

DATED 15 January 2024

PRIVATE PLACING MEMORANDUM

ISSUED BY

CHERRY GODFREY CONSUMER FUNDING III LIMITED

(a non-cellular company limited by shares incorporated under the Companies (Guernsey) Law, 2008 with registered number 55040)

PRIVATE PLACING
UP TO £50,000,000 IN NOMINAL VALUE
SECURED LOAN NOTES 2016



Cherry Godfrey
Finance that values you

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about its contents or what action to take you should consult immediately your financial advisor. The contents of this Private Placing Memorandum are not to be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own solicitor, independent financial advisor or tax adviser for legal, financial or tax advice. Prospective Noteholders should rely only on the information in this Private Placing Memorandum. No person has been authorised to give any information or make any representations other than those contained in this Private Placing Memorandum and if given, or made, such information or representations must not be relied on as having been authorised by the Issuer. Investment in loan notes issued by Cherry Godfrey Consumer Funding III Limited (the “**Issuer**”), an unquoted company, is speculative and involves a high degree of risk. A prospective investor should be aware of the risks of investing in loan notes issued by such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Recipients are required to keep the contents of this Private Placing Memorandum confidential. It may not be copied, in whole or in part, or distributed or otherwise made available by any recipient directly or indirectly without the express written consent of the Issuer or its professional advisers. In particular, the distribution of this document in certain jurisdictions may be restricted by law and therefore persons in possession of this document should inform themselves about and observe any such restrictions.

This document is a revised version of the 20 June 2016 version under which Notes have been issued. Any Notes issued pursuant to this Private Placing Memorandum (whether prior to or following the date of this revised version of the Private Placing Memorandum) shall rank pari passu equally and rateably without discrimination, or preference, among themselves.

The whole text of this Private Placing Memorandum should be read in conjunction with the attached Application Form and Loan Note Instrument relating to the Placing. An investment in loan notes issued by Cherry Godfrey Consumer Funding III Limited in reliance on this document is speculative and may expose you to a significant risk of losing all of the monies you invest. The attention of Noteholders is drawn, in particular, to the section entitled “Risk Factors” set out in Part V of this document.

PRIVATE PLACING MEMORANDUM

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SECURED LOAN NOTES

The Issuer is not regulated by the Guernsey Financial Services Commission (“**GFSC**”) under The Protection of Investors (Bailiwick of Guernsey) Law, 2020 however is regulated and licenced under Part III – Section 16 of The Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022 (“**LCF**”) as a financial firm business to participate in securities issues and the provision of financial services related to such issue, including, without limitation, underwriting or placement as agent (whether publicly or privately) and accepting repayable funds other than deposits.

The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 8 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Issuer. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that Law.

Subject as set out below, the Issuer and its directors whose names appear on page 6 of this Private Placing Memorandum accept responsibility for the information contained in this Private Placing Memorandum and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Private Placing Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of the Issuer have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the directors accept responsibility accordingly.

The content of this promotion has not been approved by an authorised person within the meaning of the UK Financial Services and Markets Act 2000. Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

Neither the delivery of this Private Placing Memorandum nor the offering, sale or delivery of the Loan Notes shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Private Placing Memorandum has been most recently amended or supplemented.

The distribution of this Private Placing Memorandum and the offering, sale and delivery of the Loan Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Private Placing Memorandum comes are required by the Issuer to inform themselves about and to observe any such restrictions. In particular, the Loan Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or any state securities laws in the United States or under the applicable securities laws of Australia, Canada, Japan, South Africa, Singapore or Hong Kong. Subject to certain exceptions, Loan Notes may not be offered, sold or delivered within Australia, Canada, Japan, South Africa, Singapore or Hong Kong.

This document may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This document does not constitute an offer or an invitation to subscribe for, or purchase, any Loan Notes and should not be considered as a recommendation by the Issuer that any recipient of this document should subscribe for, or purchase, any Loan Notes. Each recipient shall be taken to have made its own investigation and appraisal of the financial condition of the Issuer.

Neither the Issuer nor the Directors make any representation as to the likely tax treatment of any amount paid or payable under or in respect of the Loan Notes, whether in respect of principal or interest. Persons subscribing for Loan Notes should satisfy themselves as to the likely tax treatment of such payments and consider taking professional advice in respect of the same.

Loan Notes issued by Cherry Godfrey Consumer Funding III Limited are not a deposit and the Loan Notes do not fall within the scope of the Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance, 2008 and accordingly any loss of investment arising in respect of the Loan Notes is not eligible for compensation under that Ordinance.

As of the date of this Private Placing Memorandum, the issuance of the Loan Notes by the Issuer would not fall within the definition of “relevant financial services business” for the purposes of The Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 as adapted by The Financial Services Ombudsman (Exempt Business) (Bailiwick of Guernsey) Order 2015 (the “FSO Law”) and accordingly a complaint made by a Noteholder in relation to

the Loan Notes would not be an “eligible complaint” that would be dealt with by the Financial Services Ombudsman appointed by the FSO Law. This would not affect any other legal right available to such Noteholder in relation to the Loan Notes.

CONTENTS

DIRECTORS AND ADVISERS TO THE ISSUER	6
SUMMARY	8
PART I – DEFINITIONS	9
PART II – PLACING STATISTICS	12
PART III – THE ISSUER AND REASONS FOR THE PLACING	13
PART IV – TERMS OF THE PLACING	23
PART V – RISK FACTORS	26
PART VI – GENERAL INFORMATION	30
PART VII – PROCEDURE FOR APPLICATION	33
PART VIII – LOAN NOTE INSTRUMENT	

DIRECTORS AND ADVISERS TO THE ISSUER

Directors

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Ms. Tanith Cherry
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St. Peter Port
Guernsey
GY1 4AQ

Registered Office

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Guernsey
GY1 4AQ

Auditors to the Issuer

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St James Street
St Peter Port
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GY1 2NZ

Legal Advisors

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Hirzel Court
St Peter Port
Guernsey
GY1 3BN

Bankers to the Issuer

Lloyds Bank Corporate Markets plc – Guernsey
Branch
PO Box 53
1 Smith Street
St. Peter Port
GY1 4BD

Loan Note Trustee

JTC (Guernsey) Limited
Ground Floor
Admiral Park
Dorey Court
St. Peter Port
Guernsey
GY1 2HT

SUMMARY

The following summary should be read as an introduction to this Private Placing Memorandum. Any investment decision should be made only after due and careful consideration of all the information contained in this document and, where necessary, having received appropriate financial advice.

THE ISSUER

The Issuer was incorporated, in Guernsey, on 27th April 2012 under the Law as a non-cellular company limited by shares and registered with company number 55040.

THE PLACING

Pursuant to a resolution of the Board dated 20th June 2016, the Issuer has approved the placing of Loan Notes in a principal amount of up to £50,000,000 pursuant to the terms and conditions of the Placing described more fully in Part III.

SUMMARY OF THE TERMS AND CONDITIONS OF THE LOAN NOTES

The Loan Notes will be constituted by the Loan Note Instrument. The Loan Notes are subject to the terms and conditions contained in Part VIII of this Private Placing Memorandum.

USE OF PROCEEDS

The Placing is intended to raise up to £50,000,000, whether in cash or by exchange of Loan Notes II. The proceeds of the Placing will be used to make one or more advances to Cherry Godfrey Finance Limited, which will be used to finance fixed term loans to its customers, as more particularly described in Part III.

PART I
DEFINITIONS

Applicant	a person who submits an Application Form to the Issuer and advances Subscription Monies to the Issuer for the purpose of subscribing for Loan Notes or exchanges Loan Notes II for Loan Notes.
Application Form	the application form attached to this Private Placing Memorandum.
Articles	means the articles of incorporation of the Issuer.
Board	means the Board of Directors of the Issuer.
Business Day	means any day except a Saturday, Sunday or public holiday in Guernsey.
Certificate	the certificate issued by the Issuer recording one or more Loan Notes.
CGCFII	means Cherry Godfrey Consumer Funding II Limited, a non-cellular company incorporated in Guernsey with company number 55039 whose registered office is at No. 1 Fountain Street, St. Peter Port, Guernsey, GY1 4AQ.
CGFL	Cherry Godfrey Finance Limited.
Cherry Godfrey	means the Issuer or, as the context may require, any member of the Cherry Godfrey Group.
Cherry Godfrey Group	means Cherry Godfrey Holdings and its subsidiaries.
Cherry Godfrey Holdings	means Cherry Godfrey Holdings Limited, a non-cellular company limited by shares registered in Guernsey (with company number 43447) whose registered office is at No. 1, Fountain Street, St. Peter Port, Guernsey, GY1 1DA.
Coupon	means the interest payable on the Loan Notes as described in the Loan Note instrument, and as described in more detail in Section 1 of Part IV of this Private Placing Memorandum.
Customer	any customer of CGFL.
Customer Loans	means loans made or to be made by CGFL to Customers and funded from the Loan Facility.
Directors	the directors of the Issuer.
GFSC	means the Guernsey Financial Services Commission.

HMRC	means His Majesty's Revenue and Customs.
Issue Period	the period of issue of a Loan Note of 12, 36 or 60 months identified in the certificate representing that Loan Note.
Issuer	means Cherry Godfrey Consumer Funding III Limited, a non-cellular company limited by shares incorporated in Guernsey (with company number 55040) whose registered office is No. 1 Fountain Street, St Peter Port, Guernsey, GY1 4AQ.
Law	The Companies (Guernsey) Law, 2008 (as amended).
LCF	The Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022
Loan Facility	means a loan facility whereby the Issuer will lend the Placing Proceeds to CGFL to be utilised by CGFL to advance Customer Loans.
Loan Notes	the secured loan notes issued by the Issuer under the Loan Note Instrument.
Loan Notes II	the Loan Notes issued by CGCFII.
Loan Note Instrument	the instrument creating the Loan Notes, a copy of which is set out in this Private Placing Memorandum in Part VIII.
Memorandum	means the memorandum of incorporation of the Issuer.
Noteholder	each person who becomes a registered holder of one or more Loan Notes.
Placing	means the placing of all, or some, of the Loan Notes pursuant to this Private Placing Memorandum and the Application Form.
Placing Price	as detailed in Part II of this Private Placing Memorandum.
Placing Proceeds	means the aggregate of the Subscription Monies (excluding any of the latter returned or due to be returned to Applicants).
Register	the register of Loan Notes and Noteholders required to be maintained by the Issuer under the Loan Note Instrument.
Security Interest Agreements	means each of: <ul style="list-style-type: none"> (i) a security interest agreement to be provided by CGFL in favour of the Trustee creating a security interest over <ul style="list-style-type: none"> (a) the receivables payable under the Customer Loans funded from the Placing Proceeds and, subject to the laws of each of the jurisdictions governing the same; and (b) the bank account into which the Placing

Proceeds and receipts generated by the Customer Loans are to be paid; and

- (ii) a security interest agreement to be provided by the Issuer over the Subscription Account and over the benefit of the Loan Facility and any monies payable by CGFL to the Issuer thereunder.

Subscription Account The account identified in the Application Form into which cash Subscription Monies are to be paid.

Subscription Date the date identified as such in a certificate representing a Loan Note.

Subscription Monies means, in relation to each Applicant the sum of: (i) the monies paid by the same in order to subscribe for the Loan Notes; and/or (ii) the face value of the Loan Notes II to be exchanged for Loan Notes, as specified in the Application Form delivered to the Issuer by the Applicant.

Trustee means JTC (Guernsey) Limited.

UK means the United Kingdom.

PART II
PLACING STATISTICS

Placing Price	£50,000 (and in multiples of £1,000 thereafter)
Number of Loan Notes to be issued	up to 50,000 at any one time
Estimated net proceeds of the Placing at the Placing Price	up to £50,000,000

PART III
THE ISSUER AND REASONS FOR THE PLACING

1. INTRODUCTION

The Issuer is issuing the Loan Notes in order to raise up to £50,000,000 which will be used to make loans to CGFL, under the Loan Facility, for the purpose of funding a diversified portfolio of Customer Loans by CGFL.

This Loan Note issuance is intended to raise up to £50,000,000. A Loan Note will be redeemable by the Noteholder on the last day of each Issue Period selected by the Noteholder on subscribing for the Loan Note upon the Noteholder providing the required notice specified in the Certificate representing that Loan Note. Interest shall accrue on each Loan Note monthly, quarterly or annually, dependent on the period specified in the certificate for the relevant Loan Note at a fixed rate. The Coupon payable in respect of the relevant interest period and Issue Period selected by a Noteholder shall, until further notice, be as set out in the table below:

ISSUE PERIOD	MONTHLY INTEREST PERIOD	QUARTERLY INTEREST PERIOD	ANNUAL INTEREST PERIOD
12 MONTHS	5.75% PER ANNUM	6.00% PER ANNUM	6.25% PER ANNUM
36 MONTHS	6.25% PER ANNUM	6.50% PER ANNUM	6.75% PER ANNUM
60 MONTHS	7.25% PER ANNUM	7.50% PER ANNUM	7.75% PER ANNUM

The Issuer may change the Coupon for Loan Notes from time to time. This will not apply to Loan Notes already in issue for the first Issue Period provided that the Issuer may, on providing notice no later than three months before the date on which notice of repayment must be served in accordance with the terms of the relevant Loan Note, change the rate for any subsequent Issue Period.

Interest payments from CGFL to the Issuer will be used to pay the operational expenses of the Issuer together with the Coupon on the Loan Notes. CGFL will use monies advanced under the Loan Facility to provide Customer Loans to Customers. Any funds loaned by the Issuer to CGFL and not utilised from time to time in the making of Customer Loans will be held by CGFL in a separately designated bank account.

CGFL will provide a security interest in favour of the Trustee over the Customer Loans originated utilising the Placing Proceeds advanced to it under the Loan Facility, receivables payable under those Customer Loans and any bank account into which the Placing Proceeds and receipts generated by the Customer Loans are to be paid. The Issuer will provide security over the Subscription Account into which cash Subscription Monies are paid and over the advances made by it to CGFL under the Loan Facility. The Trustee will act as trustee of that security for the benefit of the Noteholders.

2. THE ISSUER

The Issuer is a non-cellular company limited by shares incorporated in Guernsey. The Issuer will operate as a trading company in respect of the loans to CGFL.

3. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and the Issuer will comply with the Finance Sector Code of Corporate Governance issued by the GFSC in June 2021, and as amended from time to time by the GFSC.

4. BUSINESS OVERVIEW OF THE ISSUER

4.1 The Business

The Issuer is a trading company whose sole business will be the making of advances under the Loan Facility.

4.2 Background

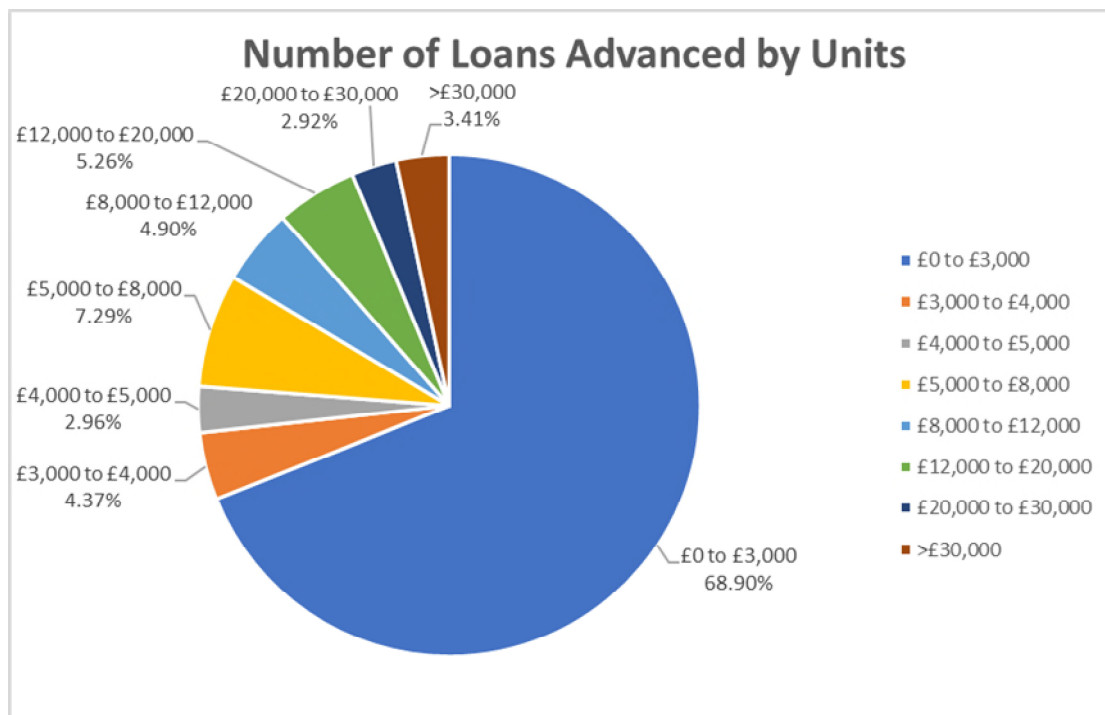
The Cherry Godfrey Group has been providing Customer funding, mortgages and insurance products in the Channel Islands for the past three decades and has grown to become one of the largest independent providers of these services with offices in Guernsey, Jersey, the Isle of Man, the Isle of Wight and the UK.

The Cherry Godfrey Group:

- (a) benefits from a large active database of clients utilising one or more of these product groups; and
- (b) has invested significant resources in developing a unique route to market as a result of its own sales and marketing and by relationships with state, corporate and other trading partners who promote Cherry Godfrey services and products alongside their own.

The Cherry Godfrey Group may seek alternative funding for the loans it advances. These loans typically comprise of amounts of circa £5,000 over an average term of 23 months. Assuming a £50,000,000 portfolio, it is anticipated that the loan portfolio might comprise circa 10,000 individual Customer Loans.

ANALYSIS OF LOANS WRITTEN IN 2022



Advances of Customer Loans will be made under the terms of an existing comprehensive underwriting procedure which has been developed over a number of years and which has been instrumental in the low level of bad debt experienced by the Cherry Godfrey Group. The Cherry Godfrey Group operate reciprocal agreements with both Channel Islands and UK credit reference organisations enabling detailed data sharing of positive and derogatory credit history and client exposure records which are utilised in the underwriting process.

4.3 **Indebtedness of the Issuer**

The Issuer is not, and does not intend to become, indebted to any third party other than by virtue of the issue by it of the Loan Notes.

4.4 **Current Consumer Portfolio**

The Cherry Godfrey Group manages a current loan portfolio of circa £130m; this portfolio has experienced bad debt levels of circa 0.35%, significantly below the historical UK average.

An actuarial review of all loan business written by the Cherry Godfrey Group covering the period from 2000 to 2009 was carried out by BWCI Ltd which demonstrates bad debt at 1.35% of loans made during that period. The Cherry Godfrey Group's accounts, post 2009, have shown a marked improvement on the 1.35% bad debt ratio. The current market uncertainties with increasing interest rates and potential economic downturn have been recognised by the Cherry Godfrey Group and will be mitigated wherever possible by increased efforts to confirm affordability of loans and home and job stability of customers.

Monitoring of bad debt is undertaken by daily reporting and verified by the production of system generated reports.

Average bad debt values throughout 2022 have been maintained at between 0.25% and 0.35%.

Cherry Godfrey ascribes its low bad debt levels to four principal factors:

- (a) Expertise in identifying suitable loan customers, many customers are well known to Cherry Godfrey and have previously borrowed on a regular basis.
- (b) Sophisticated intelligence based upon historical records and public financial records.
- (c) Customer Loans are well diversified and avoid significant exposure to related borrowers using prudent underwriting criteria.
- (d) That stringent affordability checks are undertaken before loans are granted.

Thorough understanding of local law and credit control procedures related to the maintenance of consumer and mortgage facilities helps to ensure the long term security of loan portfolios.

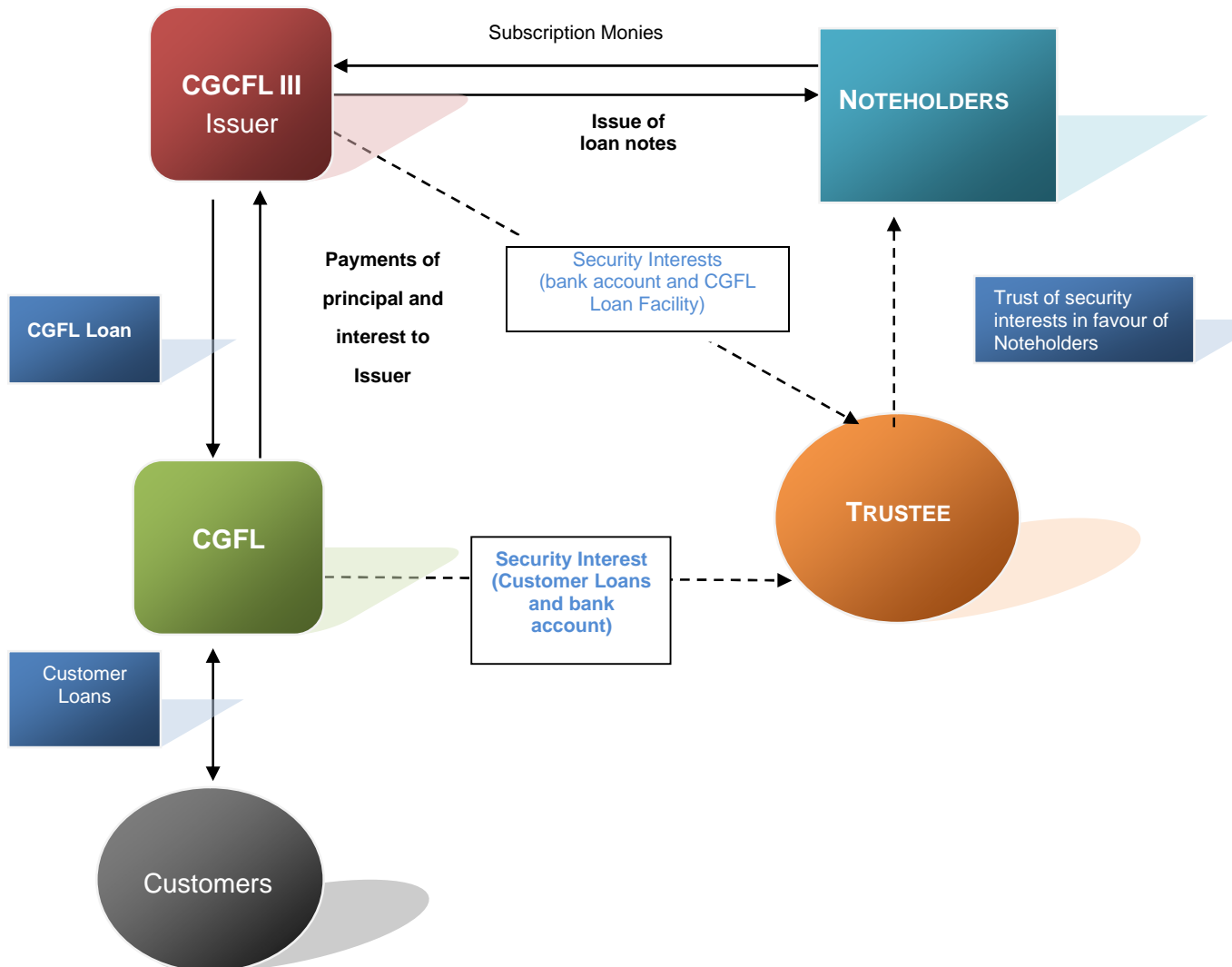
4.5 Reasons for Fundraising

The Placing will allow the Issuer to make advances under the Loan Facility to CGFL, which CGFL will in turn use to make Customer Loans. The Issuer will thereby receive interest and capital payments from CGFL, allowing it to pay the Coupon. Advances made under the Loan Facility may be recovered to fund repayments of the Loan Notes.

As set out in the diagram below, the Issuer will:

- Issue Loan Notes up to the value of £50,000,000 with a minimum investment of £50,000.
- Enter into a Loan Facility with CGFL which will use advances made to it under that agreement to make consumer loans of the profile described above.
- Interest will be payable on the Loan Notes monthly, quarterly or annually, as selected by the relevant Noteholder. The rate of interest on the Loan Notes will vary dependent upon the payment period selected, as described on page 13.
- Security of assets will be provided through the appointment of an independent trustee in favour of which an assignment of all the individual Customer Loans funded by the Loan Facility and written by CGCFL will be held by the Trustee under a Declaration of Trust. These loans will be separately identified from any other loans made by CGFL or any other member of the Cherry Godfrey Group. Any funds loaned by the Issuer to CGFL and not utilised from time to time in the making of Customer Loans will be held in a separately designated bank account which will also be subject to security created under the Security Interest Agreement.
- Verification of the loans subject to the Security Interest Agreement(s) will be carried out by an independent auditor on behalf of the Issuer at 3 monthly intervals.

Loan Note Structure



4.6 Security

A Loan Facility will be made available by the Issuer to CGFL under which the Issuer will lend the Placing Proceeds to CGFL. If holders of Loan Notes II elect to exchange their holding for Loan Notes issued by the Issuer, CGCFII will assign the benefit of the advance to CGCFL in respect of those Loan Notes II to the Issuer which will issue Loan Notes with an equal face value. These funds will be used by CGFL exclusively for Customer Loans as described above, and be monitored by the Issuer's auditor.

Security agreements will be entered into creating security over the loans from the Issuer to CGFL and by CGFL to customers and the segregated bank accounts in favour of the Trustee for the benefit of the Loan Note Holders.

Under the terms of the Security Interest Agreements there will be a number of default triggers. If a default occurs the Trustee may take possession of the loans and the designated bank account and these assets will be held by the Trustee for the exclusive benefit of the Noteholders.

The events of default will include:

- 1) CGFL or the Issuer becoming insolvent, being declared en désastre or ceasing to trade.
- 2) The Issuer failing to pay the Coupon when due (except as a result of error or the failure of any payment system used to make those payments).

4.7 Investment Return

Returns on the Loan Notes will be based upon the sum of the face value of the Loan Notes, whether the Loan Facility is fully utilised or not.

Consumer Loans to the customers of CGFL will earn interest at circa 18%.

This will provide for:

- Loan Note Coupon payments at an average of 6.36%
- Anticipated bad debt of circa 1.35%
- Running costs of the Issuer 1.70%
- CGFL margin 8.59%

4.8 Repayment of Loan Note

A Noteholder may require repayment of a Loan Note at the end of the Issue Period selected by that Noteholder on making an application for Loan Notes and specified in the certificate representing the relevant Loan Note. Notice must be given to the Issuer requiring redemption:

- (i) in the case of Loan Notes with an Issue Period of 12 months, one month; and
- (ii) in the case of Loan Notes with an Issue Period of 36 or 60 months, six months;

If repayment is not requested the Loan Notes will continue in issue, unless redeemed by the Issuer, until the end of the next Issue Period and thereafter unless or until repayment is requested for the end of the then current Issue Period on provision of the requisite notice.

The Loan Notes will be transferable provided that the transferee, whether as a result of its own subscriptions for Loan Notes or as a result of that or other transfers, will be registered as the holder of not less than £50,000 in value of Loan Notes.

The Issuer will have the right to repay a Loan Note in full (including any outstanding Coupon) at any time after the Subscription Date for the relevant Loan Note.

5. THE DIRECTORS

The Directors of the Issuer are as follows:

(a) **David Cherry**

Mr. David Cherry is aged 67 and was appointed Director of the Issuer on incorporation.

David Cherry was born in Guernsey in 1956 and lives in Guernsey.

Background:

1984-1991	Director of the Associates Capital Corporation, responsible for Branch Operations in Bristol, Exeter and Jersey.
1991-1993	Managing Director of The Associates Capital (Guernsey) Limited.
1991	Married Selena Cherry (née Godfrey).
1993	Founded Cherry Godfrey. Current position: CEO

(b) **Tanith Cherry**

Ms Tanith Cherry is aged 30 and was appointed Director of the Issuer on incorporation.

Background:

2011-2014	Bursary student at Credit Suisse Trust Limited.
2012- 2015	BSc (Hons) Economics, Finance and International Business from Oxford Brookes University.
2015	Joined the Cherry Godfrey business.

2019	Appointed as Chief Operating Officer of the Cherry Godfrey Group.
2022	Became a shareholder of the Cherry Godfrey Group.

6. **GROUP STRUCTURE**

The Issuer is a non-cellular company, limited by shares, incorporated in Guernsey on 27th April 2012. The Issuer will operate as a trading company in respect of the Loan Facility.

The entire issued share capital of the Issuer is owned by Cherry Godfrey Holdings Limited, of which company Mr. Cherry and his immediate family hold 85% of the issued share capital and Ms. Tanith Cherry holds 15% of the issued share capital.

7. **THE OPERATING COMPANY**

CGFL was incorporated in 1993 with a primary role as a Finance Broker. Having been responsible for the provision of a significant percentage of new business introduced to Equipment Rental Finance, a company under the ownership of Great Universal Stores, CGFL was invited to undertake responsibility for the operation of their Guernsey branch under an agency agreement.

The sustained growth of the Cherry Godfrey business has been achieved by the addition of a direct lending operation and the acquisition of five insurance based intermediary and brokerage businesses.

Today, the business has evolved into a fully rounded financial services company offering a suite of products designed or sourced to meet with the needs of customers in each of the Channel Islands, Isle of Man and the UK.

Main product lines are consumer and corporate finance; retail funding; general insurance products, commercial lines insurance products; protection insurance products and mortgage products.

The Cherry Godfrey Group has offices in Guernsey, Jersey, Isle of Man, Isle of Wight and Southampton. In addition, its products are available through a network of corporate alliances and a supporting dealer network.

The Cherry Godfrey Group prides itself in offering well researched and good value for money products with repeat business and client retention being maintained through quality customer service.

PART IV

TERMS OF THE PLACING

THE PLACING

The Issuer proposes to raise up to £50,000,000 (before expenses) by the issue of up to £50,000,000, in nominal value, of Loan Notes at the Placing Price. The issue of the Loan Notes was authorised by a resolution of the Board dated 20th June 2016. The Loan Note Instrument constituting the Loan Notes is governed by Guernsey law.

Applications for Loan Notes must be for a minimum of £50,000 and above that in multiples of £1,000.

The Issuer may close and re-open the Placing from time to time in its absolute discretion. Moneys received from Applicants during a period when the Placing is closed shall be returned to Applicants unless otherwise agreed.

Moneys received from Applicants under the Placing will be held in a segregated account by the Issuer. If an application is accepted Loan Notes will be issued to an Applicant subject to:

- (i) receipt of satisfactory documentation required to identify the beneficial owner of the Subscription Monies;
- (ii) the creation of the security for the Loan Notes described in Part III; and
- (iii) the Directors having resolved to issue the Loan Notes.

If the maximum amount is exceeded or the Directors consider that the amount of applications exceeds current requirements for the Loan Facility, applications will be scaled back and excess funds will be returned to Noteholders at their risk without interest. Subject to the satisfaction of the requirements of the Loan Note Instrument, the Issuer shall enter the name of each Applicant and the number of Loan Notes subscribed for by that Applicant into the Register on the Subscription Date and deliver a copy of the Register (updated to record any new subscriptions) to the Trustee.

If an Applicant is the registered Noteholder in respect of Loan Notes II, that Applicant may apply to subscribe for Loan Notes to be issued to it by the Issuer and, if accepted by the Issuer, will be issued Loan Notes upon the Loan Notes II becoming repayable upon their surrender by the Applicant. CGCFII has agreed with the Issuer that it shall assign to the Issuer the benefit of the proportion of the advance made by CGCF II to CGCFL relating to

such Loan Notes II so that such proportion will become an advance under the Loan Facility. On the issue of Loan Notes against that surrender, any coupon payable or obligations of CGCFII under the relevant Loan Notes II shall cease.

All Loan Notes will be in physical form and will be delivered to the relevant Noteholder. Pending the dispatch of the Loan Note certificates transfers will be recorded in the Register.

THE LOAN NOTES

A summary of the rights and conditions attached to the Loan Notes is set out below and a copy of the Loan Note Instrument is attached.

1. Interest Rate

The Loan Notes shall bear interest at rates determined by whether an Applicant Noteholder selects annual, quarterly or monthly interest on applying for the Loan Notes. The rate of interest is described on page 13 and will be determined by the selection made by an Applicant as to frequency of interest payment and repayment period selected (as described in paragraph 3 below).

2. Interest Payment

Interest shall accrue daily on the Loan Notes and will be due respectively on:

- (i) 31st December in each year if interest is payable annually;
- (ii) the last day of the quarter in which a Loan Note is issued if interest is payable quarterly; and
- (iii) the last day of the month in which a Loan Note is issued if interest is payable monthly,

and shall be paid not later than the fifth Business Day next following the date on which it falls due. Interest shall be calculated on the assumption that each calendar month consists of 30 days and on the basis of (i) the number of days expired in a calendar month up to a maximum of 30; and (ii) a 360 day year.

3. Capital Repayment

Each Loan Note will be redeemed at the request of the Noteholder or at the option of the Issuer as described in Paragraph 4.9 of Part III in full by payment of the principal amount of that Loan Note together with any interest accrued on it and then unpaid.

If any day on which repayment is otherwise due is not a Business Day, the payment shall become payable on the next succeeding Business Day.

4. **Transferability**

The Loan Notes are transferable (provided that the transferee is a person who would be entitled to subscribe for Loan Notes) and has satisfied any requirements of the Loan Note Instrument in respect of any such transfer.

5. **Loan Note Holders**

Noteholders may give consent under the conditions attaching to, or elect to vary the terms of, the Loan Notes by a resolution approved by Noteholders holding Loan Notes representing 75% of the value of the Placing Proceeds represented by the Loan Notes then in issue. Resolutions may be passed at duly convened meetings of the holders of the Loan Notes by a show of hands or on a poll in the numbers set out in the Loan Note Instrument. Schedule 4 of the Loan Note Instrument sets out further information regarding the holding of meetings.

6. **Tax**

Noteholders may be subject to tax on the interest received in respect of the Coupon, depending on their tax residence.

PART V

RISK FACTORS

The investment opportunity offered in this Private Placing Memorandum may not be suitable for all recipients of it. Recipients are therefore strongly recommended to consult an investment adviser who specialises in investments of this nature before making their decision to invest.

Recipients should be aware of the risks associated with acquiring Loan Notes. The Directors consider the following risks and other factors to be the most significant for potential Noteholders at the date of this Private Placing Memorandum; however the risks listed below do not necessarily comprise all those associated with an acquisition of the Loan Notes and are not set out in a particular order of priority. Additional risk and uncertainties not currently known to the Directors or that the Directors consider to be immaterial at the date of this Private Placing Memorandum may also have an adverse effect on the Issuer's business. Recipients should carefully consider these risks, read this Private Placing Memorandum in its entirety and consult with their advisers before making a decision to acquire Loan Notes. This summary of risk factors is not intended to be exhaustive. Additional risk and uncertainties may exist which have not been identified below.

THE LOAN NOTES

- (i) The acquisition of the Loan Notes may involve substantial risks and are suitable only for persons who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Loan Notes. Prior to making a decision to acquire Loan Notes, prospective Applicants should consider carefully, in light of their own financial circumstances and investment objectives, all of the information set forth in this document, the Application Form and the Loan Note Instrument. Prospective Applicants should make such enquiries as they deem necessary without relying on the Issuer.
- (ii) There can be no assurance that there will be a market or liquidity in respect of the Loan Notes. Accordingly, the purchase of Loan Notes is suitable only for Noteholders who can bear the risks associated with a lack of liquidity in the Loan Notes. Noteholders must be prepared to hold the Loan Notes for an indefinite period of time or until repayment of the Loan Notes.
- (iii) Neither the Issuer (nor its legal advisors) nor any of its respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Loan Notes by an Applicant of the Loan Notes, whether under the laws of the jurisdiction of the Applicant incorporation, residence or domicile or the jurisdiction in which it operates (if different),

or for compliance by the that Applicant with any law, regulation or regulatory policy applicable to it.

FORWARD LOOKING STATEMENTS

This Private Placing Memorandum contains forward-looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” and “should” or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risk, uncertainties and other factors, which may cause the actual results of operations, performance or achievement of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and their input on the Issuer’s ability to achieve its financial targets;
- changes in assumptions made by the Directors in arriving at the Issuer’s target return;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Issuer.

NON-PERFORMANCE OF CUSTOMER LOANS

The Issuer is reliant upon income being achieved by CGFL by its entry into Customer Loans to service interest payable under the Loan Facility between the Issuer and CGFL in order that the Issuer may discharge its obligation to pay the Coupon payable in respect of the Loan Notes. To the extent that CGFL is unable to do so it may not be able to make payments under the Loan Facility, and as a result the Issuer may not be able to pay the Coupon. Furthermore, the ability of the Issuer to repay capital is reliant upon sufficient Customer Loans being repaid to CGFL in accordance with their terms in order that it may make requisite repayments under the Loan Facility. Past performance of such type of Customer Loans should not be considered as a guide to future performance.

TRADING HISTORY

The Issuer has 7 years operating history and has financial statements and other meaningful operating financial data, with which Applicants may evaluate the Issuer. The Issuer is subject to all the business risks and uncertainties associated with any business enterprise, including

the risk that the Issuer will not achieve its commercial objectives and therefore be unable to pay the Coupon and/or effect repayment of capital on the Maturity Date.

CHANGES IN LAW OR REGULATIONS

Any change in the laws and regulations affecting the Issuer or any changes in applicable laws and regulations generally may have an adverse effect on the ability of the Issuer to carry on its businesses.

For regulatory, tax and other purposes, the Issuer and the Loan Notes may not be treated in a similar way in different jurisdictions. In certain jurisdictions, the treatment of the Issuer and/or the Loan Notes may be uncertain or subject to change or it may differ depending on the availability of certain information or disclosure by the Issuer of that information. The Issuer may be subject, therefore, to financially and logistically onerous requirements to disclose any or all of such information or to prepare or disclose such information in a form or manner which satisfies the regulatory, tax or other authorities in certain jurisdictions. Failure to disclose or make available information in the prescribed manner or format, or at all, may adversely impact Noteholders in those jurisdictions.

NO PETITION

Save to the extent that any relevant legislation provides otherwise, no recourse under any obligation, covenant or agreement of the Issuer contained in the Loan Note Instrument may be had against any shareholder, officer or director of the Issuer or CGFL as such, by virtue of statute or otherwise. Any and all personal liability of every such shareholder, officer or director for breaches by the Issuer of any such obligations, covenants or agreements either at law or by statute or constitution has, to be fullest extent possible at law, been waived.

RISK OF EARLY REPAYMENT

The Issuer retains the right to redeem any Loan Notes in full (including any outstanding Coupon) at any time after Subscription Date. If the Issuer repays Loan Notes prior to the end of the current Issue Period, an Investor will, as a result of that early repayment, receive less interest than would have been the case had repayment been made at the end of the current Issue Period.

REGULATION

The Issuer is regulated and licenced under Part III – Section 16 of The Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022 (“**LCF**”) as a financial firm business to participate

in securities issues and the provision of financial services related to such issue, including, without limitation, underwriting or placement as agent (whether publicly or privately) and accepting repayable funds other than deposits.

Investment in the Loan Notes is not a deposit. Investment in the Loan Notes does not fall within the scope of the Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance, 2008 and accordingly any loss of investment in the Loan Notes is not eligible for compensation under that Ordinance.

GUERNSEY LAW

The Issuer is a limited liability company incorporated under the Law. Guernsey law does not make a distinction between private and public companies and some of the protections and safeguards that Noteholders may expect to find in relation to a public company under UK law are not provided for under Guernsey law.

PART VI

GENERAL INFORMATION

1. RESPONSIBILITY STATEMENT

The Directors, whose names, functions and addresses appear on page 6 of this document, and the Issuer, accept full responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Issuer (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the impact of such information.

2. THE ISSUER

- 2.1 The Issuer was incorporated on 27th April 2012 under the Law and is registered in Guernsey with company number 55040.
- 2.2 The registered office and principal place of business of the Issuer is No. 1 Fountain Street, St. Peter Port, Guernsey GY1 4AQ.
- 2.3 The Issuer is regulated by the GFSC with reference number 2267957.

3. DIRECTORS AND OTHERS

- 3.1 The Issuer is managed by its board of Directors. The board of Directors is composed of at least two directors. There are no statutory provisions regarding the nationality or domicile of Board members.
- 3.2 As at the date of this Private Placing Memorandum, the following have been elected to the board of Directors of the Issuer:
 - Mr. David Cherry.
 - Ms. Tanith Cherry.
- 3.3 The business address for the above Directors is the same as the registered office of the Issuer.
- 3.4 The Directors may from time to time invest in their personal capacity in one or more of the Loan Notes.

3.5 The Directors (together with their immediate families) are the ultimate beneficial owners of the issued share capital of the Issuer and directors of the other companies in the Cherry Godfrey Group.

3.6 The Issuer has no employees.

4. MEMORANDUM AND ARTICLES

The memorandum of incorporation the Issuer provides that the Issuer's principal object is unrestricted.

5. AUTHORISATIONS

The issue of the Loan Notes (which includes any Loan Notes issued pursuant to the original or revised versions of this Private Placing Memorandum) was authorised by the board of Directors of the Issuer on 20th June 2016. The circulation of this revised version of the Private Placing Memorandum was authorised by the board of Directors of the Issuer on 16th October 2023. The Issuer has obtained, or will obtain from time to time, all necessary consents, approvals and authorisations in connection with the issue and performance of the Loan Notes.

6. LITIGATION

Since its incorporation there has been no litigation or arbitration proceedings against or affecting the Issuer or any of its assets or revenues, nor is the Issuer aware of any pending or threatened proceedings of such kind, which are or might be material in the context of the issue of the Loan Notes.

7. NO MATERIAL ADVERSE CHANGE

Since its incorporation there has been no material adverse change in the financial or trading position of the Issuer.

8. FINANCIAL INFORMATION

8.1 Grant Thornton Channel Islands Limited has been the only auditor of the Issuer since its incorporation. The annual reports and accounts will be prepared in accordance with to IFRS/UK GAAP.

8.2 The Issuer's accounting period ends on 30th June

8.3 The Issuer commenced trading on 20th June 2016.

8.4 The Issuer intends to raise up to £50,000,000 through the Placing. The Issuer will not proceed with the Placing if the net proceeds of the Placing are less than £50,000.

- 8.5 The Issuer's auditor will provide the Note Trustee with copies of any report that it prepares for the Issuer.
- 8.6 The Issuer will ensure that on a quarterly basis (and as verified by its auditor), the minimum account balance in the Subscription Account, subject to a Security Interest Agreement, will be above the amount of the Bad Debt Provision Aggregate Value (as defined in the Loan Note Instrument).

9. **DOCUMENTS AVAILABLE FOR INSPECTION**

For so long any Loan Notes shall be outstanding, copies of the following documents may be inspected at the registered office of the Issuer, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- (i) the Memorandum and Articles of the Issuer;
- (ii) this Private Placing Memorandum (including the attached Application Form and Loan Note); and
- (iii) the audited annual financial statements of the Issuer.

PART VII

PROCEDURE FOR APPLICATION

The following should be read in conjunction with the Application Form.

1. Insert in the first space provided (in figures) in paragraph 1 the amount that you would like to subscribe. Applications must be for a minimum of £50,000 and, in excess of that number, be in multiples of £1,000. You should also select your preferred interest period (monthly, quarterly or annually) by checking the appropriate box.
2. Insert your full name (no initials please), address and contact details in BLOCK CAPITALS in the space provided in paragraph 8.
3. Date and sign the Application Form in the space provided in paragraph 10 of the Application Form. The Application Form may be signed by someone else on your behalf (and/or on behalf of any joint applicant) if duly authorised to do so, but the power(s) of attorney or a duly certified copy thereof must be enclosed for inspection.
4. If subscribing for Loan Notes with cash, attach a single cheque or banker's draft to your completed Application Form. Your cheque or banker's draft must be payable to the Issuer as detailed on the Application Form for the amount payable on application identified in your application form and should be crossed "A/C Payee". Should you wish to make payment electronically please make any payment in accordance with the details set out in the Application Form.
5. If subscribing for Loan Notes by way of surrender of Loan Notes II please identify those notes in the Application form and attach the relevant certificate representing the relevant notes.
6. Acknowledgments of acceptance of Noteholders' applications and confirmation of final allocations, together with the total subscription amount payable to the Issuer by telegraphic transfer or such other means as shall be agreed by the Issuer, will be dispatched as soon as reasonably practicable and shall be subject to the final decision of the Directors to issue the Loan Notes. Payment to the Issuer of the subscription monies shall be made following the issue of the Loan Notes.
7. In each case the cheque for the amount payable on application must be drawn in pounds sterling. If any application is not accepted the amount paid will be returned

without interest by cheque sent by post at the risk of the applicant(s). The Issuer reserves the right to:

- present all cheques for payment and to retain Loan Note certificates and surplus application monies pending clearance of applicants' cheques;
 - reject any application or to accept any application in part only on any basis it sees fit;
 - accept an application not complying with the requirements specified in these notes or in the Application Form; and
 - all cheques, certificates and other documents will be dispatched by post at the risk of the person(s) entitled to them.
8. You may apply jointly with one other person. You must then arrange for the Application Form to be completed by, or on behalf of, the joint applicant. Their full name, address and contact details should be inserted in BLOCK CAPITALS in the space provided in paragraph 8 and signature in paragraph 10. If anyone is signing on behalf of the joint applicant, the power of attorney or a duly certified copy must be enclosed for inspection.
9. You must send your completed Application Form by post to:
- Cherry Godfrey Consumer Funding III Limited
No. 1 Fountain Street
St. Peter Port
Guernsey
GY1 4AQ
10. On posting your Application Form, you are recommended to use first-class post and allow at least two Business Days for delivery.
11. The Application Form must be accompanied by the documents specified therein.

Private placing (the “Placing”) by Cherry Godfrey Consumer Funding III Limited (the “Issuer”) of up to £50,000,000 nominal value secured Loan Notes (“Loan Notes”).

Before making any application you are recommended to consult an independent financial adviser.

This Application Form should be read in conjunction with the private placing memorandum issued by the Issuer dated 20th October 2023 (“Private Placing Memorandum”) to which the Loan Note Instrument is attached.

APPLICATION FORM

You must send your completed Application Form and the relevant Due Diligence Questionnaire by post to Cherry Godfrey Consumer Funding III Limited, No. 1 Fountain Street, St. Peter Port, Guernsey GY1 4AQ, accompanied by:

- (a) for the proposed registered holder if a corporate entity:
- a certified copy of its register of members and, if any member holds more than 5% of the issued share capital of that company, such additional documentation as may be agreed with the Issuer.
 - a certified copy of the Certificate of Incorporation and Memorandum and Articles of Association/Incorporation; and
 - a certified copy of a current authorised signatory list.
- (b) for the proposed registered holder or beneficial owner is an individual (including the beneficiary of any trust of which the registered holder is a trustee):
- a certified copy of a current valid passport (specifically showing the pages showing personal details, signature and photograph); and
 - an original or certified copy of a utility bill confirming the residential address, please note this should be no more than 3 months old.
- (c) for the directors/partners of the proposed registered holder if a corporate entity:

- a certified copy of a current valid passport (specifically the pages showing the personal details, signature and photograph); and
- an original or certified copy of a utility bill confirming the residential address. Please note that this should be no more than three months old.

The subscription list opened at 11.00 a.m. on 20th June 2016 and may be closed by the Directors any time after that.

Terms defined in the Private Placing Memorandum issued by the Issuer on 15th January 2024 shall have the same meaning in this Application Form.

The terms in the Procedure for Application in the Private Placing Memorandum shall be treated as part of this Application Form and binding on Noteholders accordingly.

I/We offer irrevocably to subscribe for £_____ of Loan Notes (being a minimum of £50,000 and any excess being in multiples of £1,000) in respect of which this application may be accepted on the terms of and subject to the conditions of the Placing. I/We request that interest on the Loan Notes be payable:

Annually

Quarterly

Monthly

I/We request that the Loan Notes be redeemable on the last day of Issue Periods of:

12 months (and I/we note that I/we will need to provide one month's notice prior to such redemption)

36 months (and I/we note that I/we will need to provide six months' notice prior to such redemption)

60 months (and I/we note that I/we will need to provide six months' notice prior to such redemption)

1. I/We request that you send me/us a loan note certificate for the Loan Notes in respect of which this application may be accepted together with a cheque for any surplus money (without interest) by post at my/our risk to the address given below. I/We understand that the completion and delivery of the Application Form constitutes an undertaking that I/we will make payment into the Subscription Account identified in the Procedure for Application for the Loan Notes, of an amount up to the total shown above once confirmation of my/our final allocation and the subscription amount payable by me/us has been received by me/us and the conditions referred to in this Application Form have been satisfied.

2. I/We confirm that I/we have read, accepted and understood the terms and conditions set out in the Private Placing Memorandum, that I/we have taken appropriate professional advice before submitting this Application Form and that I am/we are aware of the risks involved in investing in the Loan Notes subject to the Placing. I/We further confirm that I am/we are investing in the Issuer on the basis only of the information contained in the Private Placing Memorandum which supersedes all other information (whether written or oral) concerning the Issuer and the Loan Notes or otherwise prior to the date of the Private Placing Memorandum and any such other information or representations must not be relied upon in subscribing for Loan Notes.

For investments by pension schemes, Clause 2 applies to the Scheme Member only.

3. I/we note that in order to redeem Loan Notes on the last day of their relevant Issue Period, I/we are required to provide the requisite notice to the Issuer (as detailed above) prior to the last day of the relevant Issue Period. I/we note that if I/we fail to provide such redemption notice to the Issuer, my/our Loan Notes will continue in issue for further consecutive Issue Periods of the same length as the original Issue Period for such Loan Notes until either (i) such Loan Notes are redeemed by the Issuer or (ii) I/we provide the Issuer with the requisite redemption notice in respect of the then current Issue Period.

4. I/We confirm that I/we understand that investment in the Loan Notes is not a deposit and that the Loan Notes do not fall within the scope of the Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance, 2008 and accordingly any loss arising from investment in the Loan Notes is not eligible for compensation under that Ordinance.

5. I/We confirm that I/we understand that as at the date of the Private Placing Memorandum, the issuance of the Loan Notes by the Issuer would not fall within the definition of “relevant financial services business” for the purposes of The Financial

Services Ombudsman (Bailiwick of Guernsey) Law 2014 as adapted by The Financial Services Ombudsman (Exempt Business) (Bailiwick of Guernsey) Order 2015 (the “FSO Law”) and accordingly a complaint made by a Noteholder in relation to the Loan Notes would not be an “eligible complaint” that would be dealt with by the Financial Services Ombudsman appointed by the FSO Law.

6. Regulatory authorities recommend that the promotion of unprotected products be restricted to certain types of investor. I/We confirm that I/we consider ourselves to belong to the following category:

I. Professional Investor

To fall within this category, the Applicant is any of the following:

- (a) a credit institution;
- (b) an investment firm;
- (c) an authorised or regulated financial institution;
- (d) an insurance company;
- (e) a collective investment scheme or manager of such scheme;
- (f) a pension fund or the manager of such fund;
- (g) a commodity or commodity derivatives dealer;
- (h) a member of a futures and option exchange;
- (i) any other institutional investor;
- (j) a corporate which has at any time during the last 2 years, called up share capital or net assets of at least £5million;
- (k) a corporate/entity that satisfies 2 out of the 3 following criteria; (i) balance sheet total of £10million; (ii) net turnover of £20million; or (iii) average number of employees during the last year of 250;
- (l) a partnership which has at any time during the last 2 years net assets of at least £5million; or
- (m) a trustee of a trust which has at any time during the last 2 years assets of at least £10million.

II. Retail clients classified as corporate finance contacts or venture capital contacts

To fall within this category, the Applicant does not meet the Professional Investor criteria above but does meet 2 out of the 3 following criteria:

- (1) has carried out at transactions in the loan note market at an average frequency of 10 transactions per quarter over the last four quarters;
- (2) has a financial instrument portfolio (including cash deposits and financial instruments), that exceeds £400,000; or
- (3) has worked in the financial sector for at least one year in a professional position that requires knowledge of loan notes.

III. Retail investor certified as either high net worth or sophisticated.

To fall within this category, the Applicant does not meet the Professional Investor criteria above but does meet one of the following criteria:

- (a) has an annual income to the value of £100,000 or more in the immediately preceding financial year;
- (b) has held net assets to the value of £250,000 or more in the immediately preceding financial year.

For the purposes of this category, “net assets” do not include:

- property which is the primary residence or any money raised through a loan on secured on such property
- any rights under a life policy insurance contract; and
- any benefits (in the form of pensions or otherwise) which are payable on the termination of service or on death or retirement and to which the Applicant (or its dependents are), or may be, entitled.

- (c) has made more than one investment in an unlisted company in the last two years;

(d) is working or has worked in the last two years in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises; or

(e) is currently or has been in the last two years a director of a company with an annual turnover of at least £1million.

IV. Retail investor

To fall within this category, the Applicant does not meet the Professional Investor criteria above or any of the other criteria listed in (II) or (III) above.

6(a) Declaration

Applicants who are retail investors who have ticked boxes (II), (III) or (IV) above are requested to read and sign the following declaration.

I/We confirm that I/we will not invest more than 10% of my/our net investable financial assets in Cherry Godfrey Consumer Funding Limited, Cherry Godfrey Consumer Funding II Limited and the Issuer.

Net investible assets for these purposes do not include:

- a) The property which is my primary residence or any money raised through a loan secured on that property.
- b) Any rights of mine under a qualifying contract of insurance; or
- c) Any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are) or may be entitled.

I/We accept that this investment may expose me to significant risk of losing all of the money invested. I am aware that it is open to me to seek appropriate financial advice in respect of the Loan Note offering.

Signature:	2 nd Signature:
Name:	2 nd Name:
Date:	Date:

7. I/We:

- agree that all Applications, acceptances of Applications and contracts resulting therefrom shall be governed in accordance with Guernsey law, and that I/we submit to the jurisdiction of the Guernsey courts and agree that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of, or in connection with, any such Applications, acceptances of Applications and contracts in any other manner permitted by law or any court of competent jurisdiction;
- irrevocably authorise the Issuer or any person authorised by the Issuer as its agent to do all things necessary to effect registration of any Loan Notes subscribed by, or issued to, me/us into my name/our names and authorise any representative of the Issuer to execute any document required therefor;
- agree that, having had the opportunity to read this Private Placing Memorandum, I/we shall be deemed to have had notice of all information and statements concerning the Issuer and the Loan Notes contained therein;
- confirm that I/we have read and reviewed the restrictions contained in paragraph 9 below and warrant that I am/we are not a "US Person" as defined in the United States Securities Act of 1933 (as amended) (the "Securities Act"), nor a resident of Canada and that I am/we are not applying for any Shares with a view to their offer, sale or delivery to or for the benefit of any US Person or a resident of Canada;

- agree that all documents and cheques sent by post to, by or on behalf of, the Issuer will be sent at the risk of the person entitled thereto;
 - agree that in the case of joint registered holders of Notes, the receipt of notices, principal or interest by any of the joint registered holders in relation to Notes shall be a valid discharge of the Issuer of its notice or payment obligations (as applicable) in relation to such Notes and instructions provided by any of the joint registered holders in relation to such Notes shall be binding on the other registered holder of such Notes;
 - agree, on request by the Issuer, to disclose promptly in writing to the Issuer any information which the Issuer may reasonably request in connection with my/our application including, without limitation, satisfactory evidence of identity to ensure compliance with any applicable law or regulation and authorise the Issuer to disclose any information relating to my/our Application as it considers appropriate in relation to compliance with any law or regulation;
 - agree, on request by the Issuer, to disclose promptly in writing to the Issuer any information which the Issuer may reasonably request in connection with my/our application including without limitation, satisfactory evidence of identity to ensure compliance;
 - declare that the Application Form has been completed to the best of my/our knowledge.
8. No person receiving a copy of this document or an Application Form in any territory other than Guernsey may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any regulations or other legal requirements. It is the responsibility of any person outside Guernsey wishing to make an Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
9. The Loan Notes have not been and will not be registered under the Securities Act and may not be offered or sold in the United States of America, its territories or possession or other areas subject to its jurisdiction (the “USA”). In addition, the

Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended. No application will be accepted if it bears an address in the USA.

10. The basis of allocation will be determined by the Issuer in its absolute discretion. The right is reserved to reject in whole in part and/or scale down any Application or any part thereof including, without limitation, Applications in respect of which any verification of identity which the Issuer considers may be required for the purposes of any applicable legislation and regulations) has not been satisfactorily supplied. The Issuer shall not be obliged to scale back Applications on a pro-rata or proportional basis.
11. In signing this Application, we agree that any Subscription Monies paid to the Issuer in respect of the Application shall be held by it on the following terms and the Issuer shall be entitled to repay those Subscription Monies to the Applicant upon being required to do so by any applicable law or legislation or the Issuer's internal compliance procedures.
The Issuer shall have no obligation to procure the payment of interest on Subscription Monies or to account to us for the same (if any).
12. Please register any Loan Notes allotted to me/us in my/our name(s):

Details	Please complete using BLOCK CAPITALS	Details of joint application, if applicable
Title (if individual)		
Full Name of individual (no initials) or full name of Corporate Trustee		
Any former names or other names used		
Full Address (including post code)		

Telephone		
Mobile Telephone		
Email		

13. I/We authorise the Directors of the Issuer and its advisers to contact me/us by telephone in connection with queries arising in connection with my/our Application Form.

14. Applicant Signature and Date:

Signature:	2 nd Signature:
Name:	2 nd Name:
Date:	Date:

15. Signature and Date of Scheme Member if application is through a Pension Scheme:

Signature:	2 nd Signature:
Name:	2 nd Name:
Date:	Date:

16. If subscribing for cash, please attach a single cheque or banker's draft to this completed application form. Your cheque or banker's draft must be payable to:

Cherry Godfrey Consumer Funding III Ltd for the amount payable on application identified in your application form and should be crossed "a/c payee". Should you wish to make payment electronically, please make any payment in accordance with the following details:

Account Name: Cherry Godfrey Consumer Funding III Ltd
Bank: Lloyds Bank
Account Number: 31402868
Sort Code: 30-93-73
IBAN: GB02 LOYD 3093 7331 4028 68
BIC: LOYDGGS1001

17. If subscribing by surrender of Loan Notes II please identify the relevant information in the box below and enclose the certificates representing the relevant Loan Notes II:

Certificate Number	Value	Date of Issue	Noteholder

By submitting this application you confirm that Cherry Godfrey Funding II Limited will be released from its obligation to repay the principle amount of the Loan Notes II identified above.

SOURCE OF FUNDS*

Please provide bank account details as to where any payments to or from Cherry Godfrey Consumer Funding V Limited will be made to or by you. Please note that any funds you transfer to the Issuer must come through this account otherwise we will be required to carry our further due diligence.

Bank Branch:

Address:

Sort Code:

Account Number:

SOURCE OF WEALTH*

Please provide a description of your source of wealth (i.e. how and where your overall wealth has been generated e.g. employment, inheritance etc.). If necessary please use a continuation sheet.

*We may request additional information and/or documentary evidence to support the details provided above.

Individual Self-Certification for FATCA and CRS

We are obliged under Income Tax Regulations to report non domestic transactions under the "Foreign Account Tax Compliance Act". FATCA regulations require tax authorities to obtain detailed account information for US taxpayers on an annual basis.

The "Common Reporting Standard" CRS, developed by the (OECD), is a global reporting standard. The goal of CRS is to allow tax authorities to obtain a clearer understanding of financial assets held abroad by their residents, for tax purposes.

Instructions for completion

Please complete the sections below as indicated and provide any additional information that is requested. Please note that in certain circumstances we may be legally obliged to share this information, and other financial information with respect to an account holders interests with relevant tax authorities.

If you have any questions about this form or defining the account holders tax residency status, please refer to the OECD CRS Portal or speak to a tax adviser.

If any of the information below about the account holders tax residence or FATCA/CRS classification changes in the future, please advise of these changes within 14 days.

Please note that where there are joint or multiple account holders each account holder is required to complete below.

Sections 1 to 4 must be completed by all account holders.

*(Mandatory fields are marked with an *)*

Section 1: Identification of Individual Account Holder

Family Name or Surname*: _____ Date of Birth*: _____

First or Given Name*: _____ Title: _____

Address: _____

Postal/ZIP Code: _____ Country*: _____

Town or City of Birth*: _____ Country of Birth*: _____

Section 1a: Identification of Individual Account Holder (joint applicant)

Family Name or Surname*: _____ Date of Birth*: _____

First or Given Name*: _____ Title: _____

Address: _____

Postal/ZIP Code: _____ Country*: _____

Town or City of Birth*: _____ Country of Birth*: _____

Section 2: FATCA Declaration of U.S. Citizenship or U.S. Residence for Tax purposes*:

Please tick either (a), (b) or (c) and complete as appropriate.

(a) I confirm that I am a U.S. citizen and/or resident in the U.S. for tax purposes and my U.S. federal taxpayer identifying number (U.S. TIN) is as follows:

_____ / _____

(b) I confirm that I was born in the U.S. (or a U.S. territory) but I am no longer a U.S. citizen as I have voluntarily surrendered my citizenship as evidenced by the enclosed documents.

(c) I confirm that I am not a U.S. citizen or resident in the U.S. for tax purposes.

Section 3: CRS Declaration of Tax Residency (please note you may chose more than one country)*

Please indicate your country of tax residence (if resident in more than one country please detail all countries of tax residence and associated taxpayer identification numbers ("TIN"). Please see the CRS Portal for more information on Tax Residency.

Country of Tax Residency	Social Security Number
1	1
2	2

NOTE: If a TIN is not available please provide a functional equivalent (such as your social security, national insurance, citizen, personal identification or a resident registration number). If no TIN or functional equivalent is available for any of the jurisdictions listed please advise the reason why (such as the jurisdiction does not issue such numbers) below:

Please see the CRS Portal for further information on the issuance rules for TINs and their format. <http://www.oecd.org/tax/automatic-exchange/>

Section 4: Declaration and Undertakings:

I declare that the information provided in this form is, to the best of my knowledge and belief, accurate and complete.

I acknowledge that the information contained in this form and information regarding the Account Holder may be reported to the tax authorities of the country in which this account(s) is/are maintained and exchanged with tax authorities of another country or countries in which the Account Holder may be tax resident where those countries (or tax authorities in those countries) have entered into Agreements to exchange financial account information.

I undertake to advise Cherry Godfrey Consumer Funding V Ltd within 14 days of any change in circumstances which causes any of the information contained in this form to be incorrect, and to provide an updated self- certification form.

Authorised Signature 1 *: _____

Print Name*: _____

Authorised Signature 2 *: _____

Print Name*: _____

Date: (dd/mm/yyyy)*: _____

Note: If you are not the account holder please indicate the capacity in which you are signing the form. If signing under a power of attorney please also attach a certified copy of the power of attorney.

Capacity*: _____