

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

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS PROSPECTUS MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). ANY FORWARDING, ANY OTHER DISTRIBUTION OR ANY REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

**Confirmation of your Representation:** In order to be eligible to view this Prospectus or make an investment decision with respect to the securities, you must be a person other than a U.S. person (a “U.S. Person”) (within the meaning of Regulation S under the Securities Act) who is outside the United States. By accepting the email and accessing this Prospectus, you shall be deemed to have represented to us that you and any customers you represent are not a U.S. Person; the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the U.S., its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of this Prospectus by electronic transmission.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus to any other person.

Any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any underwriter or any affiliate of any underwriter is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by the underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction where it is unlawful to do so.



**The Wellcome Trust Limited**

*(incorporated in England and Wales under the Companies Acts 1985 to 1989 with registered number 2711000)*

**€400,000,000 1.125 per cent. Bonds due 2027**

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**Issue Price 98.681 per cent.**

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The €400,000,000 1.125 per cent. Bonds due 2027 (the “Bonds”) will be issued by The Wellcome Trust Limited (the “Issuer”) (in its capacity as trustee of the Wellcome Trust, a charity registered with the Charity Commission for England and Wales with registered charity number 210183 (the “Wellcome Trust”).

Interest on the Bonds is payable annually in arrear on 21 January in each year. If payments on the Bonds are subject to withholding or deduction for or on account of taxes of the United Kingdom, such payments will be increased to the extent and in the circumstances described under “Terms and Conditions of the Bonds – Taxation”.

The Bonds will mature on 21 January 2027 but may be redeemed before that date at the option of the Issuer (in its capacity as trustee of the Wellcome Trust) in whole but not in part at any time at a redemption price which is equal to the higher of (i) their principal amount and (ii) a price calculated by reference to the yield on the relevant German Bundesobligationen, plus 0.15 per cent., in each case, together with accrued interest. See “Terms and Conditions of the Bonds – Redemption and Purchase”. The Bonds are also subject to redemption in whole but not in part, at their principal amount, together with accrued interest, at the option of the Issuer (in its capacity as trustee of the Wellcome Trust) at any time in the event of certain changes affecting taxes of the United Kingdom. See “Terms and Conditions of the Bonds – Redemption and Purchase”.

This Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under Directive 2003/71/EC, as amended (including the amendments made by Directive 2010/73/EU) (the “Prospectus Directive”). This Prospectus constitutes a prospectus for the purposes of the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to The Irish Stock Exchange Plc (the “Irish Stock Exchange”) for the Bonds to be admitted to its official list (the “Official List”) and trading on the Main Securities Market of the Irish Stock Exchange (the “Market”). References in this Prospectus to Bonds being “listed” (and all related references) shall mean that the Bonds have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Bonds will initially be represented by a temporary global bond (the “Temporary Global Bond”), without interest coupons, which will be issued in new global note (“NGN”) form as they are intended to be eligible collateral for Eurosystem monetary policy. The Temporary Global Bond will be delivered on or prior to 21 January 2015 to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”). The Temporary Global Bond will be exchangeable for interests in a permanent global bond (the “Permanent Global Bond” and together with the Temporary Global Bond, the “Global Bonds”), without interest coupons, on or after a date which is expected to be 3 March 2015 upon certification as to non-U.S. beneficial ownership. The Permanent Global Bond will be exchangeable for definitive Bonds in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000 in the limited circumstances set out in it. No definitive Bonds will be issued with a denomination above €199,000. See “Summary of Provisions relating to the Bonds while in Global Form”.

The Bonds will be rated Aaa by Moody’s Investors Service Limited (“Moody’s”) and AAA by Standard & Poor’s Credit Market Services Europe Limited (“Standard & Poor’s”). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Standard & Poor’s and Moody’s are established in the EU and are registered under Regulation (EC) No. 1060/2009.

The Bonds may not be offered, sold or delivered within the United States or to U.S. Persons unless the Bonds are registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or an exemption from the registration requirements under the Securities Act is available. The Bonds have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. For a further description of certain restrictions on the offering and sale of the Bonds and on distribution of this Prospectus see “Subscription and Sale” below.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus. This Prospectus does not describe all the risks of an investment in the Bonds.

**Joint Lead Managers**

**BofA Merrill Lynch**

**J.P. Morgan**

**Morgan Stanley**

This Prospectus comprises a prospectus for the purposes of the Prospectus Directive and for the purpose of giving information with regard to the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust, the Wellcome Trust and its subsidiaries taken as a whole (the “Group”) and the Bonds which according to the particular nature of the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust, the Group and the Bonds is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust and the Group and of the rights attaching to the Bonds. The Issuer (in its capacity as trustee of the Wellcome Trust) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (in its capacity as trustee of the Wellcome Trust) (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “Documents Incorporated by Reference”). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, the Prospectus.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as an offer of, or an invitation by or on behalf of the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust or the Joint Lead Managers (as defined in “Subscription and Sale” below) to subscribe or purchase any of the Bonds. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of further restrictions on offers and sales of Bonds and distribution of this Prospectus see “Subscription and Sale” below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer (in its capacity as trustee of the Wellcome Trust) or the Wellcome Trust since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer (in its capacity as trustee of the Wellcome Trust) or the Wellcome Trust since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, the Joint Lead Managers accept no responsibility whatsoever for the contents of this Prospectus. Each Joint Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus.

In this Prospectus, references to (a) “€”, “Euro” and “EUR” shall be construed as references to the lawful single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, (b) “£”, “pounds” and “Sterling” are to the lawful currency of the United Kingdom and (c) “US Dollar” are to the lawful currency of the United States of America.

**In connection with the issue of the Bonds, Morgan Stanley & Co. International plc (the “Stabilising Manager”) or any person acting on behalf of the Stabilising Manager may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.**

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## RISK FACTORS

*Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus prior to making any investment decision with respect to the Bonds. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer (in its capacity as trustee of the Wellcome Trust) or the Wellcome Trust which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Bonds. In addition, each of the risks highlighted below could adversely affect the trading price of the Bonds or the rights of investors under the Bonds and, as a result, investors could lose some or all of their investment.*

*Prospective investors should note that there may be other risks inherent in investing in the Bonds other than those described below. The Issuer (in its capacity as trustee of the Wellcome Trust) has described only those risks relating to its and the Wellcome Trust's operations that it considers to be the principal risks inherent in investing in the Bonds. There may be additional risks that it currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### **Risk Factors relating to the Issuer and the Wellcome Trust**

#### *Recovery from the Wellcome Trust*

If the Issuer (in its capacity as trustee of the Wellcome Trust) were unable to satisfy its obligations under the Bonds, Bondholders would have recourse to the assets of the Wellcome Trust. As the Wellcome Trust is not a separate legal person, the Bonds are issued by the Issuer in its capacity as trustee of the Wellcome Trust.

In accordance with the constitution of the Wellcome Trust, a person (the "Creditor") who deals with the Issuer (in its capacity as trustee of the Wellcome Trust) in good faith and for value where the Issuer states that it is acting as trustee of the Wellcome Trust shall, in respect of any liability of the Issuer arising out of such dealing, have unlimited direct recourse to the assets from time to time of the Wellcome Trust and be entitled to be fully indemnified out of the assets of the Wellcome Trust notwithstanding the existence of any indebtedness or liabilities owed to the Wellcome Trust by the Issuer or any successor trustee (whether incurred as trustee of the Wellcome Trust or otherwise), where the dealing arises out of a written contract which refers to the Creditor having the benefit of the relevant provision of the constitution of the Wellcome Trust.

The Trust Deed specifies that Bondholders shall have the benefit of that provision of the constitution of the Wellcome Trust. Accordingly, Bondholders should be entitled to unlimited direct recourse to the assets from time to time of the Wellcome Trust, subject to the dealing by or on behalf of Bondholders being in good faith and for value.

#### *Assets of the Wellcome Trust*

The liability of the Issuer under the Trust Deed is limited to the assets from time to time in the hands, or under the control, of the Issuer (in its capacity as trustee of the Wellcome Trust). Catastrophic loss of one or more assets within the portfolio, inadequate liquidity and lack of protection against the impact of inflation, among other things, could impact on the ability of the Issuer (in its capacity as trustee of the Wellcome Trust) to make payments to Bondholders under the Bonds. Investment markets are from time to time highly volatile and accordingly there can be no certainty that the value of the assets of the Wellcome Trust will not suffer a significant reduction during the life of the Bonds.

#### *Key personnel*

The Wellcome Trust has recently made a number of new appointments to its Executive Board, and is also beginning the search for a new Chairman, as the current Chairman's term of office will finish in April 2016. This, or other changes to the identity of the Governors of the Issuer (in its capacity as trustee of the Wellcome Trust) or other key personnel at the Wellcome Trust, could lead to destabilisation of the Wellcome Trust's culture and impact its ability to meet its strategic objectives which could, in turn, affect the ability of the Issuer (in its capacity as trustee of the Wellcome Trust) to fulfil its obligations in respect of the Bonds.

### *Functional currency of the Wellcome Trust*

The Wellcome Trust manages its investment portfolio against a combined Sterling and US Dollar benchmark, while payments under the Bonds are denominated in Euro. While the Wellcome Trust typically holds some assets denominated in Euro, or otherwise seeks to manage its foreign exchange exposure including through the use of derivative financial instruments, a significant change in exchange rates could impact on the ability of the Issuer (in its capacity as trustee of the Wellcome Trust) to make payments to Bondholders under the Bonds.

### *Regulatory intervention*

The Wellcome Trust is regulated by the Charity Commission. The Charity Commission has power under the Charities Act 2011 to institute inquiries into charities and, if it finds evidence of misconduct or mismanagement in the administration, or otherwise believes it is necessary to protect the property, of a charity, it may, amongst other things:

- remove the charity trustees and appoint new charity trustees in their place; or
- establish a scheme for the administration of the charity.

Pending the outcome of any such investigation, the Charity Commission has power to:

- suspend the charity trustees;
- vest the charity's property in the Official Custodian;
- order any person holding the charity's property not to part with it without the permission of the Charity Commission; or
- restrict the transactions that may be entered into or payments made by a charity without the approval of the Charity Commission.

Any such action by the Charity Commission may have a detrimental effect on the ability of the Issuer (in its capacity as trustee of the Wellcome Trust) to make payments to satisfy obligations to the Bondholders.

### **Risk Factors relating to the Bonds**

#### *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 should:

- (i) have 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) have 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 such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

## **Risk Factors relating to the structure of the Bonds**

### *Redemption by the Issuer*

The Issuer (in its capacity as trustee of the Wellcome Trust) may, in the circumstances set out in Condition 5 of the Terms and Conditions of the Bonds (the “Conditions” and references in this Prospectus to any numbered Condition being construed accordingly), redeem the Bonds prior to their stated maturity date. Depending on prevailing market conditions at the time, an investor receiving the proceeds of an early redemption of the Bonds may not be able to reinvest those proceeds in a comparable security at an effective interest rate as high as that carried by the Bonds.

### *Modification, waivers and substitution*

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Bondholders or Couponholders and subject to the provisions of the Trust Deed, agree to (i) any modification (except as mentioned in the Trust Deed), waiver or authorisation of any breach, or proposed breach, of any of the provisions of the Bonds which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders or (ii) determine without the consent of the Bondholders that any Event of Default or Potential Event of Default (in each case, as defined in the Trust Deed) shall not be treated as such if in the opinion of the Trustee it is not materially prejudicial to the interests of Bondholders to do so or (iii) the substitution of certain other entities as principal debtor under the Bonds in place of the Issuer (in its capacity as trustee of the Wellcome Trust), in each case in the circumstances described in Condition 11.

### *EU Savings Directive*

The European Union has adopted a Directive regarding the taxation of savings income (the “Savings Directive”). The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or to certain other persons in that other Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise.

The Council of the European Union has adopted a Directive (the “Amending Directive”) amending the Savings Directive, which will, when implemented, inter alia, broaden (i) the scope of the information reporting or withholding requirements to include payments to (or for the benefit of) an entity or legal arrangement having its place of effective management in a Member State and not being subject to effective taxation, (ii) the circumstances in which an economic operator, entity or legal arrangement may be required to report information or withhold tax, (iii) the types of payment to which the Savings Directive applies and (iv) the circumstances in which an individual resident in a Member State is to be treated as the beneficial owner of such payments. The Amending Directive requires Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

A number of third countries and territories have adopted similar measures to the Savings Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer (in its capacity as trustee of the Wellcome Trust), nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to the Bonds as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in Member States, such withholding may occur in a wider range of circumstances than at present, as explained above. Pursuant to Condition 6 in the case of definitive Bonds the Issuer (in its capacity as trustee of the Wellcome Trust) has agreed to maintain a Paying Agent with a specified office in a Member State that will not be obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced to conform to, such Directive, which may mitigate an element of this risk if the Bondholder or Couponholder (as applicable) is able to



arrange for payment through such a Paying Agent. However, investors should choose their custodians and intermediaries with care, and provide each custodian and intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

*Definitive Bonds will not be issued in integral multiples of less than €100,000*

The denominations of the Bonds are €100,000 plus integral multiples of €1,000 in excess thereof, up to and including €199,000. Therefore it is possible that the Bonds may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such a case a Bondholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 will not receive a definitive Bond in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that its holding amounts to at least €100,000.

### **Risk Factors relating to the market generally**

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

#### *The secondary market generally*

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. 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. Although application has been made for the Bonds to be admitted to listing on the Official List and to trading on the Market, there is no assurance that such application will be accepted or that an active trading market will develop. Illiquidity may have a severely adverse effect on the market value of Bonds.

#### *Interest rate risks*

Investment in the Bonds, which are fixed rate obligations, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

#### *Exchange rate risks and exchange controls*

The Issuer (in its capacity as trustee of the Wellcome Trust) will pay principal and interest on the Bonds in Euro. 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 Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Euro 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 and restrict the free movement of currency. As a result, investors may receive less interest or principal than expected.

#### *Euro and Eurozone Risk*

Market perceptions concerning the instability of the Euro, the potential re-introduction of individual currencies within the Eurozone, or the potential dissolution of the Euro entirely, could adversely affect the value of the Bonds.

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "EFSF") and the European Financial Stability Mechanism (the "EFSM") to provide funding to Eurozone countries in financial difficulties that seek such support.

Despite these measures, some residual concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the Euro and the suitability of the Euro as a single currency given the diverse economic and political circumstances in



individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, or, in more extreme circumstances, the possible dissolution of the Euro entirely. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Bonds.

*Credit ratings may not reflect all risks*

The Bonds will be rated Aaa by Moody's and AAA by Standard & Poor's. The ratings assigned to the Bonds may not reflect the potential impact of all risks related to factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any adverse change in an applicable credit rating could affect the trading price for the Bonds.

*As the Global Bonds are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer (in its capacity as trustee of the Wellcome Trust).*

The Bonds will be represented by the Global Bonds and, except in certain limited circumstances described in the Permanent Global Bond, investors will not be entitled to receive definitive Bonds. The Global Bonds will be deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Bonds. While the Bonds are represented by the Global Bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer (in its capacity as trustee of the Wellcome Trust) will discharge its payment obligations under the Bonds by procuring that payments are made to the Common Safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer (in its capacity as trustee of the Wellcome Trust) has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bonds.

Holders of beneficial interests in the Global Bonds will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

*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) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with (i) the audited financial statements of the Issuer for each of the financial years ended 30 September 2013 and 30 September 2014, (ii) the audited consolidated financial statements of the Wellcome Trust for each of the financial years ended 30 September 2013 and 30 September 2014, together in each case with the audit report thereon, contained in their respective 2013 and 2014 Annual Reports and Financial Statements and (iii) the “Review of Investment Activities” section of the Trustee Report of the Wellcome Trust contained in its 2014 Annual Report and Financial Statements, in each case which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Central Bank. Such documents shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Those parts of the documents incorporated by reference which are not specifically incorporated by reference herein are either not relevant for proposed investors or the information is included elsewhere in this Prospectus.

Physical copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer. Electronic copies of such documents will also be available in electronic form at the following web addresses:

In respect of the following documents:

- (a) the 2014 consolidated financial statements for the Wellcome Trust (contained in its 2014 Annual Report and Financial Statements);
- (b) the 2014 Financial Statements for the Issuer (contained in its Annual Report and Financial Statements for the Year ended 30 September 2014); and
- (c) the “Review of Investment Activities” section of the Trustee Report of the Wellcome Trust (contained in its 2014 Annual Report and Financial Statements):

<http://www.wellcome.ac.uk/About-us/Publications/Annual-Report-and-Financial-Statements>

In respect of the following documents:

- (a) the 2013 consolidated financial statements for the Wellcome Trust (contained in its 2013 Annual Report and Financial Statements); and
- (b) the 2013 Financial Statements for the Issuer (contained in its Annual Report and Financial Statements for the Year ended 30 September 2013):

<http://www.wellcome.ac.uk/About-us/Publications/Annual-Report-and-Financial-Statements/Previous>

## TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the terms and conditions of the Bonds which (subject to amendment) will be endorsed on each Bond in definitive form (if issued):*

The €400,000,000 1.125 per cent. Bonds due 2027 (the “Bonds”, which expression shall in these Terms and Conditions (the “Conditions”), unless the context otherwise requires, include any further bonds issued pursuant to Condition 14 and forming a single series with the Bonds) of the Issuer (in its capacity as trustee of the Wellcome Trust) are constituted by a Trust Deed (the “Trust Deed”) dated 21 January 2015 between the Issuer (in its capacity as trustee of the Wellcome Trust) and Citicorp Trustee Company Limited (the “Trustee” which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds (the “Bondholders”). The issue of the Bonds was authorised by: (i) a resolution of the Board of Governors of the Issuer (in its capacity as trustee of the Wellcome Trust) passed on 16 December 2014 and (ii) a resolution of the Bond Issuance Committee of the Issuer (in its capacity as trustee of the Wellcome Trust) passed on 13 January 2015. These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds and the coupons (the “Coupons”) relating to them. Copies of the Trust Deed, and of the Paying Agency Agreement dated 21 January 2015 relating to the Bonds between the Issuer (in its capacity as trustee of the Wellcome Trust), the Trustee and the initial principal paying agent and paying agents named in it (the “Paying Agency Agreement”), are available for inspection during usual business hours at the principal office of the Trustee (being, on the date of issue of the Bonds, at Citigroup Centre, Canada Square, London E14 5LB) and at the specified offices of the principal paying agent for the time being (the “Principal Paying Agent”) and the paying agents for the time being (the “Paying Agents”, which expression shall include the Principal Paying Agent). The Bondholders and the holders of the Coupons (whether or not attached to the relevant Bonds) (the “Couponholders”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Paying Agency Agreement.

For the purposes of these Conditions “Wellcome Trust” means the Wellcome Trust, a charity registered with the charity commission for England and Wales with registered charity number 210183.

### **1. Form, Denomination and Title**

- (a) **Form and denomination:** The Bonds are serially numbered and in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000 each with Coupons attached on issue. No definitive Bonds will be issued with a denomination above €199,000. Bonds of one denomination may not be exchanged for Bonds of any other denomination.
- (b) **Title:** Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

### **2. Status**

**Status:** The Bonds and Coupons constitute direct, unconditional and (subject to Condition 3) unsecured obligations of the Issuer (in its capacity as trustee of the Wellcome Trust) and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer (in its capacity as trustee of the Wellcome Trust) under the Bonds and Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### **3. Negative Pledge**

So long as any Bond or Coupon remains outstanding (as defined in the Trust Deed), the Issuer (in its capacity as trustee of the Wellcome Trust) will not create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (other than arising solely by operation of law) (each a “Security Interest”), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) or the present or future undertaking, assets or revenues of the Wellcome Trust to secure any Relevant Indebtedness, or payment under any guarantee or indemnity granted by the Issuer

(in its capacity as trustee of the Wellcome Trust) in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Issuer's obligations under the Bonds, the Coupons and the Trust Deed the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity to the satisfaction of the Trustee or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

Notwithstanding the foregoing provisions of this Condition 3, the Issuer (in its capacity as trustee of the Wellcome Trust) may create or have outstanding any such Security Interest to secure Relevant Indebtedness or payment under any such guarantee or indemnity in respect of any Relevant Indebtedness where the aggregate principal amount of the Relevant Indebtedness so secured or in respect of which the relevant guarantee or indemnity is given does not exceed 5 per cent. of the aggregate amount of the consolidated net assets of the Wellcome Trust as shown in the then most recently prepared audited consolidated financial statements of the Wellcome Trust.

For the purpose of these Conditions:

- (i) "Indebtedness" shall be construed so as to include any obligation for the payment or repayment of money, whether present or future, actual or contingent; and
- (ii) "Relevant Indebtedness" means any Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

#### **4. Interest**

The Bonds bear interest from and including 21 January 2015 at the rate of 1.125 per cent. per annum, payable annually in arrear on 21 January in each year, commencing 21 January 2016 (each an "Interest Payment Date"). Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (b) the day seven days after the date on which the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined below) the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

The period beginning on and including 21 January 2015 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "Interest Period".

Interest in respect of any Bond shall be calculated per €1,000 in principal amount of the Bonds (the "Calculation Amount"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of 1.125 per cent., the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

#### **5. Redemption and Purchase**

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 21 January 2027. The Bonds may not be redeemed at the option of the Issuer (in its capacity as trustee of the Wellcome Trust) other than in accordance with this Condition 5.
- (b) **Redemption for taxation reasons:** Unless the Issuer (in its capacity as trustee of the Wellcome Trust) has already given notice of redemption pursuant to Condition 5(c), the Bonds may be redeemed at the option of the Issuer (in its capacity as trustee of the Wellcome Trust) in whole, but not in part, at any

time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer (in its capacity as trustee of the Wellcome Trust) satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 21 January 2015, and (ii) such obligation cannot be avoided by the Issuer (in its capacity as trustee of the Wellcome Trust) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (in its capacity as trustee of the Wellcome Trust) would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer (in its capacity as trustee of the Wellcome Trust) shall deliver to the Trustee a certificate signed by an Authorised Person of the Issuer (in its capacity as trustee of the Wellcome Trust) stating that the obligation referred to in (i) above has arisen and cannot be avoided by the Issuer (in its capacity as trustee of the Wellcome Trust) taking reasonable measures available to it, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above (without liability to any person), in which event it shall be conclusive and binding on the Bondholders and the Couponholders.

For the purposes of these Conditions "Authorised Person" means a Governor of the Issuer (in its capacity as trustee of the Wellcome Trust) or any other person as may be duly authorised from time to time to act on behalf of the Issuer (in each case in its capacity as trustee of the Wellcome Trust) and certified to the Trustee in writing by a Governor of the Issuer as being so duly authorised.

- (c) **Redemption at the option of the Issuer:** The Issuer (in its capacity as trustee of the Wellcome Trust) may, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (the "Optional Redemption Date")), redeem all, but not some only, of the Bonds at a redemption price per Bond equal to the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date:

- (i) the principal amount of the Bond; and
- (ii) the principal amount of the Bond multiplied by the price (as reported in writing to the Issuer (in its capacity as trustee of the Wellcome Trust) and the Trustee by a financial adviser appointed by the Issuer (in its capacity as trustee of the Wellcome Trust) and approved by the Trustee) expressed as a percentage (rounded to four decimal places, 0.00005 being rounded upwards) at which the Gross Redemption Yield on the Bonds on the Calculation Date is equal to the Gross Redemption Yield at 11.00 a.m. (Central European time) on the Calculation Date of the 1.000 per cent. German Bundesobligationen due 15 August 2024 (or, where such financial adviser advises the Issuer (in its capacity as trustee of the Wellcome Trust) and notifies the Trustee that, for reasons of illiquidity or otherwise, such Stock is not appropriate for such purpose, such other German government stock as such financial adviser may recommend) plus 0.15 per cent. For such purposes, "Calculation Date" means the date which is the second Currency Business Day prior to the Optional Redemption Date and "Gross Redemption Yield" means a yield calculated in accordance with generally accepted market practice at such time, as advised to the Issuer (in its capacity as trustee of the Wellcome Trust) and notified to the Trustee by such financial adviser.

Any notice of redemption given under this Condition 5(c) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 5(b).

For the purposes of this Condition and Condition 6(d) below:

"Currency Business Day" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and the TARGET System is operating; and

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor



thereto.

- (d) **Notice of redemption:** All Bonds in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.
- (e) **Purchase:** The Issuer (in its capacity as trustee of the Wellcome Trust) and any Subsidiary (as defined in Condition 8 below) may at any time purchase Bonds in the open market or otherwise at any price (provided that they are purchased together with all unmatured Coupons relating to them). The Bonds so purchased, while held by or on behalf of the Issuer (in its capacity as trustee of the Wellcome Trust) or any Subsidiary or otherwise on behalf of the Wellcome Trust, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 8, 11(a) and 12.
- (f) **Cancellation:** All Bonds so redeemed or purchased and any unmatured Coupons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

## **6. Payments**

- (a) **Method of Payment:** Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent. Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.
- (b) **Payments subject to laws:** Payments will be made at the specified office of any Paying Agent, at the option of the holder, by Euro cheque drawn on, or by transfer to a Euro account maintained by the payee with, a bank in a city in which banks have access to the TARGET system. Save as provided in Condition 7, payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer (in its capacity as trustee of the Wellcome Trust) or its agents agree to be subject and the Issuer (in its capacity as trustee of the Wellcome Trust) will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.
- (c) **Unmatured Coupons:** Upon the due date for redemption of any Bond, unmatured Coupons relating to such Bond (whether or not attached) shall become void and no payment shall be made in respect of such Coupons. Where any Bond is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer (in its capacity as trustee of the Wellcome Trust) may require.
- (d) **Payments on business days:** A Bond or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a Euro account, a day which is a Currency Business Day). No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition “business day” means a day on which commercial banks and foreign exchange markets are open in the relevant city.
- (e) **Paying Agents:** The initial Paying Agents and their initial specified offices are listed below. The Issuer (in its capacity as trustee of the Wellcome Trust) reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will maintain (i) a Principal Paying Agent, (ii) Paying Agents having specified offices in at least two major European cities and (iii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC (as amended from time to time) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Bondholders by the Issuer. In no event may payment of principal or interest be made upon presentation of a Bond or Coupon at an office of a Paying Agent within the United States of America, Puerto Rico, the United States Virgin Islands, Guam, American Samoa, Wake Island, or the Northern Mariana Islands.



## 7. *Taxation*

All payments of principal and interest by or on behalf of the Issuer (in its capacity as trustee of the Wellcome Trust) in respect of the Bonds and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer (in its capacity as trustee of the Wellcome Trust) shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

- (a) **Other connection:** by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Bond or Coupon; or
- (b) **Non-residence or other similar exemption:** where such withholding or deduction would not have been required had the holder made a declaration of beneficial ownership of the relevant Bond or Coupon and of non-residence or other similar claim for exemption to the relevant tax authority or to any other relevant person; or
- (c) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days; or
- (d) **Payment to individual:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) **Payment by another Paying Agent:** by or on behalf of a Bondholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

“Relevant Date” means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

## 8. *Events of Default*

If any of the following events occurs, the Trustee at its discretion may, and if so requested by holders of at least one quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer (in its capacity as trustee of the Wellcome Trust) that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest:

- (a) **Non-Payment:** default is made in the payment of any interest on any of the Bonds when due and such default continues for a period of 14 days; or
- (b) **Breach of Other Obligations:** the Issuer (in its capacity as trustee of the Wellcome Trust) does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after written notice of such default shall have been given by the Trustee to the Issuer (in its capacity as trustee of the Wellcome Trust); or
- (c) **Cross-Default:** save in any case where the Issuer (in its capacity as trustee of the Wellcome Trust) or the relevant Material Subsidiary, as the case may be, is contesting its obligation to make the relevant

payment in good faith and based on appropriate legal advice obtained by it, (i) any other present or future indebtedness of the Issuer (in its capacity as trustee of the Wellcome Trust) or any Material Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer (in its capacity as trustee of the Wellcome Trust) or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantee and/or indemnity in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds £100,000,000 or its equivalent; or

- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any (in the opinion of the Trustee) material part of the property, assets or revenues of the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust or any Material Subsidiary and is not discharged or stayed within 60 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by (i) the Issuer (in its capacity as trustee of the Wellcome Trust) or any Material Subsidiary in respect of all or any (in the opinion of the Trustee) material part of its property, assets or revenues or (ii) the Issuer (in its capacity as trustee of the Wellcome Trust) in respect of all or any (in the opinion of the Trustee) material part of the property, assets or revenues of the Wellcome Trust becomes enforceable and in the case of (i) or (ii) any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person) and in any such case is not removed, paid out or discharged within 30 days (or such longer period as the Trustee may permit); or
- (f) **Insolvency:** the Issuer or any Material Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt (as applicable) or unable to pay its debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Trustee) a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any part which it will or might otherwise be unable to pay when due), 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 the debts of the Issuer or any Material Subsidiary; or
- (g) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any Material Subsidiary, or the Issuer 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 in connection with an amalgamation, reconstruction, reorganisation, merger, consolidation, transfer or contribution of assets or other similar transaction (i) on terms previously approved by the Trustee in writing 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 Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust or another Subsidiary; or
- (h) **Liabilities of the Issuer (in its capacity as trustee of the Wellcome Trust) exceeding assets etc.:** (i) (A) the assets of the Wellcome Trust (or any successor in business (as defined in the Trust Deed) of the Wellcome Trust) which are in the hands or under the control of the Issuer (in its capacity as trustee of the Wellcome Trust or any such successor in business, as the case may be) (or any successor as trustee of the Wellcome Trust or any such successor in business, as the case may be) are insufficient to meet the liabilities of the Issuer (in its capacity as trustee of the Wellcome Trust or any such successor in business, as the case may be) (or any successor as trustee of the Wellcome Trust or any such successor in business, as the case may be) as they fall due or (B) the assets of any successor in business of the Wellcome Trust are insufficient to meet the liabilities of such successor in business as they fall due or (ii) the Wellcome Trust (or any successor in business of the Wellcome Trust) ceases to carry on all or substantially all of its activities, in each case except for the purposes of or in connection with an amalgamation, reconstruction, reorganisation, merger, consolidation, transfer or contribution of assets or other similar transaction in respect of the Issuer (in its capacity as trustee of the Wellcome Trust or any such successor in business, as the case may be) (or any successor as trustee of the Wellcome Trust or any such successor in business, as the case may be) or the Wellcome Trust (or any successor in business of the Wellcome Trust) which is previously approved by the Trustee in writing or by an

Extraordinary Resolution of the Bondholders; or

- (i) **Sole trustee:** The Issuer (in its capacity as trustee of the Wellcome Trust) (or any successor in business or, if applicable, any Substitute Obligor (as defined in Condition 11(c)) shall cease to be the sole trustee of the Wellcome Trust other than on terms previously approved by an Extraordinary Resolution of the Bondholders; or
- (j) **Charities Act:** the Charity Commission intervenes or threatens to intervene in the administration of the Wellcome Trust under sections 76 – 87 of the Charities Act.

provided that in the case of paragraphs (b), (i) and (j) above the Trustee shall have certified in writing that in its opinion such event is materially prejudicial to the interests of the Bondholders.

For the purposes of this Condition:

“Charitable Entity” means an entity registered as a charity under the Charities Act or any equivalent legislation in any other jurisdiction;

“Charities Act” means the Charities Act 2011 as amended, modified or re-enacted from time to time or any substitute legislation governing the regulation of the Wellcome Trust from time to time;

“Charity Commission” means the Charity Commission for England and Wales or any successor from time to time for the purposes of the Charities Act;

“Material Subsidiary” means any Subsidiary (other than a Charitable Entity):

- (i) whose net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated net assets of the Wellcome Trust, all as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Wellcome Trust; provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Wellcome Trust relate, the reference to the latest audited financial statements for the purposes of the calculation above shall, until consolidated financial statements for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first mentioned financial statements as if such Subsidiary had been shown in such financial statements by reference to its then latest relevant financial statements (consolidated or, as the case may be, unconsolidated), adjusted as deemed appropriate by the auditors of the Wellcome Trust (or any successor in business of the Wellcome Trust) after consultation with the Issuer (in its capacity as trustee of the Wellcome Trust) (or any successor as trustee of the Wellcome Trust); or
- (ii) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (i) above.

A certificate of the Issuer (in its capacity as trustee of the Wellcome Trust) (or any successor as trustee of the Wellcome Trust) signed by an Authorised Person stating that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer (in its capacity as trustee of the Wellcome Trust) (or any such successor in business), the Trustee and the Bondholders and the Trustee shall be entitled to rely on such certificate without liability to any person; and

“Subsidiary” means, at any particular time, a company which is then directly or indirectly controlled, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then owned directly or indirectly, by the Issuer (in its capacity as trustee of the Wellcome Trust) (or any successor as trustee of the Wellcome Trust or any successor in business of the Wellcome Trust, as the case may be). For a company to be “controlled” by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the

possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

## **9. Prescription**

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

## **10. Replacement of Bonds and Coupons**

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Paying Agent in London subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer (in its capacity as trustee of the Wellcome Trust) may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

## **11. Meetings of Bondholders, Modification, Waiver and Substitution**

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds outstanding shall for all purposes be valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) **Modification and Waiver:** The Trustee may, subject to the terms of the Trust Deed, agree, without the consent of the Bondholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which is (in the opinion of the Trustee) of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders and (iii) determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) should not be treated as such if in the Trustee's opinion it is not materially prejudicial to the interests of Bondholders to do so. Any such modification, authorisation, determination or waiver shall be binding on the Bondholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Bondholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to the conditions set out in the Trust Deed, but without the consent of the Bondholders or the Couponholders, to the substitution of another entity (the "Substitute Obligor") in place of the Issuer (in its capacity as

trustee of the Wellcome Trust) (or any successor in business). In the case of such a substitution the Trustee may agree, without the consent of the Bondholders or Couponholders, to a change of the law governing the Bonds, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders.

- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer (in its capacity as trustee of the Wellcome Trust) or the Wellcome Trust any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders or Couponholders.

## **12. Enforcement**

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such actions, steps or proceedings against the Issuer (in its capacity as trustee of the Wellcome Trust) as it may think fit to enforce the terms of the Trust Deed, the Bonds and the Coupons, but it need not take any such actions, steps or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one quarter in principal amount of the Bonds outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder or Couponholder may proceed directly against the Issuer (in its capacity as trustee of the Wellcome Trust) unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **13. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer (in its capacity as trustee of the Wellcome Trust), any Subsidiary and the Wellcome Trust and any entity related to the Issuer (in its capacity as trustee of the Wellcome Trust), any Subsidiary or the Wellcome Trust without accounting for any profit.

## **14. Further Issues**

The Issuer (in its capacity as trustee of the Wellcome Trust) may from time to time without the consent of the Bondholders or Couponholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer (in its capacity as trustee of the Wellcome Trust) may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of securities of other series where the Trustee so decides.

## **15. Notices**

Notices to Bondholders will be valid and binding if published in a leading newspaper having general circulation in London (which is expected to be the Financial Times) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe.

For so long as the Bonds are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, notices to Bondholders will also be sent to the Companies Announcement Office of the Irish Stock Exchange.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition.



***16. Contracts (Rights of Third Parties) Act 1999***

No person shall have any right to enforce any of the provisions of these Conditions under the Contracts (Rights of Third Parties) Act 1999.

***17. Governing Law***

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



## SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Temporary Global Bond and the Permanent Global Bond contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Conditions set out in this Prospectus. The following is a summary of certain of those provisions:

### 1. Nominal Amount and Exchange

The nominal amount of the Bonds shall be the aggregate amount from time to time entered in the records of Euroclear and Clearstream, Luxembourg or any alternative clearing system approved by the Issuer (in its capacity as trustee of the Wellcome Trust), the Trustee and the Principal Paying Agent and permitted to hold the Global Bonds as eligible collateral for Eurosystem monetary policy and intra-day credit operations (each a “relevant Clearing System”). The records of such relevant Clearing System shall be conclusive evidence of the nominal amount of Bonds represented by the Temporary Global Bond and the Permanent Global Bond and a statement issued by such relevant Clearing System at any time shall be conclusive evidence of the records of that relevant Clearing System at that time.

The Bonds will initially be represented by the Temporary Global Bond which will be deposited on or around 21 January 2015 with a Common Safekeeper for Euroclear and Clearstream, Luxembourg. The Temporary Global Bond is exchangeable in whole or in part for interests recorded in the records of the relevant Clearing System in the Permanent Global Bond on or after a date which is expected to be 3 March 2015 upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Bond. The Permanent Global Bond is exchangeable in whole but not in part (free of charge to the holder) for the definitive Bonds described below (i) if the Permanent Global Bond is held on behalf of a relevant Clearing System and such relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) if the Issuer (in its capacity as trustee of the Wellcome Trust) would suffer a material disadvantage in respect of the Bonds as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 7 or as a result of a change in the practice of a relevant Clearing System which would not be suffered were the Bonds in definitive form and a certificate to such effect signed by an Authorised Person of the Issuer (in its capacity as trustee of the Wellcome Trust) is delivered to the Trustee. Thereupon (in the case of (i) above) the holder or the Trustee may give notice to the Principal Paying Agent, and (in the case of (ii) above) the Issuer (in its capacity as trustee of the Wellcome Trust) may give notice to the Trustee and the Bondholders, of its intention to exchange the Permanent Global Bond for definitive Bonds on or after the Exchange Date (as defined below) specified in the notice.

On or after the Exchange Date (as defined below) the holder of the Permanent Global Bond may surrender the Permanent Global Bond to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Bond, the Issuer (in its capacity as trustee of the Wellcome Trust) will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond, security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange of the Permanent Global Bond, the Issuer (in its capacity as trustee of the Wellcome Trust) will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant definitive Bonds.

“Exchange Date” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant Clearing System is located.

### 2. Payments

No payment will be made on the Temporary Global Bond unless exchange for an interest in the Permanent Global Bond is improperly withheld or refused. In addition, interest payments in respect of the Bonds cannot be collected without certification of non-U.S. beneficial ownership. Payments of principal and interest in respect of Bonds represented by the Permanent Global Bond will be made to the bearer of such Permanent Global Bond. The Issuer (in its capacity as trustee of the Wellcome Trust) shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant Clearing System and, in the case of payments of principal, the nominal amount of the Bonds will be reduced accordingly. Each payment so made will discharge the Issuer’s (in its capacity as trustee of the Wellcome Trust) obligations in respect thereof.

Any failure to make the entries in the records of the relevant Clearing System shall not affect such discharge. References in the Conditions to Coupons and Couponholders shall be construed accordingly. No person shall however be entitled to receive any payment on the Permanent Global Bond falling due after the Exchange Date, unless exchange of the Permanent Global Bond for definitive Bonds is improperly withheld or refused by or on behalf of the Issuer (in its capacity as trustee of the Wellcome Trust). Condition 6(e)(iii) and Condition 7(e) will apply to the definitive Bonds only.

### **3. Notices**

So long as the Bonds are represented by a Global Bond and such Global Bond is held on behalf of a relevant Clearing System, notices to Bondholders may be given by delivery of the relevant notice to that relevant Clearing System for communication by it to entitled accountholders in substitution for publication as required by the Conditions provided that, so long as the Bonds are listed, the requirements of the Central Bank and the Irish Stock Exchange have been complied with.

### **4. Prescription**

Claims against the Issuer (in its capacity as trustee of the Wellcome Trust) in respect of principal and interest on the Bonds while the Bonds are represented by the Permanent Global Bond will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

### **5. Meetings**

The holder of a Global Bond will be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each €1,000 in principal amount of Bonds.

### **6. Purchase and Cancellation**

On cancellation of any Bond required by the Conditions to be cancelled following its purchase, the Issuer (in its capacity as trustee of the Wellcome Trust) shall procure that details of such cancellation shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Bonds recorded in the records of the relevant Clearing Systems and represented by this Global Bond shall be reduced by the aggregate nominal amount of the Bonds so cancelled.

### **7. Trustee's Powers**

In considering the interests of Bondholders while the Permanent Global Bond is held on behalf of a relevant Clearing System the Trustee may have regard to any information provided to it by such relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Permanent Global Bond and may consider such interests as if such accountholders were the holder of the Permanent Global Bond.

### **8. Electronic Consent and Written Resolution**

While any Global Bond is held on behalf of a relevant Clearing System, then:

- (a) approval of a resolution proposed by the Issuer (in its capacity as trustee of the Wellcome Trust) or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding (an "Electronic Consent" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum provisions set out in the Trust Deed were satisfied), take effect as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held, and shall be binding on all Bondholders and holders of Coupons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer (in its capacity as trustee of the Wellcome Trust) and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Bond or, where the accountholders hold any such entitlement

on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer (in its capacity as trustee of the Wellcome Trust) and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Bondholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “commercially reasonable evidence” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Bonds. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. Neither the Issuer (in its capacity as trustee of the Wellcome Trust) nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## WELLCOME TRUST

### History and development of the Wellcome Trust

The Wellcome Trust is a charity administered in accordance with a constitution (the “Constitution”) adopted pursuant to a Scheme of the Charity Commission dated 20 February 2001 (as the same may be amended from time to time). The Wellcome Trust was established upon the death of Sir Henry Wellcome on 25 July 1936. Its registered charity number is 210183 and it operates under English charities law, including the Charities Act 2011. As a registered charity, the Wellcome Trust has tax-exempt status under various provisions of tax law in the United Kingdom. The Internal Revenue Service has determined that the Wellcome Trust is exempt from US federal income tax under section 501(c)(3) of the Code and is a foreign private foundation for the purposes of the Code.

The Wellcome Trust’s credit ratings are Aaa (Moody’s) and AAA (Standard & Poor’s). As set out in its investment policy, the Wellcome Trust’s policy is to maintain those credit ratings.

The principal office and telephone number of the Wellcome Trust are Gibbs Building, 215 Euston Road, London NW1 2BE and +44 (0)20 7611 8888, respectively.

The Issuer, a company limited by guarantee and incorporated in England and Wales on 24 April 1992 with registered number 2711000, is the sole trustee of the Wellcome Trust. The members of the Issuer are the Governors.

### Business overview

The Wellcome Trust is a global charitable foundation, dedicated to achieving improvements in human and animal health. Its investment portfolio gives it the ability to support biomedical research (and the translation of such research into medicine) as well as the humanities and social sciences, education, and public engagement with science.

The Wellcome Trust’s ten year strategic plan 2010-20 describes how its vision will be achieved through focusing on three key areas of activity, reaching across five major research challenges.

The Wellcome Trust’s funding focuses on:

- Supporting outstanding researchers
- Accelerating the application of research
- Exploring medicine in historical and cultural contexts.

The Wellcome Trust’s five major challenges are:

- Maximising the health benefits of genetics and genomics
- Understanding the brain
- Combating infectious disease
- Investigating development, ageing and chronic disease
- Connecting environment, nutrition and health.

The principal activities of the Wellcome Trust include:

- providing funding to support biomedical research in universities and similar institutions in the UK and internationally;
- providing long-term support to the Wellcome Trust Sanger Institute, owned by the Wellcome Trust’s subsidiary Genome Research Limited, a research facility that explores the role of genomes in health and disease;
- providing funding for research into the history of medicine and continuing to engage public audiences; and

- developing new initiatives to facilitate and accelerate the take-up of research outcomes by clinicians, industry and policy makers.

Major achievements of the Wellcome Trust in recent years include:

- funding the Wellcome Trust Sanger Institute, which is a leader in the sequencing of the human genome, and supporting the creation and development of a number of major consortia focusing on maximising the health benefits of genetics, including the Wellcome Trust Case Control Consortia, International Cancer Genome Consortia, 1000 Genomes Project and UK10k);
- supporting UK Biobank, which follows the health of 500,000 people to understand the development, prevention, diagnosis and treatment of disease;
- funding fast-track research into drugs, vaccines and other containment strategies against Ebola, in the context of the current epidemic in Sierra Leone, Guinea and Liberia;
- supporting efforts to prevent the emergence of drug-resistant infections and to develop new antibiotics and approaches to resistance;
- funding the Francis Crick Institute, which will be an inter-disciplinary medical research institute, in partnership with the Medical Research Council, Cancer Research UK, University College London, King's College London and Imperial College London;
- developing initiatives to accelerate the application of research findings to improve health, including the Health Innovation Challenge Fund, in partnership with the UK Department of Health, and establishing the Stevenage Bioscience Catalyst with GlaxoSmithKline; and
- running Wellcome Collection as a public space for events and exhibitions, to stimulate dialogue between art, science, history and the public.

### **Expenditure policy**

The Wellcome Trust aims to set its annual grant commitment budget to maintain the purchasing power of its charitable expenditure over time by preserving the real value of its investment portfolio, while minimising short-term changes in commitments caused by volatility in asset values. This is achieved by setting the annual budget based on three-year weighted average investment values, which can then be adjusted in a controlled manner to manage situations that were not anticipated at the time of the budget calculations such as unexpected adverse economic or market events.

The Board of Governors of the Issuer (in its capacity as trustee of the Wellcome Trust) regularly monitors the market and economic conditions that impact this budget and has currently set a policy of budgeting to commit 4.7 per cent. of the three-year weighted average of investment values.

### **Investment policy and risk management**

The Wellcome Trust's assets are invested in accordance with the investment powers set out in its Constitution and investment policy (the "Investment Policy"). The Investment Policy is reviewed regularly by the Wellcome Trust Investment Committee and approved by the Board of Governors of the Issuer (in its capacity as trustee of the Wellcome Trust), including in respect of asset allocation. The Investment Policy describes return expectations and the relationship between risk, return and charitable spend, in addition to the roles and responsibilities of the Board of Governors and Investment Committee in overseeing the investment portfolio, and the authorities delegated to individuals within the Wellcome Trust investment team. The investment team comprises 22 investment professionals and dedicated legal, tax, finance and investment services support; the Investment Committee provides advice and strategic input to the investment team.

A number of beliefs inform the Wellcome Trust's approach to investment:

- real assets offer the best long-term growth prospects and provide protection against inflationary pressures - however, sufficient liquidity must be maintained to avoid the forced sale of assets at distressed prices;
- in order to maximise investment returns from global economic activity, the Wellcome Trust portfolio should be very broadly diversified with no innate geographical bias;

- the Wellcome Trust's long-term investment horizon, ability to tolerate high levels of short-term volatility and to be receptive to investment portfolio risk, and not having clients, provides investment advantages;
- the best returns will be driven by combining aligned partnership with the strongest external managers and building in-house resource to own selected assets directly;
- the Wellcome Trust's real-time governance structure enables it to take timely investment decisions; and
- the Wellcome Trust will not have unlimited liabilities.

The Wellcome Trust has an independent investment risk function which reports to the Chief Financial Officer as well as the Wellcome Trust's Audit Committee. The Audit Committee reviews the Wellcome Trust's position on internal controls and compliance, in addition to its corporate risk register.

### **Organisational structure**

The Group comprises the Wellcome Trust and its subsidiaries, as detailed in the following table:

<b>Subsidiary</b>	<b>Country of Incorporation</b>	<b>Activities</b>
Genome Research Limited	England	Through the Wellcome Trust Sanger Institute, conducts biomedical research, primarily in the field of genomics
Hinxton Hall Limited	England	Provision of conference facilities and site services at the Wellcome Trust Genome Campus, Hinxton
Wellcome Trust Trading Limited	England	Trading company
North London Ventures Limited	England	Investment holding company
Gower Place Investments Limited	England	Investment holding company
Wellcome Trust Investments 1 Unlimited	England	Investment holding company
Wellcome Trust Investments 2 Unlimited	England	Investment holding company
Wellcome Trust Investments 3 Unlimited	England	Investment holding company
Wellcome Trust Residential 1 Limited	England	Investment holding company
Wellcome Trust Residential 2 Limited	England	Investment holding company
Wellcome Trust GP Limited	England	General partner of certain limited partnerships established as investment holding vehicles
Wellcome Trust Finance plc	England	Issue and invest in financial instruments
Wellcome Trust Investment Limited Partnership	England	Investment limited partnership



<b>Subsidiary</b>	<b>Country of Incorporation</b>	<b>Activities</b>
Wellcome Trust Scottish Limited Partnership	Scotland	Investment limited partnership
W.T. Construction Limited	England	Property construction company
Syncona Partners LLP and related entities	England	Investment in healthcare businesses
Farmcare Trading Limited and related entities	England	Own and operate the Farmcare farming business
iQ Unit Trust, iQ (Shareholder GP) Limited and related entities	Jersey and England	Own and operate the iQ student housing business

The shares or memberships of these entities are held by the Issuer (in its capacity as trustee of the Wellcome Trust) or by another of these entities. The entities are considered to be subsidiaries of the Wellcome Trust for accounting purposes, and their assets, liabilities and results are consolidated with those of the Wellcome Trust, as required under Financial Reporting Standards 2 (FRS 2).

Both Genome Research Limited and Hinxton Hall Limited are charities registered under the Charities Act 1993 (as amended) and are companies limited by guarantee. All of the other entities are non-charitable.

Subsidiaries of the Wellcome Trust which are dormant have been excluded from the table above.

#### **Administrative, management and supervisory bodies**

The Governors of the Issuer, their business addresses (where different to the principal office of the Wellcome Trust), their functions and the principal activities performed by them outside the Wellcome Trust, where these are significant with respect to the Wellcome Trust, are as follows:

<b>Governor Name</b>	<b>Function</b>	<b>Principal Activities outside the Wellcome Trust</b>	<b>Potential conflict, if any, between duties to the Wellcome Trust and the person's private and/or other duties</b>
Sir William Castell LVO	Chairman of the Board of Governors	Trustee, Education and Employers Taskforce	None
		Chairman of the Board, Chichester Festival Theatre	None
		Chairman of the Finance Committee, Royal Commission for the Exhibition of 1851	None

<b>Governor Name</b>	<b>Function</b>	<b>Principal Activities outside the Wellcome Trust</b>	<b>Potential conflict, if any, between duties to the Wellcome Trust and the person's private and/or other duties</b>
Professor Dame Kay Davies CBE, FRS, FMedSci	Deputy Chairman of the Board of Governors	Dr Lee's Professor of Anatomy, Associate Head of Development, Impact and Equality, Medical Sciences Division, University of Oxford	University of Oxford is a recipient of and may apply in future for grants from the Wellcome Trust
		Member of the External Advisory Committee, Weatherall Institute of Molecular Medicine	
		Honorary Director of the MRC Functional Genomics Unit, University of Oxford	
		Consultant to Summit plc	
		Commissioner and Member of the Board of Management, Royal Commission for the Exhibition of 1851	
		Non-executive Director, Biotech Growth Trust plc	
Professor Tobias Bonhoeffer, PhD	Governor		Summit plc is developing medical therapies. Its interests may overlap with research projects supported by, or investments by, the Wellcome Trust
			None
		Governor, Lister Institute	Biotech Growth Trust plc may have overlapping investment interests with those of the Wellcome Trust
		Director, UCB Pharma	UCB Pharma may have overlapping investment interests with those of the Wellcome Trust
Professor Tobias Bonhoeffer, PhD	Governor	Director of the Max Planck Institute of Neurobiology	The Max Planck Institute of Neurobiology may apply in future for grants from the Wellcome Trust
		Scientific Member of the Max Planck Society	The Max Planck Society co-funds programmes with the Wellcome Trust

<b>Governor Name</b>	<b>Function</b>	<b>Principal Activities outside the Wellcome Trust</b>	<b>Potential conflict, if any, between duties to the Wellcome Trust and the person's private and/or other duties</b>
Alan J Brown FSIP	Governor	Trustee of the Schroders Retirement Benefit Scheme and Chairman of its Investment Committee	Schroders Retirement Benefit Scheme may have overlapping investment interests with those of the Wellcome Trust
		Chairman, Carbon Disclosure Project	None
		Non-executive Director, Pool Reinsurance Company Limited	None
		Director, Center for Economic Research and Graduate Education – Economics Institute	None
Damon Buffini	Governor	Partner, Permira Advisers LLP	Permira Advisers LLP may have overlapping investment interests with those of the Wellcome Trust
		Supervisory Board Member, Hugo Boss AG	None
		Chairman, Social Business Trust	None
		Trustee, The Buffini Chao Foundation	None
Professor Michael A J Ferguson CBE, FRS, FRSE, FMedSci	Governor	Regius Professor of Life Sciences, College of Life Sciences, University of Dundee	The University of Dundee is a recipient of and may apply in future for grants from the Wellcome Trust
		Member of the Board of Directors, Medicines for Malaria Venture, Geneva	None
Professor Bryan Grenfell, OBE, FRS	Governor	Professor of Ecology, Evolution and Public Affairs at Princeton University, Princeton University	None
		Rapidd Program Co-director, US National Institute of Health	None

<b>Governor Name</b>	<b>Function</b>	<b>Principal Activities outside the Wellcome Trust</b>	<b>Potential conflict, if any, between duties to the Wellcome Trust and the person's private and/or other duties</b>
Professor Richard Hynes, FRS	Governor	Daniel K. Ludwig Professor for Cancer Research, Massachusetts Institute of Technology, and Investigator, Howard Hughes Medical Institute	None
		Senior Associate Member, Broad Institute of the Massachusetts Institute of Technology and Harvard University	None
Professor Dame Anne Johnson MD, FMedSci, FRCP, FFPH, FRCGP	Governor	Professor of Infectious Disease Epidemiology, University College London	University College London is a recipient of and may apply in future for grants from the Wellcome Trust
		Senior Investigator, National Institute for Health Research	None
		Honorary Consultant, Central and North West London NHS Foundation Trust	None
Baroness Manningham-Buller, LG, DCB	Governor	Member of the House of Lords, including the House of Lords Science and Technology Committee	None
		Chairman of the Court and Council, Imperial College London	Imperial College London is a recipient of and may apply in future for grants from the Wellcome Trust
		Non-executive Director, Ark Continuity Limited	None
		Vice-Chairman, The Pollen Estate Trustee Company Limited	None
Professor Peter W J Rigby PhD, FRS, FMedSci	Governor	Member of Council, Marie Curie Cancer Care	Marie Curie Cancer Care may apply in future for grants from the Wellcome Trust and may have overlapping investment interests with those of the Wellcome Trust

<b>Governor Name</b>	<b>Function</b>	<b>Principal Activities outside the Wellcome Trust</b>	<b>Potential conflict, if any, between duties to the Wellcome Trust and the person's private and/or other duties</b>
		Chair of the Board, The Babraham Institute	The Babraham Institute is a recipient of and may apply in future for grants from the Wellcome Trust
		Chairman of the Scientific Advisory Board, Oxford Gene Technology	Oxford Gene Technology may apply in future for grants from the Wellcome Trust
		Professor Emeritus, The Institute of Cancer Research	The Institute of Cancer Research is a recipient of and may apply in future for grants from the Wellcome Trust and may have overlapping investment interests with those of the Wellcome Trust

The members of the Wellcome Trust Executive Board, their business addresses (where different to the principal office of the Wellcome Trust), their functions and the principal activities performed by them outside the Wellcome Trust, where these are significant with respect to the Wellcome Trust, are as follows:

<b>Name of Executive Board member</b>	<b>Function</b>	<b>Principal Activities outside the Wellcome Trust</b>	<b>Potential conflict, if any, between duties to the Wellcome Trust and the person's private and/or other duties</b>
Dr Jeremy Farrar	Director of the Wellcome Trust (its Chief Executive Officer)	None	None
Dr Ted Bianco	Director – Innovations	None	None
Simon Chaplin	Director – Culture and Society	None	None
Tim Livett	Chief Financial Officer	None	None
Clare Matterson	Director – Strategy	None	None
Kevin Moses	Director – Science	None	None

<b>Name of Executive Board member</b>	<b>Function</b>	<b>Principal Activities outside the Wellcome Trust</b>	<b>Potential conflict, if any, between duties to the Wellcome Trust and the person's private and/or other duties</b>
Danny Truell	Chief Investment Officer	Trustee, The Truell Charitable Foundation and Director of the Truell Conservation Foundation  Director, Capital Structured Solutions Limited and related entities  Chair of the Asset/Liability Management Operational Committee of Pension Insurance Corporation plc  Partner, Disruptive Capital Finance LLP  Director and shareholder, Tungsten Corporation plc	The Truell Charitable Foundation, Truell Conservation Foundation, Capital Structured Solutions, Pension Insurance Corporation, Disruptive Capital Finance and Tungsten may have overlapping investment interests with those of the Wellcome Trust
Susan J Wallcraft	General Counsel and Company Secretary	None	None

Other than as more particularly described in the fourth column of the tables above, there are no potential conflicts of interest between the duties to the Wellcome Trust of the Governors of the Issuer and the members of the Executive Board listed above, and their private interests and/or other duties.



## TAXATION

The comments below are of a general nature based on current United Kingdom law as applied in England and Wales and HM Revenue and Customs published practice (which may not be binding on HM Revenue and Customs) and are not intended to be exhaustive. They do not necessarily apply where the interest on the Bonds is deemed for tax purposes to be the income of any person other than the holder of the Bond or Coupon. They relate only to the position of persons who are the absolute beneficial owners of their Bonds and Coupons and who hold their Bonds and Coupons as investments. (In particular, holders holding their Bonds or Coupons in a depository receipt system or clearance service should note that they may not always be the beneficial owners thereof.) They may not apply to certain classes of persons such as dealers, certain professional investors or persons connected with the Issuer and assume that there will be no substitution of the Issuer. The following is a general guide and should be treated with appropriate caution. Any Bondholders who are in doubt as to their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

### Interest and Information Reporting

1. While the Bonds continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007 and provided the Bonds are treated as being issued by a company for the purposes of Section 987 of the Income Tax Act 2007 payments of interest by the Issuer (in its capacity as trustee of the Wellcome Trust) may be made without withholding or deduction for or on account of income tax. The Irish Stock Exchange is a recognised stock exchange for these purposes and HM Revenue and Customs have in the past confirmed that they regard bonds issued by the Issuer (in its capacity as trustee of the Wellcome Trust) as having been issued by a company for the purposes of Section 987 of the Income Tax Act 2007. Securities to be traded on a recognised stock exchange outside the United Kingdom will be treated as "listed" on a recognised stock exchange if they are admitted to trading on that exchange and they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

If the Bonds cease to be listed, interest will generally be paid under deduction of income tax at the basic rate (currently 20 per cent.) unless another relief applies or the Issuer (in its capacity as trustee of the Wellcome Trust) has received a direction to the contrary from HM Revenue and Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

2. Information relating to securities may be required to be provided to HM Revenue and Customs in certain circumstances. This may include the value of the Bonds, details of the holders or beneficial owners of the Bonds (or the persons for whom the Bonds are held), details of the persons to whom payments derived from the Bonds are or may be paid and information and documents in connection with transactions relating to the Bonds. Information may be required to be provided by, amongst others, the holders of the Bonds, persons by (or via) whom payments derived from the Bonds are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Bonds on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HM Revenue and Customs may be provided to tax authorities in other countries.
3. The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Bonds or any related documentation.
4. The interest has a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment. Where the interest is paid without withholding or deduction on account of United Kingdom tax, the interest will not be assessed to United Kingdom tax in the hands of holders of the Bonds (other than certain trustees) who are not resident for tax purposes in the United Kingdom, except where such persons carry on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency or, in the case of a corporate holder, such persons carry on a trade through a permanent establishment in connection with which the interest is received or to which the Bonds are attributable, in which case (subject to exceptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch, agency or permanent establishment.

If interest were paid under deduction of United Kingdom income tax (e.g. if the Bonds lost their listing), Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Bondholders should note that the provisions relating to additional amounts referred to in “Terms and Conditions of the Bonds - Taxation” above would not apply if HM Revenue and Customs sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However, exemption from, or reduction of, such United Kingdom tax liability might be available under an applicable double taxation treaty.

### **United Kingdom Stamp Duty and Stamp Duty Reserve Tax**

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue or transfer by delivery of the Bonds or on their redemption provided they continue to be listed on a recognised stock exchange and any transfer is not made in contemplation of, or as part of an arrangement for, a takeover of the Issuer.

### **EU Directive on the Taxation of Savings Income**

The European Union has adopted a Directive regarding the taxation of savings income (the “Savings Directive”). The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or to certain other persons in that other Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise.

The Council of the European Union has adopted a Directive (the “Amending Directive”) amending the Savings Directive, which will, when implemented, inter alia, broaden (i) the scope of the information reporting or withholding requirements to include payments to (or for the benefit of) an entity or legal arrangement having its place of effective management in a Member State and not being subject to effective taxation, (ii) the circumstances in which an economic operator, entity or legal arrangement may be required to report information or withhold tax, (iii) the types of payment to which the Savings Directive applies and (iv) the circumstances in which an individual resident in a Member State is to be treated as the beneficial owner of such payments. The Amending Directive requires Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

A number of third countries and territories have adopted similar measures to the Savings Directive.

### **The Proposed Financial Transactions Tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal (the “Commission Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

The Commission Proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

A joint statement issued in May 2014 by the participating Member States (other than Slovenia) indicated an intention to implement the FTT progressively, such that it would initially apply to transactions involving certain shares and certain derivatives, with this initial implementation occurring by 1 January 2016. However, full details are not available. The FTT, as initially implemented on this basis, may not apply to dealings in the Bonds.

The proposed FTT remains subject to negotiation between the participating Member States and the timing remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

J.P. Morgan Securities plc, Morgan Stanley & Co. International plc and Merrill Lynch International (together, the “Joint Lead Managers”) have, pursuant to a Subscription Agreement dated 19 January 2015, jointly and severally agreed with the Issuer (in its capacity as trustee of the Wellcome Trust), subject to the satisfaction of certain conditions, to subscribe and pay for the Bonds. The Joint Lead Managers are entitled to terminate the Subscription Agreement in certain circumstances prior to payment in respect of the Bonds being made to the Issuer (in its capacity as trustee of the Wellcome Trust). The Issuer (in its capacity as trustee of the Wellcome Trust) has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the issue of the Bonds.

The Joint Lead Managers and their affiliates may have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust or entities within the Group and their respective affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust or entities within the Group or their respective affiliates. The Joint Lead Managers or their affiliates may have a lending relationship with the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust or entities within the Group and may hedge their credit exposure to the Issuer, the Wellcome Trust or entities within the Group consistent with their customary risk management policies. Typically, such persons would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such short positions could adversely affect future trading prices of the Bonds. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Each of the Joint Lead Managers has acknowledged and agreed that the Issuer is entering into the Subscription Agreement solely in its capacity as the trustee for the time being of the Wellcome Trust and has agreed and declared that, notwithstanding anything to the contrary contained or implied in the Subscription Agreement: (a) if the Issuer (or any subsequent trustee) ceases to be the trustee of the Wellcome Trust its obligations under or in consequence of the Subscription Agreement shall be assumed by its successor trustee so that the obligations incurred by the Issuer (in its capacity as trustee of the Wellcome Trust) under or in consequence of the Subscription Agreement shall be enforceable against the trustee of the Wellcome Trust from time to time and (b) the liabilities of the Issuer (in its capacity as trustee of the Wellcome Trust) (or such other trustees of the Wellcome Trust from time to time) in respect of such obligations shall be limited to such liabilities as can and may lawfully and properly be met out of the assets of the Wellcome Trust for the time being in the hands, or under the control, of the Issuer (in its capacity as trustee of the Wellcome Trust) (or any such other trustee from time to time).

### **United States**

The Bonds have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. 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.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 as amended, and regulations thereunder.

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. Persons, and it will have sent to each dealer to which it sells Bonds during the distribution

compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. Persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Joint Lead Manager has represented and agreed that:

1. 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 (the “FSMA”)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer (in its capacity as trustee of the Wellcome Trust); and
2. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

### **General**

No action has been taken by the Issuer (in its capacity as trustee of the Wellcome Trust) or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Bonds or possession or distribution of this Prospectus or any other offering or publicity material relating to the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Bonds or have in its possession, distribute or publish this Prospectus, any form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

Each Joint Lead Manager has also agreed that it will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required for the offer, purchase or sale by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will, to the best of its knowledge and belief, comply with all such laws and regulations.

## GENERAL INFORMATION

1. It is expected that listing of the Bonds on the Official List and admission of the Bonds to trading on the Market will be granted on or before 21 January 2015, subject only to the issue of the Temporary Global Bond.
2. The Issuer (in its capacity as trustee of the Wellcome Trust) has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by resolutions of: (i) the Board of Governors of the Issuer (in its capacity as trustee of the Wellcome Trust) passed on 16 December 2014 and (ii) the Bond Issuance Committee of the Issuer (in its capacity as trustee of the Wellcome Trust) passed on 13 January 2015.
3. There has been no significant change in the financial or trading position and no material adverse change in the prospects of the Issuer (in its capacity as trustee of the Wellcome Trust) or the Group, since 30 September 2014.
4. None of the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust or any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer (in its capacity as trustee of the Wellcome Trust) 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 financial position or profitability of the Issuer (in its capacity as trustee of the Wellcome Trust), the Wellcome Trust or the Group.
5. The Bonds (with the exception of the Temporary Global Bond) and Coupons will bear the following legend: “ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE”.
6. The Bonds have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 117148572. The International Securities Identification Number (ISIN) for the Bonds is XS1171485722. The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking *Société Anonyme*, 42 Avenue JF Kennedy L1855 Luxembourg.
7. For the life of the Prospectus, physical copies of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Issuer (in its capacity as trustee of the Wellcome Trust):
  - (a) the Memorandum and Articles of Association of the Issuer and the Constitution of the Wellcome Trust;
  - (b) the audited financial statements of the Issuer for each of the financial years ended 30 September 2013 and 30 September 2014; and
  - (c) the audited consolidated financial statements of the Wellcome Trust for each of the financial years ended 30 September 2013 and 30 September 2014.

This Prospectus will be published on the website of the Central Bank of Ireland at [www.centralbank.ie](http://www.centralbank.ie) and the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).

8. PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, of 1 Embankment Place, London, WC2N 6RH (Members of the Institute of Chartered Accountants in England and Wales), have audited, and rendered unqualified audit reports on, (i) the financial statements of the Issuer for each of the financial years ended 30 September 2013 and 30 September 2014, and (ii) the financial statements of the Wellcome Trust for each of the financial years ended 30 September 2013 and 30 September 2014.
9. The Issuer (in its capacity as trustee of the Wellcome Trust) does not intend to provide post-issuance information in connection with the issue of the Bonds.

10. The Issuer will execute the Trust Deed solely in its capacity as the trustee for the time being of the Wellcome Trust and will in the Trust Deed agree that, notwithstanding anything to the contrary contained or implied in the Trust Deed: (a) if the Issuer (or any subsequent trustee) ceases to be the trustee of the Wellcome Trust, its obligations under or in consequence of the Trust Deed shall be assumed by its successor trustee so that such obligations shall be enforceable against the trustee of the Wellcome Trust from time to time. Such assumption shall be effected in accordance with the provisions set out in the Trust Deed (including the Conditions of the Bonds) applicable to a substitution of issuer; and (b) the liabilities of the Issuer (in its capacity as trustee of the Wellcome Trust) (or such other trustees as referred to in (a) above) in respect of such obligations shall be limited to such liabilities as can and may lawfully and properly be met out of the assets of the Wellcome Trust for the time being in the hands or under the control of the Issuer (in its capacity as trustee of the Wellcome Trust) or such other entities designated as trustees of the Wellcome Trust from time to time.
11. The Issuer will execute the Paying Agency Agreement solely in its capacity as the trustee for the time being of the Wellcome Trust and will in the Paying Agency Agreement agree that, notwithstanding anything to the contrary contained or implied in the Paying Agency Agreement, (a) if the Issuer (or any subsequent trustee) ceases to be the trustee of the Wellcome Trust its obligations under or in consequence of the Paying Agency Agreement shall be assumed by its successor trustee so that the obligations incurred by the Issuer (in its capacity as trustee of the Wellcome Trust) under or in consequence of the Paying Agency Agreement shall be enforceable against the trustee of the Wellcome Trust from time to time. Such assumption shall be effected in accordance with the provisions set out in the Paying Agency Agreement and the Trust Deed (including the Conditions of the Bonds) applicable to a substitution of issuer; and (b) the liabilities of the Issuer (in its capacity as trustee of the Wellcome Trust) (or such other trustees as referred to in (a) above) in respect of such obligations shall be limited to such liabilities as can and may lawfully and properly be met out of the assets of the Wellcome Trust for the time being in the hands or under the control of the Issuer (in its capacity as trustee of the Wellcome Trust) or such other entities designated as trustees of the Wellcome Trust from time to time.
12. The yield of the Bonds is 1.244 per cent. per annum calculated on the basis of the Issue Price and as at the date of this Prospectus.
13. The expenses in connection with the admission of the Bonds to the Official List and to trading on the Market are expected to amount to approximately €3,000.
14. Any websites referred to in this Prospectus do not form part of this Prospectus.
15. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer (in its capacity as trustee of the Wellcome Trust) in relation to the Bonds and is not itself seeking admission of the Bonds to the Official List or to trading on the Market for the purposes of the Prospectus Directive.



**Registered office of the Issuer and  
principal office of the Wellcome Trust**

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215 Euston Road  
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United Kingdom

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**Trustee**

**Citicorp Trustee Company Limited**

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Canary Wharf  
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**Principal Paying Agent**

**Citibank, N.A.**

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Canary Wharf  
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**Paying Agent**

**Citibank International Limited**

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**Legal Advisers**

*To the Issuer  
and the Wellcome Trust as to English law*

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*To the Joint Lead Managers and the Trustee  
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