respects to the same Conditions as the other Bonds.

3. TRANSFERS OF BONDS

3.1 Transfers of interests in the Global Bond

Transfers of beneficial interests in the Global Bond will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. Bonds, including beneficial book-entry interests in the Global Bond, will, subject to compliance with all applicable legal and regulatory restrictions, be transferable only in whole multiples of the Specified Denomination and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

3.2 Costs of registration

Bondholders will not be required to bear the costs and expenses of effecting any registration of transfer of Bonds acquired by them, with two exceptions. These exceptions are:

1. any costs or expenses of delivery other than by regular uninsured mail; and
2. that the Issuer or the Paying or Transfer Agents may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that is imposed in relation to the registration.

4. STATUS OF THE BONDS

The Bonds are direct, unsubordinated limited recourse obligations of the Issuer, are secured in the manner set out in Condition 5, and rank *pari passu* among themselves.

5. SECURITY

The Issuer's obligations in respect of the Bonds are secured (subject as provided in these Conditions and the Master Trust Deed) pursuant to the Trust Deed in favour of the Trustee for the benefit of itself and the Bondholders and the other Secured Parties as follows:

- (a) by an assignment by way of security of the Issuer's rights, title and interest, present and future, arising under the Loan Agreement and the Commitment Agreement;
- (b) by a charge by way of first fixed charge over all the Issuer's rights, title and interest, present and future, in and to all sums of money standing to the credit of the Series Charged Account, together with all interest accruing from time to time thereon (if any) and the debts represented thereby;
- (c) by an assignment by way of security of the Issuer's rights, title and interest, present and future, arising under the Agency Agreement, the Account Agreement (excluding so far as it relates to the Expense Reserve Account or the Issuer Profit Account) and the Services Agreement, in each case to the extent it relates to the Bonds; and
- (d) by a charge by way of first fixed charge over all sums held from time to time by the Paying Agents for the payment of principal or interest in respect of the Bonds.

The property charged and assigned pursuant to the Trust Deed listed in paragraphs (a) to (d) above, together with any other property or assets held by and/or assigned to the Trustee and/or any deed or

document supplemental thereto, in each case to the extent that they relate to the Bonds, is referred to herein as the “**Charged Assets**” and the security created thereby, the “**Security**”.

The Security shall become enforceable upon (i) the Bonds becoming due and repayable pursuant to Condition 13.1 or (ii) subject to Condition 10.3, any failure for any reason of the Issuer to repay the Bonds when due.

6. ORDER OF PAYMENTS

6.1 Pre-Enforcement

Prior to the enforcement of the Security, the Issuer shall apply the monies standing to the credit of the Series Charged Account, on each Interest Payment Date up to, and including, the Expected Maturity Date (and, if the Bonds are not redeemed in full on the Expected Maturity Date, each Interest Payment Date up to, and including, the Legal Maturity Date) and such other dates on which payment is due in respect of the Bonds in the following order of priority (the “**Pre-Enforcement Priority of Payment**”):

- (a) first, in payment or satisfaction of any amounts of Arrangement Fee due and payable to the Issuer to the extent that such amounts have not been paid by the Charity under the Loan Agreement;
- (b) secondly, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (c) thirdly, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal and any other amounts due and payable in respect of the Bonds; and
- (d) fourthly, any excess to be deposited in the Expense Reserve Account.

6.2 Post-Enforcement

Following the enforcement of the Security, the net proceeds of enforcement of the Security shall be applied in the following order of priority (the “**Post-Enforcement Priority of Payment**”):

- (a) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities due to the Trustee, any Appointee or any receiver under the Master Trust Deed (including the costs of realising any Security and the Trustee’s and such receiver’s remuneration), together with (if payable) any amount in respect of VAT payable thereon as provided for therein, insofar as they relate to the enforcement of the provisions of the Bonds and/or the related Loan;
- (b) secondly, in payment of any unpaid fees, costs, charges, expenses and liabilities due to (i) the Paying and Transfer Agents and/or (ii) the Custodian (if applicable) (together with (if payable) any amount in respect of VAT payable thereon as provided for in the Agency Agreement) insofar as they relate to the Bonds and/or the Retained Bonds, as applicable, and such unpaid fees, costs, charges, expenses and liabilities are not otherwise paid out of the Expense Reserve Account;
- (c) thirdly, in payment of any unpaid fees, costs, charges, expenses and liabilities incurred by the Loan Management Servicer or the Administration Services Provider (together with (if payable) any amount in respect of VAT payable thereon as provided for in the Services Agreement) insofar as they relate to the enforcement of the provisions of the Bonds and/or the related Loan;

- (d) fourthly, in payment of an amount equal to any amounts in respect of Arrangement Fee which are due but unpaid by the Charity under the Loan Agreement to be credited to the Expense Reserve Account, provided however that if some or all of such Arrangement Fees are subsequently paid by the Charity then such amounts shall be applied in accordance with paragraphs (e) to (g) below rather than being deposited into the Expense Reserve Account;
- (e) fifthly, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any interest due and payable in respect of the Bonds;
- (f) sixthly, in payment, on a *pro rata* and *pari passu* basis, to the Bondholders of any principal and any other amounts due and payable in respect of the Bonds; and
- (g) seventhly, any excess to be deposited in the Expense Reserve Account.

7. COVENANTS

So long as any of the Bonds remain outstanding, the Issuer covenants that it will not, without the consent of the Trustee:

- (a) engage in any activity or do anything other than: issue bonds under the Issuance Facility, subject always to the Issuance Facility Amount prevailing from time to time; use the proceeds of the issue of such bonds to make or acquire loans to charities and ethical companies in the United Kingdom for the purpose of promoting positive social and/or environmental impact; perform its obligations under the Issuance Facility Documents; and perform any act incidental to or necessary in connection with the aforesaid at all times in accordance with its constitutional documents;
- (b) have any employees or subsidiary companies, act as director of any other entity, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entirety to any person (save as provided in the Master Trust Deed), give any guarantee or indemnity or create or permit to subsist, over any of the security constituted by or created pursuant to the Trust Deed, any mortgage or charge or any other security interest over its assets other than pursuant to the Master Trust Deed or any Supplemental Trust Deed;
- (c) pay any dividend or make any other distribution to its shareholders or issue any further shares;
- (d) apply to become part of any group for the purposes of section 43 to 43D of the VAT Act 1994 with any other company or group of companies, or for the purposes of any act, regulation, order, statutory instrument or directive which, from time to time, may re-enact, replace, amend, vary, codify, consolidate or repeal the VAT Act 1994, unless required to do so by law;
- (e) take any action which would lead to the dissolution, liquidation or winding-up of itself (including, without limitation, the filing of documents with the court or the service of a notice of intention to appoint an administrator) or to the amendment of its constitutional documents or to the impairment of the rank, validity and effectiveness of any security created pursuant to the Master Trust Deed; or
- (f) prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Securitisation Regulations.

8. INTEREST

8.1 Rate of Interest and Interest Payment Dates

Each Bond bears interest on its outstanding principal amount from (and including) the Interest Commencement Date at a rate of 3.5 per cent. per annum (the “**Rate of Interest**”). Interest will be payable semi-annually in arrear on each Interest Payment Date and the amount of interest payable in respect of the Bonds on each Interest Payment Date up to (and including) the Expected Maturity Date will be £1.75 per Bond of Specified Denomination.

8.2 Accrual of interest

Interest shall cease to accrue on each Bond from the due date for its redemption unless payment of principal on such Bond is improperly withheld or refused. In such event, interest will continue to accrue at the Rate of Interest as provided in the Trust Deed.

8.3 Calculation of broken interest amounts

If interest is required to be paid in respect of any accrual period which is less than a full Interest Period, the amount of interest payable in respect of such accrual period shall be calculated by applying the Rate of Interest to the aggregate outstanding principal amount of the Bonds represented by the Global Bond, multiplying such sum by the Day Count Fraction and rounding the resultant figure to the nearest one penny, half of a penny being rounded upwards.

“**Day Count Fraction**” means the actual number of days in the period from (and including) the date from which interest begins to accrue (the “**Accrual Date**”) to (but excluding) the date on which it falls due divided by twice the actual number of days from (and including) the Accrual Date to (but excluding) the next following Interest Payment Date.

8.4 Adjustment of Rate of Interest

If payment of principal is deferred in accordance with Condition 10.3, the Rate of Interest will be increased by an additional 1.00 per cent. per annum (such Rate of Interest as increased pursuant to this Condition 8.4, the “**Adjusted Rate of Interest**”) from, and including, the Expected Maturity Date to, but excluding the Legal Maturity Date.

The Issuer shall give notice of such increase to the Bondholders in accordance with Condition 16.

8.5 Deferral of interest in respect of withholding tax

To the extent that the Charity is required to pay interest to the Issuer under the Loan Agreement subject to a deduction or withholding for or on account of any tax and, as a result of such deduction or withholding, the amount standing to the credit of the Series Charged Account as being available to the Issuer on an Interest Payment Date after deducting the amounts referred to in paragraph (a) of the Pre-Enforcement Priority of Payment (such amount being the “**Interest Residual Amount**”) is insufficient to satisfy in full the aggregate amount of interest which is due in respect of the Bonds on such Interest Payment Date (including amounts which have previously been deferred under this Condition 8.5), there shall instead be due and payable on such Interest Payment Date by way of interest on the Bonds the Interest Residual Amount.

Any shortfall equal to the amount by which the aggregate amount of interest paid on the Bonds on any Interest Payment Date in accordance with this Condition 8.5 falls short of the aggregate amount of interest which is due in respect of the Bonds on such Interest Payment Date (an “**Interest Deferred Amount**”) shall become due and payable on the next following Interest Payment Date, subject to this

Condition 8.5. This Condition 8.5 shall cease to apply on the earlier of (i) the Legal Maturity Date; (ii) the date on which the Bonds are redeemed and (iii) the date on which the Issuer is wound up, at which time all Interest Deferred Amounts shall become due and payable. To the extent that the Issuer is or may be entitled to a refund of tax so deducted or withheld, it must use reasonable endeavours to obtain such refund.

For the avoidance of doubt this Condition 8.5 shall not apply to any shortfall or insufficiency in the amounts available to satisfy in full the aggregate amount of interest which is due in respect of the Bonds other than arising as a result of a withholding or deduction for or on account of tax in respect of amounts due from the Charity to the Issuer under the Loan Agreement.

9. PAYMENTS

9.1 Method of payment

Subject as provided below, payments will be made by credit or transfer to a Sterling account maintained by the payee with a bank in London or by cheque in Sterling drawn on a bank in London.

9.2 Payments in respect of the Global Bond

Payments of principal in respect of each Bond represented by the Global Bond will (subject as provided below) be made against presentation and surrender of the Global Bond at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Global Bond appearing in the Register at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, “**Designated Account**” means the account maintained by a holder with a Designated Bank and identified as such in the Register, and “**Designated Bank**” means a bank in London.

Payments of interest in respect of each Bond represented by the Global Bond will be made by transfer to the Designated Account of the holder (or the first named of joint holders) of the Global Bond appearing in the Register at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date.

9.3 Payments subject to Fiscal and Other Laws

Payments on the Bonds will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the US Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11) any law implementing an intergovernmental agreement in relation thereto.

9.4 General provisions applicable to payments

The holder of the Global Bond shall be the only person entitled to receive payments in respect of Bonds represented by the Global Bond and payment by or on behalf of the Issuer to, or to the order of, such holder of the Global Bond will discharge the Issuer’s obligations in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular principal amount of Bonds represented by the Global Bond must look

solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by or on behalf of the Issuer to, or to the order of, the holder of such Global Bond.

None of the Issuer, the Trustee, the Origination Manager, the Loan Management Servicer, the Administration Services Provider or the Paying or Transfer Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Bond or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

9.5 Payment Day

If the date for payment of any amount in respect of any Bond is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, “**Payment Day**” means any day which (subject to Condition 12) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

9.6 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Bonds shall be deemed to include, as applicable:

- (a) the Final Redemption Amount of the Bonds;
- (b) the Sterling Make-Whole Redemption Amount of the Bonds; and
- (c) any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Bonds.

10. REDEMPTION AND PURCHASE

10.1 Redemption at maturity

Subject to Condition 10.3, unless previously redeemed or purchased and cancelled as specified below, each Bond will be redeemed on 8 December 2031 (the “**Expected Maturity Date**”) in Sterling by the Issuer at their principal amount outstanding (the “**Final Redemption Amount**”) together with accrued but unpaid interest to (but excluding) the Expected Maturity Date.

No payments of principal under the Bonds shall be made prior to the Expected Maturity Date except on an early redemption of the Bonds in accordance with Condition 10.2 or upon the Bonds becoming due and payable in accordance with Condition 13.

10.2 Redemption following prepayment of the Loan at the option of the Charity

If, in accordance with the Loan Agreement, the Charity elects to prepay the Loan as and when permitted to do so under the terms of the Loan Agreement, then the Issuer will redeem all, but not some only, of the Bonds on the Optional Loan Prepayment Date and, for the avoidance of doubt, all Retained Bonds (if any) shall be cancelled.

In these Conditions, “**Optional Loan Prepayment Date**” means any date on which the Charity prepays the Loan under the Loan Agreement.

Each Bond redeemed pursuant to this Condition 10.2 will be redeemed in Sterling by the Issuer at the Sterling Make-Whole Redemption Amount.

In these Conditions “**Sterling Make-Whole Redemption Amount**” means an amount which is equal to the higher of (i) 100 per cent. of the outstanding principal amount of the Bonds to be redeemed and (ii) the outstanding principal amount of the Bonds to be redeemed multiplied by the price, as reported to the Issuer and the Trustee by the Financial Adviser, at which the Gross Redemption Yield on such Bonds to the Expected Maturity Date or, if the Charity has deferred repayment of the Loan as contemplated by Condition 10.3, the Legal Maturity Date on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at 11.00 a.m. on the Reference Date of the FA Selected Bond, plus 0.50 per cent., all as determined by the Financial Adviser plus, in each case, any accrued interest on the Bonds to, but excluding, the Optional Loan Prepayment Date.

The Issuer will give not less than 15 nor more than 30 days’ notice to the Trustee and the Agent and, in accordance with Condition 16, the Bondholders (which notice shall be irrevocable), prior to the date of redemption of the Bonds pursuant to this Condition 10.2.

10.3 Deferral of principal

In the event that the Charity elects not to pay in full the amount of principal otherwise due on the Loan on the Expected Maturity Date in accordance with the terms of the Loan Agreement (the “**unpaid principal**”), the total principal amount otherwise due and payable on each Bond that is referable to the unpaid principal under the Loan (as calculated by a Financial Adviser) shall be deemed not to be due and payable on the Expected Maturity Date and such amount shall instead be deferred in accordance with this Condition 10.3 (the “**Deferred Principal**”).

Amounts in respect of Deferred Principal shall become due and payable on 8 December 2033 (the “**Legal Maturity Date**”). Interest shall continue to accrue on Deferred Principal in accordance with Condition 8 until the date on which such Deferred Principal is paid.

Notice of the application of this Condition 10.3 (including the amount of any unpaid principal and the subsequent receipt of any unpaid principal) shall be given by the Issuer to the Trustee, the Registrar, the Paying Agents, any stock exchange on which the Bonds are for the time being listed and, in accordance with Condition 16, the Bondholders, as promptly as practicable in the circumstances.

10.4 Purchases

The Issuer may not at any time purchase Bonds other than Retained Bonds (if any).

The Charity may at any time purchase Bonds in the open market or otherwise at any price, provided that, following any such purchase, the Charity shall surrender the Bonds to or to the order of the Issuer for cancellation. A principal amount equal to the principal amount of the Bonds being surrendered shall be deemed to be prepaid under the Loan Agreement (but, for the avoidance of doubt, without triggering a redemption under Condition 10.2).

If the Charity purchases any Bonds pursuant to this Condition 10.4, the Issuer shall cancel all Retained Bonds (if any).

10.5 Cancellation

All Bonds which are redeemed, or purchased by the Charity and surrendered for cancellation, will forthwith be cancelled. All Bonds so cancelled shall be forwarded to the Agent and cannot be reissued or resold.

The Issuer may cancel any Retained Bonds held by it or on its behalf at any time following a request by the Charity, pursuant to the Loan Agreement, to cancel a corresponding amount of the undrawn portion of the Commitment (as defined in the Loan Agreement).

11. TAXATION

All payments in respect of the Bonds by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the relevant Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent shall be obliged to make any additional payments to Bondholders in respect of such withholding or deduction.

12. PRESCRIPTION

Claims in respect of principal and interest in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date therefor.

For these purposes, the “**Relevant Date**” means a day on which such payment first becomes due, except that, if the full amount of the moneys payable has not been received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to Bondholders in accordance with Condition 16.

13. EVENTS OF DEFAULT AND ENFORCEMENT

13.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Bonds then outstanding (excluding the Retained Bonds (if any)) or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its absolute satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) and (d) to (f) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Bondholders), give notice in writing to the Issuer that each Bond is, and each Bond shall thereupon immediately become, due and repayable at the Final Redemption Amount together with accrued but unpaid interest as provided in the Trust Deed (and the Security shall thereupon become enforceable) if any of the following events (each an “**Event of Default**”) shall occur:

- (a) if default is made (subject as provided in Condition 10.3) in the payment of any principal or interest due in respect of the Bonds or any of them and the default continues for a period of six days in the case of principal and five days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Deed, insofar as they relate to the Bonds, and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

- (c) if any order is made by any competent court or resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (d) if the Issuer ceases or threatens to cease to carry on the whole or substantially all of its business, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or the Issuer stops payment of, or is unable to pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (e) if (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, liquidator, manager, administrator or other similar official, or an administrative or other receiver, liquidator, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days;
- (f) if the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (g) if (subject as provided in Condition 10.3) a default under the Loan Agreement is not remedied within 30 days of the occurrence thereof.

13.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other action or steps (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Bonds and/or (to the extent that they relate to the Bonds or otherwise) any of the other Issuance Facility Documents and at any time after the Security becomes enforceable the Trustee may take the action specified in the Trust Deed to enforce the same, but it shall not be bound to take any such proceedings or other steps or action unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in principal amount of the Bonds then outstanding (excluding the Retained Bonds (if any)) and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

No Bondholder shall be entitled to (i) take any steps or action against the Issuer to enforce the performance of any of the provisions of the Trust Deed, the Bonds and/or (to the extent that they relate to the Bonds) the Issuance Facility Documents or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Trustee, having become bound so to take such action, steps or proceedings, (a) fails so to do within a reasonable period or (b) is unable for any reason so to do and the failure or inability shall be continuing.

13.3 Limited Recourse

Notwithstanding any other Condition or any provision of any Issuance Facility Document, all obligations of the Issuer to the Bondholders are limited in recourse to the Charged Assets. If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Trust Deed; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Trust Deed, amounts outstanding under the Bonds (including payments of principal, premium and interest),

then the Bondholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium and/or interest in respect of the Bonds) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

In addition, none of the Bondholders or the other Secured Parties shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings or other proceedings under applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the issuance of the Bonds, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer and provided that the Trustee may enforce the Security and appoint an administrative or other receiver in accordance with the provisions of the Trust Deed.

14. REPLACEMENT OF BONDS

Should any Bond be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer or the Registrar may reasonably require. Mutilated or defaced Bonds must be surrendered before replacements will be issued.

15. PAYING AND TRANSFER AGENTS

The names of the initial Paying and Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent or Transfer Agent and/or appoint additional or other Paying Agents and/or Transfer Agents and/or approve any change in the specified office through which any Paying Agent or Transfer Agent acts, provided that:

- (a) there will at all times be an Agent and a Registrar; and

- (b) so long as the Bonds are listed on any stock exchange or admitted to listing or trading by any other relevant authority, there will at all times be a Paying Agent and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

Notice of any variation, termination, appointment or change in Paying Agents will be given to the Bondholders promptly by the Issuer in accordance with Condition 16.

In acting under the Agency Agreement, the Paying and Transfer Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Bondholders. The Agency Agreement contains provisions permitting any entity into which any Paying and Transfer Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying and/or, as the case may be, transfer agent.

16. NOTICES

For so long as all the Bonds are represented by the Global Bond and such Global Bond is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, all notices regarding the Bonds will be deemed to be validly given if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Bonds and, in addition, for so long as any Bonds are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Bonds on the first Business Day following the day on which it is so delivered to Euroclear and/or Clearstream, Luxembourg.

17. MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

17.1 Meetings of Bondholders

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Bondholders holding not less than five per cent. in principal amount of the Bonds for the time being remaining outstanding (excluding the Retained Bonds (if any)). The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in principal amount of the Bonds for the time being outstanding (excluding the Retained Bonds (if any)), or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Bonds or the Trust Deed (including modifying the date of maturity of the Bonds or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Bonds or altering the currency of payment of the Bonds), the quorum shall be one or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding (excluding the Retained Bonds (if any)), or at any adjourned such meeting one or more persons holding or representing not less than one-third in principal amount of the Bonds for the time being outstanding (excluding the Retained Bonds (if any)). The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-quarters of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-quarters in principal amount of the Bonds for the time being outstanding (excluding the Retained Bonds (if any)) or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form

satisfactory to the Trustee) by or on behalf of the holders of not less than three-quarters in principal amount of the Bonds for the time being outstanding (excluding the Retained Bonds (if any)), shall, in each case, be effective as an Extraordinary Resolution of the Bondholders. An Extraordinary Resolution passed by the Bondholders shall be binding on all the Bondholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

17.2 Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds, the Trust Deed or the Agency Agreement or determine, without any such consent as aforesaid, that any Event of Default or Notification Event (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification shall be binding on the Bondholders and any such modification shall be notified to the Bondholders in accordance with Condition 16 as soon as practicable thereafter.

17.3 Trustee to have regard to interests of Bondholders as a class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Bondholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

18. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and the Bondholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstances by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

19. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Bondholders to create and issue:

- (a) further Bonds having terms and conditions the same as the Bonds or the same in all respects save for the amount and date of the first payment of interest thereon, secured on the same assets (and any further loan that pursuant to which the proceeds of issue of such Bonds are on-lent to the Charity) and so that the same shall be consolidated and form a single Series with the outstanding Bonds; and/or
- (b) other bonds pursuant to the Issuance Facility on such terms and conditions as the Issuer may elect, subject to the terms of the Issuance Facility Agreements and provided that such other bonds are not secured upon the Charged Assets.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21. GOVERNING LAW

The Trust Deed, the Agency Agreement, the Bonds and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement and the Bonds are governed by, and shall be construed in accordance with, English law.

C

APPENDIX C

FORM OF THE BONDS

This following section sets out the legal form in which the Bonds will be issued, including that the legal title to the Bonds is expected to be held by a common depository on behalf of certain clearing systems and that investors will trade beneficial interests in the Bonds electronically in certain clearing systems.

FORM OF THE BONDS

General

Pursuant to the Agency Agreement (as defined in Appendix B (“*Terms and Conditions of the Bonds*”)), the Agent shall arrange that, where a further Tranche of Bonds is issued which is intended to form a single Series with the Bonds at a point after the Issue Date of the further Tranche, the Bonds of such further Tranche shall be assigned a common code and ISIN which is different from the common code and ISIN assigned to the Bonds until such time as such Tranche is consolidated with the Bonds to form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S) applicable to such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may otherwise be approved by the Issuer, the Agent, the Registrar and the Trustee for the purposes of clearing the Bonds.

No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

CREST depository interests

In certain circumstances, investors may also hold interests in the Bonds through CREST through the issue of CDIs representing interests in Underlying Bonds. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated). Neither the Bonds nor any rights attached to the Bonds will be issued, settled, held or transferred within the CREST system other than through the issue, settlement, holding or transfer of CDIs. CDI Holders will not be entitled to deal directly in the Bonds and, accordingly, all dealings in the Bonds will be effected through CREST in relation to the holding of CDIs. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

D

APPENDIX D

LOAN AGREEMENT

The Issuer and the Charity will enter into a Loan Agreement substantially in the form set out below for the purpose of recording the Loan by the Issuer to the Charity of the proceeds of issue of the Bonds and the repayment of principal and payment of interest by the Charity in respect of such Loan.

LOAN AGREEMENT

THIS AGREEMENT is dated 8 December 2021 and is made

BETWEEN:

- (1) **CHARITIES AID FOUNDATION**, a charity registered with the Charity Commission of England and Wales with registration number 268369, whose principal place of business is at 25 Kings Hill Avenue, West Malling, Kent ME19 4TA (the “**Charity**”); and
- (2) **RCB BONDS PLC**, as lender, a public limited company incorporated under the laws of England and Wales with company number 08940313, whose registered office is at Future Business Centre, King’s Hedges Road, Cambridge CB4 2HY (the “**Lender**”).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“**Accounting Standards**” means UK GAAP or any other accounting principles adopted by the Group from time to time;

“**Additional Guarantor**” means any Person providing a Guarantee pursuant to Clause 9.2;

“**Adjusted Rate of Interest**” has the meaning given to that term in Condition 8.4;

“**Arrangement Fee**” means the sum of the following, without double counting:

- (a) an amount per annum equal to 0.1 per cent. of the total Outstanding Balance on the Issue Date, or, if there have been any Retained Advances, on the most recent Retained Advance Date (as may be adjusted by the Lender in accordance with Clause 3.1(b)); and
- (b) the fees, costs, charges, expenses and liabilities due to the Trustee together with any amount in respect of VAT payable thereon insofar as they relate to action to be taken by the Trustee in connection with a waiver, consent or amendment in relation to the provisions of the Bonds and/or this Agreement that has been requested by the Charity (including, for the avoidance of doubt, any such amounts which have been agreed between the Lender and the Trustee to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee pursuant to the Trust Deed insofar as they relate to the provisions of the Bonds and/or this Agreement); and
- (c) all fees, costs and expenses payable from time to time by the Lender in relation to or in connection with the Bonds, including those payable to any arranger, manager or dealer (including fees and commissions payable pursuant to any subscription agreement) (howsoever described) appointed in connection with the Bonds (including out of pocket and legal expenses of such arranger, manager or dealer and any amount of VAT payable thereon), any trustee, paying agent or other agent, transfer agent, registrar, calculation agent, account bank, the United Kingdom Financial Conduct Authority or any stock exchange (together with, in each case, any amount in respect of VAT payable thereon);

- (d) all fees, costs and expenses payable by the Lender in relation to or in connection with the Bonds incurred pursuant to the Issuance Facility Documents and the Custody Agreement (as defined in the Conditions) (if applicable) (together with any amounts of VAT payable thereon) including those payable to any bond trustee (but excluding those amounts payable pursuant to paragraph (b) of this definition), paying agent or other agent, transfer agent, registrar, calculation agent, account bank, the United Kingdom Financial Conduct Authority, custodian or any stock exchange;
- (e) all fees, costs and expenses payable by (or on behalf of) the Issuer incurred, from time to time, in relation to the Bonds in connection with producing and/or amending and/or replacing any document or documents required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK PRIIPs Regulation**”) including, without limitation, a key information document (as that term is used in the UK PRIIPs Regulation); and
- (f) all fees, costs and expenses (including in relation to any tax or legal advice) payable by the Lender incurred, from time to time, pursuant to the sale of any Retained Bonds or the making of any Retained Advances, together with any amounts of VAT payable thereon;

“**Asset Disposal**” means, in relation to Unrestricted Assets only, any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposal, or a series of related sales, leases (other than an operating lease entered into in the ordinary course of business), transfers, issuances or disposals that are part of a common plan, of shares of capital stock of a Subsidiary, property or other assets by any member of the Group, including any disposal by means of a merger, consolidation or similar transaction; provided that the sale, conveyance or other disposal of all or substantially all the assets of the Group will be governed by Clause 7.8 (*Merger and Consolidation*). Notwithstanding the above, the following items shall not be deemed to be an Asset Disposal:

- (a) a disposal of cash, cash equivalents, cash deposits more than three months and marketable securities;
- (b) a disposal of obsolete, surplus or worn out equipment, or equipment or other property that is no longer useful in the conduct of the business of the Group;
- (c) a disposal of assets in a single transaction or a series of related transactions with a fair market value (as determined in good faith by the Charity) of less than £10,000,000; or
- (d) a disposal of assets with any fair market value which is (as determined in good faith by the Charity) carried out in the ordinary course of business of the Group or any Subsidiary from time to time

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

“**Bondholder**” has the meaning given to it in the Conditions;

“**Bonds**” means the 3.5 per cent. Bonds due 8 December 2031 issued by the Issuer on the Issue Date, including the Retained Bonds;

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

“**Charity Trustees**” means the past, current and future trustees of the Charity under the declaration of trust dated 2 October 1974;

“**Code**” means the U.S. Internal Revenue Code of 1986;

“**Commitment**” means £[●],000,000;

“**Commitment Agreement**” means the commitment agreement entered into between, among others, the Lender and the Charity dated on or around 6 December 2021;

“**Compliance Certificate**” means a certificate substantially in the form of Schedule 1 to this Agreement;

“**Conditions**” means the terms and conditions of the Bonds (in the form in place as at the Issue Date) as set out in Schedule 1 to the Supplemental Trust Deed;

“**Default**” means an Event of Default or a Potential Event of Default;

“**Deferred Loan**” has the meaning given to it in Clause 4.2;

“**Event of Default**” means any event or circumstance specified in Clause 10 (*Events of Default*);

“**Excluded Subsidiaries**” means CAF Bank Limited and its Subsidiaries;

“**Expected Maturity Date**” has the meaning given to it in the Conditions;

“**Extraordinary Resolution**” has the meaning given to it in the Trust Deed;

“**FATCA**” means Sections 1471 through 1474 of the Code (including any regulations thereunder or official interpretations thereof), intergovernmental agreements between the United States and other jurisdictions facilitating the implementation thereof, and any law implementing any such intergovernmental agreements;

“**FATCA Withholding**” means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA;

“**Financial Indebtedness**” means any indebtedness that relates to the Group's Unrestricted Funds, or would relate to the Group's Unrestricted Funds if Management UF Accounts were prepared immediately prior to the incurrence of any such indebtedness, for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the relevant Accounting Standards, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction except when entered into solely for the purposes of risk mitigation (as determined by the Charity (acting in good faith)) (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above (but excluding any guarantee or indemnity given in the ordinary course of the business of the Group,

and does not relate to any Restricted Fund, Restricted Assets or restricted liabilities and which also excludes any indebtedness of the Excluded Subsidiaries;

“Financial Statements” means (i) for so long as the Charity prepares its audited financial statements in accordance with the Accounting Standards, the audited financial statements of the Charity or, if applicable, the audited consolidated financial statements of the Charity for the relevant period; and (ii) in respect of any period where the Charity no longer prepares its audited financial statements in accordance with the Accounting Standards, the financial statements of the Charity or, if applicable, the consolidated financial statements of the Charity that would have been prepared in respect of such period had such financial statements been prepared in accordance with the Accounting Standards;

“Group” means the Charity and any Subsidiaries it may have from time to time;

“Guarantee” has the meaning given to it in Clause 9.2;

“Initial Advance” has the meaning given to it in Clause 2.2;

“Initial Rate of Loan Interest” has the meaning giving to it in Clause 3.2(a);

“Interest Payment Date” means 8 June and 8 December in each year commencing on 8 June 2022 up to and including the Expected Maturity Date or, if the Outstanding Balance is not repaid in full pursuant to the terms of Clause 4.1 (*Repayment on Expected Maturity Date*), the Legal Maturity Date;

“Issue Date” has the meaning given to that term in the Conditions;

“Issuer” means RCB Bonds PLC;

“Legal Maturity Date” has the meaning given to it in the Conditions;

“Leverage Ratio” means the ratio of Financial Indebtedness to Unrestricted Funds;

“Loan” means the aggregate principal amount of the Initial Advance and any Retained Advances made under this Agreement;

“Loan Interest Period” has the meaning given to it in Clause 3.2;

“Loan Management Servicer” means Allia Bond Services Limited;

“**Master Trust Deed**” means the master trust deed dated 26 June 2014 between the Lender and the Trustee, as modified and/or supplemented and/or restated from time to time;

“**Material Subsidiary**” means, save for the Excluded Subsidiaries, each Subsidiary (or a Subsidiary of a Subsidiary) of the Charity from time to time, whether owned at the date of the issuance of the Loan or acquired subsequently whose Unrestricted Funds (which shall be classified in accordance with the Accounting Standards) represent five per cent. or more of the Unrestricted Funds of the Group. An Excluded Subsidiary shall not be classified as a Material Subsidiary;

“**Maturity Date**” means the Expected Maturity Date or the Legal Maturity Date (as applicable);

“**Net Available Cash**” means, in relation to an Asset Disposal which is the sale of shares in an Excluded Subsidiary, cash payments received (including any cash payments received by way of deferred payment of principal and net proceeds from the sale or other disposal of any securities received as consideration, but only as and when received);

“**Outstanding Balance**” means the amount of the Loan less the aggregate of all amounts of principal paid or deemed to be paid by the Charity prior to such time;

“**Party**” means a party to this Agreement;

“**Person**” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company, government or any agency or political subdivision thereof or any other entity;

“**Potential Event of Default**” means any event or circumstance specified in Clause 10 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice or the making of any determination under this Agreement) be an Event of Default;

“**Properties**” means all estates or interests in any freehold, leasehold, heritable or other immovable property situated in the United Kingdom;

“**Prospectus**” means the prospectus dated 11 November 2021 for use in connection with the issue of the Bonds;

“**Purchase Date**” has the meaning given to it in Clause 5.2;

“**Rate of Interest**” has the meaning given to that term in the Condition 8.1;

“**Rate of Loan Interest**” has the meaning given to it in Clause 3.2(a);

“**Restricted Assets**” means assets of the Group, excluding any assets of the Excluded Subsidiaries, which are not Unrestricted Assets;

“**Restricted Funds**” means funds of the Group, excluding any funds of the Excluded Subsidiaries, which are not Unrestricted Funds;

“**Retained Advance**” means the principal amount of the Retained Bonds sold, in whole or in part, and made available to the Charity on a Retained Advance Date as set out in the relevant Retained Advance Request;

“**Retained Advance Date**” means such date on which the Lender makes an advance of the Retained Bond Actual Advance Amount to the Charity as set out in the relevant Retained Advance Request;

“Retained Advance Repeating Representations” means each of the representations set out in Clause 4 (*Representations and Covenants*) of the Commitment Agreement other than Clauses 4.1(c) and 4.1(n);

“Retained Advance Request” means the further advance request in the form set out in Schedule 2 (*Retained Advance Request*) submitted by the Charity and agreed by the Lender from time to time pursuant to Clauses 2.3 and 2.4;

“Retained Bond Actual Advance Amount” means the gross sale proceeds of the Retained Bonds sold, in whole or in part, by the Issuer on a Retained Advance Date as set out in the relevant Retained Advance Request;

“Retained Bonds” means the Bonds purchased by the Issuer on the Issue Date and held by or on behalf of the Issuer from time to time; *provided, however*, that, if the Issuer does not purchase any Bonds on the Issue Date to be held by or on behalf of the Issuer, there will not be any Retained Bonds and references in this Agreement to Retained Advance, Retained Advance Date, Retained Advance Repeating Representations, Retained Advance Request, Retained Bond Actual Advance Amount and Retained Bonds shall be construed accordingly;

“Security” means a mortgage, charge, pledge, lien, assignment, hypothecation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect but excluding all security taken in connection with Restricted Funds and/or Restricted Assets;

“Similar Business” means (a) any businesses, services or activities engaged in by the Group on the Issue Date and (b) any businesses, services or activities engaged in by the Group that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof;

“Subsidiary” means a company which is:

- (a) controlled by the Charity; or
- (b) consolidated by the Charity into the Charity's consolidated Financial Statements from time to time;

“Sterling Make-Whole Redemption Amount” has the meaning given to that term in the Conditions;

“Supplemental Trust Deed” means the supplemental trust deed dated as of the Issue Date between the Lender and the Trustee;

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

“Testing Date” means the last day of the financial year of the Group as per the Financial Statements, provided, however, that the first Testing Date under this Agreement shall be 30 April 2022 (the **“First Testing Date”**);

“Total Unsecured Debt” means all unsecured Financial Indebtedness in respect of monies borrowed by the Group, as at the last day of each financial year of the Group, calculated by reference to the Financial Statements for such financial year;

“Trust Deed” means the Master Trust Deed as supplemented by the Supplemental Trust Deed, and as further modified and/or supplemented and/or restated from time to time;

“**Trustee**” means Prudential Trustee Company Limited;

“**UK**” means the United Kingdom;

“**UK GAAP**” means UK Generally Accepted Accounting Practice;

“**Unrestricted Funds**” means funds of the Group, other than funds of the Excluded Subsidiaries, which are classified as “unrestricted funds” in the later of (i) the latest Financial Statements of the Group or (ii) the latest management accounts (whether audited or unaudited, whether published or unpublished and prepared in accordance with the Accounting Standards) of the Group in which “unrestricted funds” are set out (such management accounts, the “**Management UF Accounts**”);

“**Unrestricted Assets**” means assets of the Group, excluding the Excluded Subsidiaries, which are not classified as restricted assets, endowment funds and/or designated assets in the Group's Financial Statements produced to the Lender from time to time; and

“**VAT**” means any Tax imposed in compliance with the Value Added Tax Act 1994 and legislation and regulations supplemental thereto and any other Tax of a similar nature whether imposed in a member state of the European Union in substitution for, or levied in addition to, such Tax referred to above or imposed elsewhere.

1.2 Interpretation

In this Agreement, except to the extent that the context requires otherwise:

- (a) references to a statute or statutory provision include that statute or provision as from time to time modified, re-enacted or consolidated;
- (b) use of the singular shall include the plural and vice versa;
- (c) headings are for ease of reference only and shall be ignored in interpreting this Agreement;
- (d) references to an agreement, deed, instrument, licence, code or other document (including this Agreement), or to a provision contained in any of these, shall be construed, at the particular time, as references to it as it may then have been amended, varied, supplemented, modified, suspended, assigned or novated;
- (e) the words “include” and “including” are to be construed without limitation;
- (f) a reference to a “judgment” includes any order, injunction, determination, award or other judicial or arbitral measure in any jurisdiction; and
- (g) a reference to any party to any agreement includes its successors in title, permitted assigns and permitted transferees.

2. LOAN

2.1 Loan

Subject to the terms of this Agreement, the Charity will borrow and the Lender will make available loans in an aggregate amount equal to the Commitment (subject to this Clause 2 and Clause 3.1 (*Fees*) and as from time to time reduced by prepayments in accordance with the terms hereof) on the Issue Date and on any Retained Advance Date.

- 2.2** On the Issue Date the Lender will make an advance of £[●],000,000 in principal amount (the “**Initial Advance**”) to the Charity.
- 2.3** The Charity may request further advances under this Agreement by notifying the Lender in writing from time to time. Upon such notification, the Lender and the Charity shall enter into commercial discussions (for a period of not more than ten days) in good faith, in relation to the sale of the Retained Bonds, in whole or in part, with a view to agreeing commercial terms.
- 2.4** Subject to Clause 2.3 above, the Lender shall sell the Retained Bonds (in whole or in part) and make an advance in an amount equal to the Retained Bond Actual Advance Amount to the Charity on the Retained Advance Date, provided that:
- (a) any sale and advance shall be made at the absolute discretion of the Lender;
 - (b) the Lender has received appropriate tax and legal advice including advice that such sale of Retained Bonds and making of Retained Advances (i) would not be adverse to the rights and interests of the Bondholders or the Lender; and (ii) does not adversely impact the transaction as a whole;
 - (c) commercial terms (including identifying suitable purchasers of the Retained Bonds and the terms of such sale) have been agreed with the Charity and a duly completed Retained Advance Request has been submitted by the Charity to the Lender setting out the terms of such Retained Advance;
 - (d) the proposed Retained Advance shall, immediately prior to the sale of the related Retained Bonds, be less than or equal to the Retained Bonds held by the Issuer at such time;
 - (e) the proposed Retained Advance shall be less than or equal to the Commitment then unutilised and not cancelled immediately prior to the making of such Retained Advance to the Charity;
 - (f) on such date, no Default is continuing or would result from the Retained Advance; and
 - (g) on such date, the Retained Advance Repeating Representations to be made by the Charity are true in all material respects in relation to it as at the Retained Advance Date as if made by reference to the facts and circumstances then existing. For the avoidance of any doubt, all references to the Issue Date in the Retained Advance Repeating Representations shall be construed as references to the Retained Advance Date.

3. PRICING

3.1 Fees

- (a) In consideration for the Lender making available to the Charity the Loan and performing its administrative functions in connection with the Loan under this Agreement, the Charity shall pay to the Lender the amounts under paragraph (a) of the definition of Arrangement Fee in advance in equal half-yearly instalments, commencing on the Issue Date, two Business Days prior to each Interest Payment Date (excluding the Expected Maturity Date, or the Legal Maturity Date if repayment of the Outstanding Balance is deferred in accordance with Clause 4.2 (*Repayment on Legal Maturity Date*)), provided that, in the event the period from the Issue Date to the first Interest Payment Date is less or greater than six months, the Charity shall pay an amount pro rata for that period, as notified by the Lender to the Charity prior to the Issue Date.
- (b) On or after the first anniversary of the Issue Date, the Lender may adjust the amount set out in paragraph (a) of the definition of Arrangement Fee applicable from the next Interest Payment Date by

notice in writing to the Charity on or about 31 August of each year with any percentage increase not exceeding the amount of percentage increase in the United Kingdom Retail Price Index (or, in the event that such index ceases to be published, any comparable or replacement index substituted by the Lender at its discretion, acting reasonably) for such year.

- (c) On the Issue Date and each Interest Payment Date, the Charity shall pay to the Lender the amounts in respect of paragraphs (b) and/or (c) and/or (d) and/or (e) of the definition of Arrangement Fee, to the extent such amounts are then due and payable.
- (d) On each Retained Advance Date, the Charity shall pay to the Lender the amount in respect of paragraphs (b) and/or (c) and/or (d) and/or (e) and/or (f) of the definition of Arrangement Fee, to the extent such amounts are due and payable.
- (e) The Charity and the Lender acknowledge and agree that the Charity's obligation to pay any amounts in respect of the Arrangement Fee may be satisfied by deducting such amounts from the amounts advanced by the Lender on or around the Issue Date in respect of the Loan.

3.2 Interest

(a) Interest Rate:

- (i) Following its advance on the Issue Date and on each Retained Advance Date, the rate of interest on the Loan up to but excluding the Expected Maturity Date is the Rate of Interest (the "**Initial Rate of Loan Interest**").
- (ii) The rate of interest on the Loan from and including the Expected Maturity Date to but excluding the Legal Maturity Date is the Adjusted Rate of Interest (together with the Initial Rate of Loan Interest, the "**Rate of Loan Interest**").

(b) Interest Payment Dates:

- (i) The amount of interest payable by the Charity in respect of the Outstanding Balance for the period from and including each Interest Payment Date to but excluding the next Interest Payment Date (the "**Loan Interest Period**") shall be calculated by applying the applicable Rate of Loan Interest to the Outstanding Balance at the end of such Loan Interest Period, dividing the product by two and rounding the resulting figure to the nearest one penny (halfpenny being rounded upwards).
- (ii) If interest is required to be calculated in respect of any other period, it shall be calculated on the basis of (i) the actual number of days from and including the first day of such period to but excluding the relevant payment date; (ii) divided by twice the actual number of days in the period from and including the most recent Interest Payment Date to but excluding the next Interest Payment Date and multiplying this by the applicable Rate of Loan Interest and the Outstanding Balance.

3.3 Default Interest

Interest which is not paid when due shall accrue interest at the applicable Rate of Loan Interest specified in Clause 3.2 (*Interest*) from and including the due date for payment to but excluding the date on which such interest is paid.

3.4 Payment Instructions

The Charity agrees that it will make such payment instructions as are necessary to ensure the amounts that become due pursuant to this Clause 3 are paid to the Lender by 10am on the Business Day falling two Business Days prior to their becoming due.

4. REPAYMENT

4.1 Repayment on Expected Maturity Date

Subject to Sub-clause 4.2 (*Repayment on Legal Maturity Date*) and unless previously repaid pursuant to Clause 5 (*Prepayment*), the Charity must repay the Outstanding Balance in full on the Expected Maturity Date plus accrued but unpaid interest to but excluding the Expected Maturity Date.

4.2 Repayment on Legal Maturity Date

If the Charity elects not to repay the Outstanding Balance in full on the Expected Maturity Date, the Outstanding Balance shall be deemed not to be due and payable on the Expected Maturity Date and such amount shall instead be deferred for payment on the Legal Maturity Date (the “**Deferred Loan**”).

4.3 Interest shall continue to accrue on the Deferred Loan in accordance with Clause 3.2 (*Interest*) until the Legal Maturity Date.

4.4 The Deferred Loan shall become due and payable on the Legal Maturity Date plus accrued but unpaid interest to but excluding the Legal Maturity Date.

4.5 The Charity agrees that it will make such payment instructions as are necessary to ensure the amounts that become due pursuant to this Clause 4 are paid to the Lender by 10am on the Business Day falling two Business Days prior to their becoming due.

5. PREPAYMENT

5.1 Optional Prepayment: The Outstanding Balance may be prepaid in whole but not in part upon not more than 30 days’ and not less than 15 days’ notice (which notice shall be irrevocable) prior to the date of the proposed prepayment of the Outstanding Balance pursuant to this Clause 5 at the Sterling Make-Whole Redemption Amount.

5.2 Prepayment due to Purchase of Bonds: If the Charity intends to purchase any Bonds in accordance with Condition 10.4 (*Purchases*), the Charity shall notify the Lender of the intended purchase date of the Bonds and the principal amount of such Bonds and, upon the date of purchase and surrender of such Bonds to the Lender for cancellation of such Bonds in accordance with the Conditions (the “**Purchase Date**”), the Outstanding Balance shall be deemed to have been prepaid on the Purchase Date in an amount equal to the principal amount of such Bonds (but, for the avoidance of doubt will not trigger any redemption of the Bonds under Condition 10.2).

5.3 The Charity shall not prepay all or any part of the Outstanding Balance except at the times and in the manner expressly provided for in this Agreement and shall not be entitled to re-borrow any amount repaid. In addition, the Charity may only prepay all or part of the Outstanding Balance if the Lender has received such tax and legal advice as it deems necessary in connection therewith, including advice that such prepayment (i) would not be adverse to the rights and interests of the Bondholders or the Lender; and (ii) does not adversely impact the transaction as a whole.

- 5.4** The Charity agrees that it will make such payment instructions as are necessary to ensure the amounts that become due pursuant to Clause 5.1 are paid to the Lender by 10am on the Business Day falling two Business Days prior to their becoming due.
- 5.5** On the prepayment of the Outstanding Balance by the Charity under Clause 5.1 or 5.2, the Commitment which, at that time, is unutilised shall immediately be cancelled.
- 5.6** On cancellation of any Retained Bonds by the Issuer following a request by the Charity under Condition 10.5 (*Cancellation*), a corresponding amount of the Commitment which, at that time, is unutilised shall be immediately cancelled.

6. TAXES

- 6.1** The Charity shall make all payments made by it under this Agreement without any withholding or deduction unless required by applicable law and will take such reasonable steps as may be necessary from time to time to ensure that the gross amount of all payments due in respect of the Loan is paid to the Lender, free and clear of Taxes. For these purposes, the Lender confirms that it is a UK resident company.
- 6.2** All amounts expressed to be payable under this Agreement by the Charity which (in whole or in part) constitute the consideration for any supply for VAT purposes are exclusive of any VAT which is chargeable on that supply and, accordingly, if VAT is or becomes chargeable on any supply made by the Lender under this Agreement and the Lender is required to account to the relevant tax authority for the VAT, the Charity must pay to the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of that VAT (and the Lender must promptly provide an appropriate VAT invoice to the Charity).
- 6.3** Each Party shall, within ten Business Days of a reasonable request by the other Party, supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of the other Party's compliance with FATCA.

7. COVENANTS

7.1 Authorisations

The Charity shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any law or regulation of its jurisdiction of registration to enable it to perform its obligations under this Agreement and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of registration of this Agreement.

7.2 Compliance with Laws

The Charity shall comply in all respects with all laws to which it may be subject if failure to so comply would materially impair its ability to perform its obligations under this Agreement.

7.3 Tax Residency

The Charity represents that it is and has always been resident for Tax purposes only in the United Kingdom and shall do all that is reasonably necessary to ensure that it remains resident for Tax purposes in the United Kingdom and that the proceeds of the Loan will fund only the Charity's United Kingdom businesses.

7.4 Change of Business and Charitable Status

The Charity shall do all that is necessary to maintain its charitable status under English law and shall procure that no substantial change is made to the general nature of the activities of the Charity from that carried on at the date of this Agreement.

7.5 FATCA

The Charity will notify the Lender as soon as is practicable if the Charity is required to make any FATCA Withholding from any payment under this Agreement.

7.6 Negative pledge

For so long as the Loan remains outstanding, the Charity and any Additional Guarantor will not, and will procure, so far as they can by the proper exercise of voting and other rights or powers of control exercisable by them in relation to their respective Subsidiaries, that no such Subsidiary will, create, assume or permit to subsist any Security upon the whole or any part of its present or future undertaking, assets or revenues, (including any uncalled capital) to secure any indebtedness or to secure any guarantee or indemnity in respect of any indebtedness, without at the same time or prior thereto affording to the Loan the same Security or such other Security as the Trustee shall in its absolute discretion deem not materially less beneficial to the Bondholders save that, without prejudice to the foregoing, the Excluded Subsidiaries may create or have outstanding (without the obligation to secure the Loan) any security interest.

7.7 Limitation on sales of assets

- (a) The Charity will not, and will not permit any of its Subsidiaries, save for the Excluded Subsidiaries, to make any Asset Disposal unless:
 - (i) the Charity or such Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposal), as determined in good faith by the Charity, of the shares and assets subject to the Asset Disposal; or
 - (ii) an amount equal to 100 per cent. of the net sale proceeds from such Asset Disposal is retained and/or utilised by the Charity or Subsidiary, as the case may be, either as cash or as an investment and not paid out by way of a donation and/or a grant.
- (b) If the relevant Asset Disposal is the sale of shares in an Excluded Subsidiary, then the Net Available Cash from such Asset Disposal shall be used to make an offer to all Bondholders to purchase the maximum principal amount of Bonds that may be purchased out of such Net Available Cash, at an offer price of 100 per cent. of the principal amount and any accrued and unpaid interest to but not including the date of purchase.

7.8 Merger and Consolidation

The Charity shall not (and the Charity shall ensure that no other member of the Group other than the Excluded Subsidiaries will) enter into any amalgamation, demerger, merger or corporate reconciliation.

8. INFORMATION COVENANTS

The undertakings in this Clause 8 remain in force from the date of this Agreement for so long as any amount is outstanding under this Agreement.

8.1 Financial statements

- (a) The Charity shall supply to the Lender as soon as the same become available, but in any event within six months of the end of each of its financial years, its audited annual report and accounts for that financial year (consolidated if appropriate).
- (b) Without prejudice to Clause 8.1(a) above, in respect of a financial year where the Charity no longer prepares its audited financial statements in accordance with the Accounting Standards, the Charity shall also supply to the Lender, at the same time as it supplies its audited annual report and accounts pursuant to Clause 8.1(a) above, a copy of the financial statements for such financial year (consolidated if appropriate), restated as if they had been prepared in accordance with the Accounting Standards, and shall also provide to the Lender in writing such information as may be requested by the Lender to demonstrate how such financial standards have been prepared.
- (c) The Charity shall use its reasonable endeavours to supply to the Lender, within 90 days of the end of each half of a financial year, a copy of its relevant semi-annual trading update.

8.2 Compliance Certificate

- (a) The Charity shall supply to the Lender, with each audited annual report and accounts delivered pursuant to Clause 8.1(a) (*Financial statements*), a Compliance Certificate setting out, *inter alia*, computations as to compliance with Clause 9 (*Financial Covenants*) as at the Testing Date, provided, however, that the first Compliance Certificate to be delivered under this Agreement shall only be required to be delivered in respect of the First Testing Date.
- (b) Each Compliance Certificate shall be signed by a director of the Charity.

8.3 Requirements as to financial statements

Each set of audited annual report and accounts delivered by the Charity pursuant to Clause 8.1(a) (*Financial statements*) shall be certified by a director of the relevant company as fairly representing its (or, as the case may be, its consolidated) financial condition as at the end of and for the period in relation to which those financial statements were drawn up.

8.4 Notification of Default

- (a) The Charity shall notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly, and in any event within 30 days, upon becoming aware of its occurrence.
- (b) Promptly upon a request by the Lender, the Charity shall supply to the Lender a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it), provided that the Lender may only request such certificate on two occasions per calendar year.

8.5 Annual Statement of Social Impact

The Charity shall supply to the Lender an annual statement of social impact: (i) until such time as the Lender's 5.00 per cent. Bonds due 12 April 2026 secured on a loan to the Charity have been repaid in full, on 12 April in each year (commencing on 12 April 2022); and (ii) thereafter at the same time as it

supplies its audited annual report and accounts to the lender pursuant to Clause 8.1(a) (*Financial statements*), such annual statement of social impact being, in each case, in such form as may be separately agreed between the Charity and the Lender (each acting reasonably).

8.6 Management UF Accounts

The Charity shall (without limitation) prepare Management UF Accounts immediately prior to the incurrance of any Financial Indebtedness or otherwise (unless Management UF Accounts have been prepared no more than 30 days before such request) upon the reasonable request of the Lender. For the avoidance of doubt, nothing in this Clause 8.6 shall prevent the Charity from preparing Management UF Accounts on such additional dates as it shall determine in its sole discretion.

8.7 Management

The Charity shall promptly notify the Lender of any changes to the trustees of the Charity and shall provide such other information as reasonably required by the Lender from time to time to enable the Lender to comply with its anti-money laundering and other related obligations.

9. FINANCIAL COVENANTS

9.1 Pari Passu Ranking

The Charity shall ensure that its payment obligations under this Agreement rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to registered charities generally.

9.2 Additional Guarantors

Without prejudice to Clause 7.6, if any Subsidiary of the Charity, save for the Excluded Subsidiaries, incurs any Financial Indebtedness exceeding £3,000,000, the Charity shall procure as soon as reasonably practicable, but in any event no later than 60 days after the date of the Subsidiary incurring such debt, a guarantee in writing (the “**Guarantee**”) from that Subsidiary (save, for the avoidance of doubt, the Excluded Subsidiaries) agreed, in writing, by the Lender (the “**Additional Guarantor**”). The Additional Guarantor shall undertake to the Lender that it shall immediately on demand pay, as if it was the principal obligor, such amounts which are due but unpaid by the Charity under or in connection with this Agreement, the Commitment Agreement or any Retained Advance Commitment Agreement (as defined in the Commitment Agreement).

9.3 Limitation on Financial Indebtedness

The Charity will not:

- (a) incur any Financial Indebtedness (including acquired Financial Indebtedness);
- (b) permit any of its Material Subsidiaries, other than the Excluded Subsidiaries, to, incur any Financial Indebtedness (including acquired Financial Indebtedness); or
- (c) permit any other Subsidiary, other than the Excluded Subsidiaries, to incur any Financial Indebtedness (including acquired Financial Indebtedness) if such Financial Indebtedness benefits from a guarantee, indemnity or other support undertaking from the Charity or any other Subsidiary, other than the Excluded Subsidiaries,

if on the date of such incurrance the Leverage Ratio for the Group is more than 1:1.

10. EVENTS OF DEFAULT

10.1 Each of the events or circumstances set out in this Clause 10.1 is an Event of Default:

- (a) the Charity fails to pay any sum due under this Agreement and such failure continues for a period of five days (in the case of interest) and six days (in the case of principal) (subject to Clause 4.2 (*Repayment on Legal Maturity Date*));
- (b) the Charity, any Additional Guarantor or any Material Subsidiary is in breach of any other obligation under this Agreement and has failed to remedy same within 30 days of being requested to do so;
- (c) any requirement of Clause 9 (*Financial Covenants*) is not satisfied;
- (d) the Charity ceases to have charitable status under English law;
- (e) any representation or statement made or deemed to be made by the Charity in the Commitment Agreement is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- (f) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Charity and is not discharged within 10 days;
- (g) the Charity, any Additional Guarantor or any Material Subsidiary is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Charity, any Additional Guarantor or any Material Subsidiary;
- (h) a moratorium is declared in respect of any indebtedness of the Charity;
- (i) it is or becomes unlawful for the Charity, any Additional Guarantor or any Material Subsidiary to perform any of its obligations under the Commitment Agreement or this Agreement;
- (j) the Charity repudiates this Agreement or evidences an intention to repudiate this Agreement;
- (k) the Additional Guarantor is in breach of any obligation under the Guarantee and the Charity has failed to remedy the same within 30 days of being requested to do so;
- (l) in relation to any Financial Indebtedness of the Charity, any Additional Guarantor or any Material Subsidiary:
 - (i) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
or
 - (ii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described),

provided that no Event of Default will occur under this Clause 10.1(l) if the aggregate amount of Financial Indebtedness falling within paragraphs (i) and (ii) above is less than £3,000,000 (or its equivalent in any other currency or currencies);

- (m) an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Charity, any Additional Guarantor or any Material Subsidiary, or the Charity, any Additional Guarantor or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Charity, any Additional Guarantor or another Material Subsidiary;
- (n) any enforcement proceedings are taken against the Charity, any Additional Guarantor or any Material Subsidiary and such proceedings are not discharged or stayed within 14 days;
- (o) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Charity, any Additional Guarantor or any Material Subsidiary lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds and Trust Deed, in either case as may be material in the context of the Bonds or the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed, as the case may be, admissible in evidence in the courts of England is not taken, fulfilled or done;
- (p) any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Charity, any Additional Guarantor or any Material Subsidiary;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Charity, any Additional Guarantor or any Material Subsidiary;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Charity, any Additional Guarantor or any Material Subsidiary; or
 - (iv) enforcement of any Security over any assets of the Charity, any Additional Guarantor or any Material Subsidiary; or
 - (v) any analogous procedure or step is taken in any jurisdiction,

in each case (other than (A) the appointment of an administrator, (B) the enforcement of any Security over any assets of the Charity or (C) any such corporate action, legal proceedings or other procedure or step which the Charity has initiated or to which the Charity has consented (in writing or otherwise)), that has not been discharged within 10 days.

10.2 Acceleration: On and at any time after the occurrence of an Event of Default which is continuing, the Lender may, by notice to the Charity:

- (a) declare that all or part of the Outstanding Balance, together with accrued interest, and all other amounts accrued or outstanding under this Agreement or the Commitment Agreement be

immediately due and payable, whereupon it shall become immediately due and payable; and/or

- (b) declare that all or part of the Outstanding Balance be payable on demand, whereupon they shall immediately become payable on demand by the Lender.

11. TRANSFERABILITY

11.1 The Lender may not assign and/or transfer its rights and/or obligations under this Agreement without the prior written consent of the Charity other than in accordance with Clause 11.2 below.

11.2 The Charity acknowledges that the Lender will assign by way of security all of its rights, title and interest, present and future, arising under this Agreement to the Trustee under the Trust Deed.

12. PAYMENTS

12.1 The Charity hereby agrees to pay to the Lender all amounts as are specified in this Agreement on the dates specified in this Agreement in the following order of priority and in each case only if and to the extent that the items of a higher priority have been paid or satisfied in full:

- (a) *first*, in payment or satisfaction of any amounts of Arrangement Fee due under this Agreement;
- (b) *secondly*, in payment or satisfaction of interest due and payable in respect of the Loan;
- (c) *thirdly*, in payment or satisfaction of principal due and payable in respect of the Loan; and
- (d) *fourthly*, in payment or satisfaction of any other amount due and payable to the Lender by the Charity.

12.2 Payments to the Lender by the Charity in respect of amounts due under this Agreement shall be made to the bank accounts of the Lender as separately notified in writing by the Loan Management Servicer to the Charity from time to time.

12.3 Payments by the Charity must be made without set-off or counterclaim and without any deduction.

12.4 If any payment is scheduled to be made on a day which is not a Business Day, then the payment must be made on the preceding Business Day.

12.5 Any appropriation by the Lender of moneys received from the Charity against amounts owing under this Agreement will override any contrary appropriation made by the Charity.

13. NOTICES

13.1 Communications in Writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by electronic communication or letter and, in the case of communication to the Lender, to the Loan Management Servicer copied to the Lender. The Loan Management Servicer's address for this purpose is as follows:

Allia Bond Services Limited
Future Business Centre
King's Hedges Road
Cambridge

CB4 2HY
United Kingdom
Attention: Briony Maritz
communications@allia.org.uk

13.2 Communication by the Loan Management Servicer

The Charity acknowledges and accepts that any notification or communication made by the Loan Management Servicer on behalf of the Lender shall be deemed to be a notification or communication by the Lender for the purposes of this Agreement and all references to notifications or communications by the Lender in this Agreement shall be read and construed accordingly.

13.3 Communication by the Charity

The Lender acknowledges and accepts that any notification or communication made by the Charity to the Loan Management Servicer copied to the Lender shall be deemed to be a notification or communication by the Charity to the Lender for the purposes of this Agreement and all references to notifications or communications by the Charity in this Agreement shall be read and construed accordingly.

13.4 Addresses

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is that identified with its name below, or any substitute address, email address or department or officer as the Party may notify to the other Parties by not less than five days' notice.

14. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

16. NON-PETITION AND LIMITED RECOURSE

16.1 Non-Petition

Each of the other Parties to this Agreement agrees with the Lender that it shall not take any corporate action or other steps or legal proceedings for the winding-up, dissolution, arrangement, reconstruction or reorganisation of the Lender or for the appointment of a liquidator, receiver, administrative receiver, administrator, trustee, manager or similar officer in respect of the Lender or over any or all of its assets or undertaking.

16.2 Limited Recourse

- (a) Limited Recourse: To the extent permitted by law, recourse under any obligation, covenant or agreement of any person contained in this Agreement is limited to the assets for the time being of the Lender and/or the Charity, respectively, and no recourse shall be had against any

shareholder, trustee, officer, agent or director of either (i) the Lender or (ii) any member of the Group (including, in the case of the Charity, the Charity Trustees) by the enforcement of any assessment or by any legal proceedings, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is an obligation of the Lender and the Charity respectively and no personal liability shall attach to or be incurred by the shareholders, trustees, officers, agents or directors of either (i) the Lender or (ii) any member of the Group (including, in the case of the Charity, the Charity Trustees) as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Lender or the Charity (as applicable) herein or implied herefrom, and that any and all personal liability for breaches by such person of any such obligations, covenants or agreements, either under any applicable law or by statute or constitution, of every such shareholder, trustee, officer, agent or director is hereby expressly waived by each person expressed to be a Party hereto as a condition of and consideration for the execution of this Agreement.

- (b) Limited Recourse in Guarantees and Other Documents: The parties acknowledge and agree that any Guarantee that is entered into in accordance with Clause 9.2 of this Agreement and any other documentation to be entered into by the Charity in connection with this Agreement (including, without limitation, any documentation relating to the Retained Advances) will include a limited recourse provision in substantially the same form as Clause 16.2(a) above.

17. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

FORM OF COMPLIANCE CERTIFICATE

To: RCB Bonds PLC as Lender

Cc: Allia Bond Services Limited as Loan Management Servicer

From: Charities Aid Foundation (the “Charity”)

Dated: [_____]

Dear Sirs

Charities Aid Foundation – Loan dated 8 December 2021 (the “Agreement”)

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meanings when used in this Compliance Certificate unless given different meanings in this Compliance Certificate.
2. [We confirm that no Default is continuing.]*
3. We confirm that no circumstance has arisen requiring a notice to be given pursuant to Clause 8.7 (*Management*) of the Agreement.
4. We certify that the audited [consolidated] financial statements of the Charity for the year ended [] fairly represent the Charity’s [consolidated] financial condition as at the date they are made up to.
5. We confirm compliance with Clause 9.3 (*Limitation on Financial Indebtedness*) of the Agreement.
6. We confirm that [that no Subsidiary of the Charity, save for the Excluded Subsidiaries, has incurred any Financial Indebtedness exceeding £3,000,000/that the following Subsidiary of the Charity: [●], has incurred Financial Indebtedness exceeding £3,000,000 and the Charity has provided or will provide a guarantee in writing from that Subsidiary to the Lender within 60 days of the date of that Subsidiary incurring such debt].

Signed by _____

for and on behalf of

Charities Aid Foundation

* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

SCHEDULE 2

RETAINED ADVANCE REQUEST

From: Charities Aid Foundation

To: RCB Bonds PLC

Dated: []

Dear Sirs

**Loan Agreement
dated 8 December 2021 (the Agreement)**

1. We refer to the Agreement. This is a Retained Advance Request for the purpose of the Agreement. Terms defined in the Agreement have the same meaning in this Retained Advance Request unless given a different meaning in this Retained Advance Request.
2. Pursuant to Clauses 2.3 and 2.4 of the Agreement, we wish to borrow a further advance on the following terms:

Retained Advance Date: [] (or, if that is not a Business Day, the next Business Day)

Currency of Loan: GBP

Retained Bond Actual Advance Amount: []

Retained Advance: []

3. The Charity represents and warrants that no Default is continuing or would result from the Retained Advance.
4. The Charity represents and warrants that the Retained Advance Repeating Representations are true in all material respects in relation to it as at the Retained Advance Date as if made by reference to the facts and circumstances then existing. For the avoidance of any doubt, all references to the Issue Date in the Retained Advance Repeating Representations shall be construed as references to the Retained Advance Date.
5. This Retained Advance Request is irrevocable.

Yours faithfully

for and on behalf of

Charities Aid Foundation

Agreed and accepted by

RCB Bonds PLC

Date:

SIGNATORIES

The Charity

CHARITIES AID FOUNDATION

Address: 25 Kings Hill Avenue
West Malling
Kent ME19 4TA

Email: companysecretary@cafonline.org

Attention: Secretary to the Trustees

By:

The Lender

RCB BONDS PLC

Address: Future Business Centre
King's Hedges Road
Cambridge CB4 2HY

Email: communications@rcb-bonds.com

Attention: The Company Secretary

By:

ISSUER

RCB Bonds PLC
Future Business Centre
King's Hedges Road
Cambridge CB4 2HY

CHARITY

Charities Aid Foundation
25 Kings Hill Avenue
West Malling
Kent ME19 4TA

TRUSTEE

Prudential Trustee Company Limited
10 Fenchurch Avenue
London EC3M 5AG

ISSUING AND PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL

REGISTRAR

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL

SERVICER

Allia Bond Services Limited
Future Business Centre
King's Hedges Road
Cambridge CB4 2HY

CUSTODIAN (in respect of any Retained Bonds)

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL

LEGAL ADVISERS

To the Issuer as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ

To the Charity as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ

To the Managers and Trustee as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD

AUDITORS

To the Issuer

RSM UK Audit LLP
25 Farringdon Street
London EC4A 4AB

To the Charity

Deloitte LLP
1 New Street Square
London EC4A 3BZ

MANAGER

City & Continental Ltd trading as Allia C&C
Cheyne House Crown Court
62-63 Cheapside
London EC2V 6AX