

DATED 23 MARCH 2016

IA CAPITAL STRUCTURES (IRELAND) PLC

S Industries Medium Term Note (Series 62) Notes due 2019

issued under its € 5,000,000,000 Secured Note Programme

SERIES MEMORANDUM

General

This Series Memorandum (as used herein, this "**Series Memorandum**") is prepared in connection with the EUR 5,000,000,000 Secured Note Programme (the "**Programme**") of IA Capital Structures (Ireland) plc (the "**Issuer**") and is issued in conjunction with, and incorporates by reference the contents of, the Programme Memorandum dated 15 March 2012 relating to the Programme (the "**Programme Memorandum**").

Neither this Series Memorandum nor the Programme Memorandum constitutes a prospectus for the purposes of the Prospectus Directive.

This document should be read in conjunction with the Programme Memorandum and the Master Conditions (March 2014 Edition). Save where the context otherwise requires, terms defined in the Programme Memorandum have the same meaning when used in this Series Memorandum.

Subject as set out below the Issuer accepts responsibility for the information contained in this Series Memorandum other than the information in sections (i) *Information relating to the Arranger, Placing Agent, Sale Agent and the Calculation Agent*; and (ii) *the information contained in the Confidential Private Placement Memorandum (as defined herein)*. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information for which it accepts responsibility contained in this Series Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer confirms that the information in the sections referred to in (i) to (ii) above has been accurately reproduced from information provided by the Arranger, Placing Agent, Sale Agent and Calculation Agent, and as far as the Issuer is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Series Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Memorandum in any jurisdiction where such action is required.

No person has been authorised to give any information or to make representations other than those contained in this Series Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Arranger, the Trustee or any of them. Neither the delivery of this Series Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

Sanne Fiduciary Services Limited (the "**Trustee**") has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking is made, whether express or implied, and no responsibility or liability is accepted by the Trustee as to the accuracy, completeness or nature of the information contained in this Series Memorandum, the *Confidential Private Placement Memorandum (as defined herein)* or with respect to the legality of investment in the Notes by any prospective investor or purchaser under applicable legal investment or similar laws or regulations.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this Series Memorandum and the Programme Memorandum.

For as long as the Notes remain outstanding, copies of the following documents will be available for inspection in physical form during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:

- (i) This Series Memorandum and the Programme Memorandum;
- (ii) The Master Documents;
- (iii) The Constituting Instrument dated the Issue Date; and
- (iv) The Certificate of Incorporation and the Memorandum and Articles of Association of the Issuer.

The Notes, which are described in this Series Memorandum, have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any of the States of the United States. Accordingly, the Notes are being offered and sold only in bearer form pursuant to the exemption afforded by Regulation S promulgated under the Securities Act solely outside of the United States and solely to non-U.S. persons and in specific reliance upon the representations by each Noteholder that (1) at the time of the offer and sale of the Notes to Noteholder, the Noteholder was not a U.S. Person as defined in Regulation S promulgated under the Securities Act, and (2) at the time of the offer and sale of the Notes to Noteholder and, as of the date of the execution and delivery of the purchasing or subscription agreement by the Noteholder, the Noteholder was outside of the United States. The Notes may not be offered or sold in the United States or to U.S. Persons (as defined in Regulation S) unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Notes are subject to certain United States tax law requirements.

The following legend will appear on all Temporary or Permanent Global Notes and any Receipts, Coupons or Talons in respect thereof:

"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 U.S. INTERNAL REVENUE CODE."

The sections of the U.S. Internal Revenue Code referred to in the foregoing legend provide that, with certain exceptions, a United States taxpayer will not be entitled to deduct any loss, and will not be entitled to capital gains treatment in respect of any gain realised, on any sale, disposition or payment of a Note, Receipt, Coupon or Talon for U.S. federal income tax purposes.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer of Notes to the public has not and may not be made in that Relevant Member State.

The Notes are illiquid investments, the purchase of which involves substantial risks. Any investor investing in the Notes should fully consider, understand and appreciate those risks.

PARTICULAR ATTENTION IS DRAWN TO THE SECTION OF THIS SERIES MEMORANDUM HEADED "RISK FACTORS".

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Documents incorporated by reference

The Programme Memorandum is incorporated in, and shall be taken to form part of this Series Memorandum. This Series Memorandum must be read and construed in conjunction with the Programme Memorandum and shall be deemed to modify and supersede the contents of such document to the extent that a statement contained herein is inconsistent with such contents.

Risk factors

General

The purchase of the Notes involves substantial risks. Each prospective purchaser of the Notes should be familiar with instruments having characteristics similar to the Notes and should fully understand the terms of the Notes and the nature and extent of its exposure to risk of loss.

Before making an investment decision prospective purchasers of the Notes should conduct such independent investigation and analysis regarding the Issuer, the Charged Assets, the Notes and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. As part of such independent investigation and analysis, prospective purchasers of Notes should consider carefully all the information set forth in this Series Memorandum and in the Programme Memorandum and the considerations set out below.

Investment in the Notes is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Series Memorandum and in the Programme Memorandum and the merits and risks of an investment in the Notes in the context of the investor's own financial circumstances and investment objectives.

Investment in the Notes (or a participation therein) is only suitable for investors who:

- (1) are capable of bearing the economic risk of an investment in the Notes (or a participation therein) for a period up to and until the redemption of the Notes;
- (2) are acquiring an interest in the Notes (or a participation therein) for their own account for investment, not with a view to resale, distribution or other disposition of such interest (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (3) recognise that it may not be possible to make any transfer of the Notes (or a participation therein) for a substantial period of time, if at all.

Each of the Issuer and the Arranger may, in its discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

Each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment. Attention is drawn, in particular, to the sections of the Programme Memorandum entitled "Conditions of the Notes - Security" and "Conditions of the Notes - Enforcement and Limited Recourse" and the section in this Series Memorandum entitled "Information relating to the Charged Assets".

Risks relating to the Issuer and Transaction Parties

Special purpose company

The Issuer is a special purpose company and has been established for the purpose of issuing multiple Series of secured Notes under the Programme. The Issuer has issued share capital only in the amount of EUR 38,100. Should any unforeseen expenses or liabilities (which have not been provided for) arise, the Issuer may be unable to meet them, leading to an Event of Default under the Notes.

There is no certainty that Noteholders will recover any amounts payable under the Notes. Due to the limited recourse nature of the Notes (see "*Limited recourse*" below), claims in respect of the Notes are limited to the proceeds of enforcement of the Mortgaged Property and after the deduction of any applicable expenses. In addition, if a claim is brought against the Issuer (whether under statute, common law or otherwise) which is not subject to such contractual limited recourse provisions, the only assets available to meet such claim would be the proceeds of the issuance of the Issuer's ordinary shares and any transaction fees (see "*Fees*" below), to the extent any remain as at the date of such claim and are available to meet such claim. The only other assets of the Issuer will be the assets on which each Series is secured, which will be subject to the prior security interests of the relevant Noteholders and any other secured parties under that Series.

Limited recourse

The Notes will be limited recourse obligations of the Issuer secured on the Mortgaged Property (including the Charged Assets) and are not or will not (as the case may be) be obligations or responsibilities of, or guaranteed by, any other person or entity. **For the avoidance of doubt, none of the Trustee, the Arranger, any other Agent appointed by the Issuer or any other person has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes. There is no person that guarantees to Noteholders that they will recover any amounts payable under the Notes.**

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the receipt by the Issuer of moneys due to it under the Mortgaged Property (including the Charged Assets comprised therein). The Noteholders shall have no recourse to the Issuer beyond the moneys derived by or on behalf of the Issuer in respect of the Mortgaged Property. To the extent that investment by the Issuer in the Charged Assets held by the Issuer results in such investment being less than the obligations of the Issuer under the Notes, the Issuer will have insufficient funds available to meet its obligations in respect of the Notes. In such event, any shortfall would be borne by the Noteholders in accordance with the priorities specified in the Conditions. See "*Nature of the investment*" below.

For the avoidance of doubt, Notes are not, and do not represent or convey any interest in the Charged Assets nor do they confer on the Noteholder any right (whether in respect of voting, dividend or other distribution) which a holder of any Charged Assets may have had. The Issuer is not an agent of the Noteholder for any purpose.

Liability for the obligations of other Series

The Issuer has undertaken not to incur any obligations with respect to any other Series of Notes unless recourse in respect of such obligations is limited to the proceeds of enforcement of the Security over the assets of the Issuer on which such obligations are secured (which assets shall exclude the Mortgaged Property securing any other Series of Notes). Nevertheless, to the extent there are any creditors with respect to a Series of Notes whose recourse is not so limited Noteholders may be exposed to risks incurred for the account of other Series.

Risks relating to the Notes

Nature of the investment

These Notes are not principal protected and are a high-risk investment in the form of a debt instrument. The Noteholders are neither assured of repayment of the capital invested nor are they assured of payment of a stated rate of interest. The Notes give Noteholders exposure to the Series Assets.

Any payments to be made on the Notes depend on the value of the Charged Assets held by the Issuer, which is the value of the amounts received by the Issuer in respect of the Charged Assets. Should the Charged Assets decrease in value, Noteholders will incur a partial or total loss of their investment.

In certain circumstances, described in the Conditions of the Notes, the Notes will be redeemed early pursuant to a Mandatory Redemption Event, an Additional Mandatory Redemption Event or a redemption event pursuant to Condition 2(c)(A)(1) and Noteholders shall be entitled to receive only such amount as is available following the sale or redemption of the Charged Assets, or a proportion of such Charged Assets, as the case may be, subject to the provisions of the Notes described under "*Limited recourse*" above.

In general, redemption payments to be made on the Notes are calculated with reference to the value of the Charged Assets. However, if and to the extent that the amount payable by the Issuer in accordance with the Notes to the Noteholders is greater than the amount received by the Issuer in respect of the redemption of the Charged Assets, the Noteholder shall be entitled to receive only its *pro rata* share of such amount as is received by the Issuer under the Charged Assets after deduction of any applicable costs and expenses.

Change of law, tax and administrative practice

The structure of the transaction and, inter alia, the issue of the Notes are based on law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that law, tax or administrative practice will not change after the Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

Fees

In addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes, the amounts payable under the Notes are based on the performance of the Charged Assets after deduction of certain fees, which is further described in Special Condition (XI) of the Notes. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in the value of the Notes.

In connection with the offer and sale of the Notes, the Arranger or any of its associated companies may, directly or indirectly, pay fees in varying amounts to third parties or, as the case may be, receive fees (including but not limited to distribution fees and retrocessions) in varying amounts, including, from third parties (which may include any Transaction Participants as defined below). Each Noteholder acknowledges that the Arranger or any of its associated companies may retain all or part of such fees.

Foreign exchange risk

The Notes are denominated in USD. The Charged Assets may be denominated in U.S. dollars, euro, or any other currencies. The Issuer will effect foreign exchange transactions to convert amounts received in respect of the Charged Assets into USD in order to meet its payment obligations under the Notes. In order to mitigate the foreign exchange risk the Issuer may enter into foreign exchange hedging transactions with such banks and other providers of treasury products ("**Derivatives Counterparties**") as may in the sole discretion of the Issuer be appropriate given the Charged Assets and the obligations of the Issuer under the Notes. Accordingly, the Issuer and the Noteholders may be exposed to credit risk of such Derivatives Counterparties providing foreign exchange hedging to the Issuer.

Optional Redemption by the Noteholder

Noteholders have no right to request the Issuer to redeem the Notes at any time prior to their Scheduled Maturity Date.

Optional Redemption by the Issuer

Investors in the Notes should be aware that the Issuer has the option to redeem any amount of the Notes at their Optional Redemption Amount on the Optional Redemption Payment Date, by giving not less than ten (10) Business Days' prior notice to the Noteholders, the Trustee and the Principal Paying Agent. Such notice may be revoked by the Issuer at any time prior to the Optional Redemption Date.

Optional Redemption by the Arranger

Investors in the Notes should further be aware that the Arranger has the option, without limitation, at any time to redeem any amount of the Notes at their Optional Redemption Amount on the Optional Redemption Payment Date. The Arranger would redeem Notes if it is the holder of such Notes, pursuant to the Conditions of the Notes. While the Arranger may actively become involved in the secondary market in the Notes (if any), such participation would be at the Arranger's sole discretion and the Arranger shall not have any obligation to make a secondary market. See "*Liquidity*" below.

Restrictions on Transfer

The Notes are subject to restrictions on transfer, as described in section "SUBSCRIPTION AND SALE" in the Programme Memorandum and "SELLING RESTRICTIONS" in this Series Memorandum. In particular, the Notes have not been registered under the Securities Act, under any U.S. state securities or "Blue Sky" laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. No Note may be sold, assigned, participated, pledged or transferred unless such sale, assignment, participation, pledge or transfer (a) is exempt from the registration requirements of the Securities Act (for example, the exemption provided by Rule 144A under the Securities Act or the exemption provided by Regulation S under the Securities Act and applicable state securities laws) and (b) is in compliance with the transfer restrictions and certification requirements described in the section entitled "SUBSCRIPTION AND SALE" in the Programme Memorandum and "SELLING RESTRICTIONS" in this Series Memorandum.

Arranger default

The Notes will be redeemed if the Arranger is dissolved or becomes unable to perform its obligations in relation to the Notes.

Payments

Payments under the Notes will only be made after receipt of the Sale Proceeds by the Issuer. The date of payment of the redemption amount under the Notes is therefore not fixed. Payment of redemption amounts under the Notes depends on the liquidation of the Charged Assets. It may take a considerable period of time to redeem the Charged Assets, in particular in the case of a redemption pursuant to Early Redemption. Noteholders may only receive payment of the relevant redemption amount under the Notes significantly later than the specified redemption date of the Notes.

Liquidity

No secondary market for the Notes currently exists. Prospective purchasers of the Notes should therefore recognise that, they may not be able to liquidate their investment in the Notes or transfer the Notes for a substantial period of time, if at all. Investment in the Notes is therefore only suitable for investors who are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time and are not acquiring the Notes with a view to a potential resale, distribution or other disposition at some future date.

Application has been made to list the Notes on the Third Market of the Vienna Stock Exchange. Listing is expected to take place on or about the Issue Date but no assurance can be given that such application will be granted. Even if the Notes are listed, there is no assurance that a secondary trading market or liquidity will develop.

Notwithstanding the foregoing, the Arranger may provide a secondary market with a monthly dealing frequency and monthly purchases and sales by investors. The Arranger will not provide a secondary market in circumstances where the Calculation Agent is unable to calculate the Net Asset Value of the Portfolio for any reason, such as an event of default on the Charged Assets. The Arranger does not have and will not assume any liability, whether legal or otherwise, *vis-à-vis* the Noteholders to provide a market for the Notes or with regard to the level of the applicable prices nor how they are determined. To the extent that the Arranger purchases Notes in a secondary market provided by the Arranger, the Arranger will impose a EUR 500 fee in respect of its administration expenses.

Extended Maturity Date

The term of the Notes may be extended for further periods of up to six years, provided that, at the request of the Issuer, the Calculation Agent, on behalf of the Issuer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders three (3) calendar months prior to the Scheduled Maturity Date or the anniversary thereof in each subsequent year, if applicable, stating that such extension shall take place in respect of the Notes. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Scheduled Maturity Date or the anniversary thereof in accordance with the final Extension Notice (such date being the "**Extended Maturity Date**").

Market and Legal Risk

The Notes will constitute secured, limited recourse obligations of the Issuer, recourse in respect of which will, in effect, be limited to the proceeds of the Mortgaged Property (which principally comprises the Charged Assets) relating to the Notes and no other assets of the Issuer will be available to satisfy claims of Noteholders. The Issuer's obligations to the Noteholders are solely funded by, and primarily secured on, the Charged Assets. Therefore, to the extent that the value of the Charged Assets falls, payment under the Charged Assets is not made, the Charged Assets cannot be sold or if the relevant security arrangements would not be enforceable, a loss of principal under the Notes will result. Noteholders therefore assume the market and legal risk of the Charged Assets.

None of the Transaction Participants (as defined below) nor any affiliate of any of them or other person on their behalf has made any investigation of, or makes any representation or warranty, express or implied, as to the financial or other condition of the Charged Assets.

None of the Issuer, the Arranger, the Trustee, the Principal Paying Agent, the Calculation Agent, the Sale Agent or any other Agent (together, the "**Transaction Participants**") nor any affiliate of any of them (or any person on their behalf) assume any responsibility *vis-à-vis* the Noteholders for the economic success or lack of success of an investment in the Notes, or the performance, the value or terms of the Charged Assets. No Transaction Participant will have any responsibility or duty to make any such investigations, to keep any such matters under review, to provide the Noteholders, or prospective purchasers of the Notes, with any information in relation to such matters or to advise as to the attendant risks.

Independent review and advice

Each prospective purchaser of Notes must determine, based on its own independent review and such legal, financial and tax advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines, authorisations and restrictions (including as to its capacity) applicable to it, (iii) has been duly approved in accordance with all applicable laws and procedures and (iv) is a fit, proper and suitable investment for it, undertaken for a proper purpose.

Legality of purchase

None of the Transaction Participants or any affiliate of any of them or other person on their behalf has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

No reliance

The Transaction Participants and all affiliates of any of them disclaim any responsibility to advise purchasers of the Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or from time to time hereafter.

No restrictions on activities

Any of the Transaction Participants and any affiliate of any of them or other person on their behalf may have existing or future business relationships (including depository, lending, advisory or any other kind of commercial or investment banking activities or other business) with any of the other Transaction Participants and any affiliate of any of them or other person on their behalf and may purchase, sell or otherwise deal in any assets or obligations of, or relating to, any such party. Any of the Transaction Participants and any affiliate of any of them or other person on their behalf may act with respect to any such business, assets or obligations without regard to any possible consequences for the Issuer, the Notes or any Noteholder (or the impact of any such dealing on the interests of any Noteholder) or otherwise.

Provision of information

Any of the Transaction Participants or any affiliate of any of them or any other person acting on their behalf may at the date hereof or at any time hereafter be in possession of information in relation to the

other Transaction Participants or any affiliate of any of them or any other person acting on their behalf or on behalf of the Charged Assets (which may or may not be publicly available or confidential). None of such persons shall be under any obligation to make any such information available to Noteholders or any other party other than as provided in the Conditions of the Notes.

Taxation

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges, that may be applicable to any payment to it in respect of the Notes. Neither the Issuer nor any other person will pay any additional amounts to the Noteholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or by the Principal Paying Agent (or any other Paying Agent), although such requirement will give rise to an obligation to redeem the Notes early in the circumstances described in Condition 2 as amended by Special Condition IV of the Conditions of the Notes set out below.

Legal opinions

No legal opinions will be obtained with respect to any applicable laws, including the laws governing the Charged Assets or as to the validity, enforceability or binding nature of the Charged Assets.

Conflict of interests

Any of the Transaction Participants or any affiliate of any of them or any other person acting on their behalf may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities (including shares in a Transaction Participant), currencies, financial instruments or other assets owned by a Transaction Participant. Any trading and/or hedging activities of Transaction Participants or any affiliate of any of them or any other person acting on their behalf related to this transaction may have an impact on the price of the underlying assets. It should also be noted that FlexFunds Ltd. acts as both the Arranger of the issue of the Notes and as Calculation Agent in respect of the Charged Assets. Also, it should be noted that third party referral agents may have a conflict of interest as they may seek to generate a profit from the performance of the underlying assets.

Clearing systems

The Notes will be represented by one or more Temporary Global Notes and Permanent Global Notes. Such Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. 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.

Risks relating to the Charged Assets

Investment in Series Assets

The Issuer intends to use the proceeds of the issuance of the Notes to invest, within 30 days following the Issue Date, in Select Industries Preferred Shares, the redeemable, non-voting, non-participating, non-cumulative preference shares of Select Industries p.l.c., a public limited liability company registered under the laws of Malta with Company Registration Number C 74094 and having its registered office at Level 1, Blue Harbour Business Centre, Ta' Xbiex Yacht Marina, Ta' Xbiex XBX 1027, Malta (the "**Select Industries Preferred Shares**").

As more particularly set out in the Confidential Private Placement Memorandum, Select Industries p.l.c. will and may:

- 1) invest in income generating assets and an annual target coupon to participating shareholders of 6.50%
- 2) invest into any kind of registered and non-registered securities. It is anticipated that it will invest in a real estate project owned by Ocean Group LLC and Ocean Reef Group III, LLC, both Florida Limited Liability Companies, located in Ocean Reef Club in Key Largo, FL. USA.

The appointed director is Amicorp Services Limited, holder of company registration number C 54088 and having its registered office at Level 1, Blue Harbour Business Centre, Ta' Xbiex Yacht Marina, Ta' Xbiex Malta.

Lack of diversification

To the extent that all of the proceeds arising from the issue of the Notes are invested in Select Industries Preferred Shares, such asset may be more susceptible to a single adverse economic or regulatory occurrence, and lead to greater fluctuations in the value of Notes than may have been the case when investing in a diversified pool of assets.

Security for the Notes

As the Series Assets held in respect of the Notes are held in, and governed by the law of Malta, the Issuer will grant security interests over the Charged Assets pursuant to a security instrument governed by the law of Malta entered into between the Issuer and the Trustee on or about the Issue Date. The Issuer will also grant security interests over the Mortgaged Property pursuant to the Trust Deed. See "Description in relation to the Security Arrangements in respect of the Notes" below.

Redemption and transfer of the Charged Assets

Realisation of the Charged Assets may in certain circumstances be deferred in accordance with their relevant terms. The period of deferral may be significant. Therefore in certain circumstances, including where the Security for the Notes (and any Further Notes) becomes enforceable, there may be a significant delay in payments under the Notes and/or it may be impossible to transfer the Charged Assets as a means of realising their value.

Security may be declared invalid

The Issuer will grant security interests in favour of the Trustee for itself and for the benefit of the Noteholders in the Mortgaged Property pursuant to the Trust Deed. However, if the security interest of the Trustee in the Mortgaged Property was determined to be invalid or unperfected, Noteholders would be unsecured creditors and would rank on a *pari passu* basis with other unsecured creditors (if any) of the Issuer. Each of the foregoing factors may delay or reduce investors' return on their Notes and investors may suffer a loss (including a total loss) on their investment.

Not a bank deposit

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The Issuer is not regulated by the Central Bank of Ireland by virtue of the issue of the Notes.

AS WITH ANY INVESTMENT YOU COULD LOSE ALL OR PART OF YOUR INVESTMENT IN THE NOTES AND THE NOTES' PERFORMANCE COULD TRAIL THAT OF OTHER INVESTMENTS. YOUR ATTENTION IS DRAWN TO THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AS DEFINED BELOW AND ATTACHED AS APPENDIX OR APPENDIXES TO THIS SERIES MEMORANDUM. IN PARTICULAR PROSPECTIVE INVESTORS SHOULD NOTE THE SECTION OF THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM ENTITLED "RISK FACTORS". PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE NOTES WITHOUT TAKING INDEPENDENT ADVICE ON THE RISKS SET OUT THEREIN.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTIONS HEADED "RISK FACTORS" IN THE PROGRAMME MEMORANDUM.

Summary of the Transaction

The following summary of the transaction does not purport to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Series Memorandum including, without limitation, the Conditions of the Notes. Words and expressions used but not expressly defined in this summary of the transaction shall have the meanings given to them in the Conditions.

Issuer:	IA Capital Structures (Ireland) plc, a special purpose company incorporated for the sole purpose of carrying out the activities described in the Programme Memorandum. See " <i>Information relating to the Issuer</i> " below.
Programme:	The Notes are issued pursuant to the Issuer's €5,000,000,000 Secured Note Programme.
Arranger:	FlexFunds Ltd.
Calculation Agent:	FlexFunds Ltd.
Placing Agent:	Both GWM Group, Inc. and GWM LTD
Sale Agent:	Both GWM Group, Inc. and GWM LTD
Issue Agent:	Citibank N.A., London Branch.
Principal Paying Agent:	Citibank N.A., London Branch.
Trustee:	Sanne Fiduciary Services Limited.
Principal Amount:	USD 16,500,000 (subject to the provisions of Further Notes and Redemptions below).
Currency:	USD.
Authorised Denomination:	USD 1,000
Issue Price:	100% of the Authorised Denomination.
Interest:	Interest is determined based on the total return of the Portfolio, such that an amount in respect of Interest shall be payable in respect of each Note on the Interest Payment Date equal to the greater of: (a) Net Proceeds; and (b) Zero.
Interest Payment Date:	Any Business Day determined by the Calculation Agent or the Issuer which falls within fifteen (15) Business Days of the Issuer receiving an interest payment, distribution or similar payment in respect of the Series Assets.

Issue Date:	23 March 2016.
Charged Assets:	The Series Assets and the Related Rights. See " <i>Information relating to the Charged Assets</i> " below.
Fees:	<p>The amounts payable under the Notes are based on the performance of the Charged Assets after deduction of fees due to the Arranger. Such fees are in addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes as determined by the Calculation Agent.</p> <p>All fees are payable prior to any amounts being payable in respect of the Notes to any Noteholders. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in the value of the Notes.</p>
Scheduled Maturity Date:	22 March 2019
Reports:	<p>The Arranger will publish a summary of the NAV Report received from the Calculation Agent on Bloomberg and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange</p> <p>See Special Condition V below.</p>
Redemption Amount:	<p>Unless previously redeemed the Notes will be redeemed by a payment in respect of each Note on the Final Maturity Payment Date of an amount in USD (the "Redemption Amount") equal to the Net Proceeds.</p> <p>See "<i>Limited recourse</i>" below.</p> <p>The Final Maturity Payment Date may be significantly later than the Maturity Date. See "<i>Risk Factors – Payments</i>" above.</p>
Optional Redemption by the Noteholder:	Noteholders have no right to request the Issuer to redeem the Notes at any time prior to their Scheduled Maturity Date.
Optional Redemption by the Issuer:	The Issuer may, on giving not less than ten (10) Business Days' prior notice to Noteholders, the Trustee and the Principal Paying Agent redeem any amount of the Notes by a payment to the holders of the Notes that are so redeemed on the Optional Redemption Payment Date of an amount equal to the Early Redemption Amount.
Early Redemption:	<p>(a) If the Notes become due and repayable in accordance with Condition 2(b)(1), the Notes will be redeemed by a payment in respect of each Note on the Early Redemption Payment Date of an amount in USD equal to the Net Proceeds of the Charged Assets.</p> <p>(b) If the Notes become due and repayable in accordance with Condition 2(b)(2) or Condition 2(c) (as the case may be), the</p>

Notes will be redeemed at the applicable Early Redemption Amount by a payment in respect of each Note on the Early Redemption Payment Date of an amount in USD equal to the Early Redemption Amount.

Early Redemption Amount: Subject to the provisions of Special Condition (IV) below, the Early Redemption Amount shall be determined as an amount equal to the Redemption Amount as if the Early Redemption Date was the Final Maturity Payment Date.

Net Proceeds: An amount determined by the Calculation Agent being the *pro rata* share of the Sale Proceeds of the Charged Assets in respect of one Note; *less* any redemption and settlement costs and expenses in respect of the Charged Assets; *less* any fees, costs or expenses owing to the Trustee and the Agents in connection with the Notes; and *less* any fees payable to the Arranger pursuant to the Conditions of the Notes, less USD 1,000 per annum to be retained by the Issuer.

Sale Proceeds: An amount determined by the Calculation Agent being the *pro rata* share in respect of one Note of: (a) the proceeds of sale or other means of realisation of the Charged Assets; *less* (b) any costs, expenses, taxes and duties incurred in connection with the disposal or transfer of the Charged Assets by the Sale Agent or any agent of the Issuer.

Payment: Payments in respect of redemption of the Notes will be made on the Final Maturity Payment Date, the Optional Redemption Payment Date or the Early Redemption Payment Date, as the case may be, in accordance with the Conditions.

Limited recourse: Amounts due under the Notes will be payable only to the extent that funds are available from the Mortgaged Property and the proceeds thereof. If the Mortgaged Property is insufficient to pay any amounts due in respect of the Notes, the Issuer will have no other assets available to meet such insufficiency. In the event that Charged Assets are sold or realised or the Security is enforced and after payment of all other claims with a senior priority in the relevant order of priority the remaining proceeds of such sale, realisation or enforcement are insufficient to pay in full all amounts whatsoever due in respect of the Notes, then the Noteholders' claims against the Issuer in respect of the Notes shall be limited to their respective shares of such remaining proceeds and, after payment to each Noteholder of its respective share of such remaining proceeds, the obligations of the Issuer to such Noteholder shall cease to be due and shall be extinguished.

Security: The Security for the Notes will be constituted by the Constituting Instrument, a Trust Deed entered into by the execution of a Constituting Instrument dated the Issue Date between the Issuer and the Trustee, amongst others (the "**Trust Deed**") and the Charging Instrument as described in the Conditions of the Notes. See "*Description of the Security Arrangements in respect of the Notes*"

below.

Priority on Enforcement of Security: On enforcement of Security in respect of the Notes the Trustee will apply the enforcement proceeds in the following order of priority:

1. payment of the fees, costs, charges, expenses (including legal fees), liabilities, indemnity payments and all other amounts payable to the Trustee or incurred by the Trustee or by any receiver, custodian or other person appointed by it in connection with the performance of its duties and obligations;
2. *pro rata* and *pari passu* according to the respective amounts thereof payment of the fees, costs, charges, expenses (including legal fees), liabilities, indemnity payments and all other amounts payable to the respective Agents in connection with the performance of their respective duties and obligations;
3. payment of any unpaid taxes or other governmental duties or charges owing by the Issuer;
4. in meeting the amounts due to Noteholders *pari passu* and rateably; and
5. in payment of the balance (if any) to the Issuer.

Events of Default: The Security in respect of the Notes will become enforceable in the circumstances described in Condition 4 relating to Events of Default. The Events of Default include, without limitation, unremedied defaults by the Issuer relating to the payment of amounts due on the Notes and the insolvency of the Issuer. Upon the occurrence of an Event of Default the Trustee may at its discretion (or, in certain cases, shall) deliver a notice to the Issuer and others declaring the Notes to be immediately due and payable and the amount payable in respect of each Note is set out in Condition 2(e)(2). See also Conditions 4 and 5.

Form: The Notes will initially each be represented by beneficial interests in a temporary global note (the "**Temporary Global Note**") in bearer form. Pursuant to the Conditions of the Notes, each Temporary Global Note may be exchanged for a permanent global note in bearer form (the "**Permanent Global Note**"). Except in limited circumstances, bearer definitive Notes will not be issued in exchange for beneficial interests in the Permanent Global Notes.

Status: The Notes are limited recourse obligations of the Issuer secured in the manner described herein.

Use of Proceeds: The entire net proceeds from the issue of the Notes will be used by the Issuer to purchase the Charged Assets.

Further Notes: Further Notes may be issued which will be consolidated and form a single series with the Notes.

- Listing:** Application has been made to list the Notes on the Third Market of the Vienna Stock Exchange. Listing is expected to take place on or about the Issue Date but no assurance can be given that such application will be granted.
- Rating:** The Notes will not be rated.
- Business Days:** New York, Dublin and London
- Governing Law:** The Notes and all non-contractual obligations and any other matters arising from them will be governed by, and construed in accordance with, the laws of Ireland. The courts of Ireland shall have non-exclusive jurisdiction in respect of any dispute. The Supplemental Malta Security is governed by Malta law and the Malta Courts may have jurisdiction over any dispute or enforcement proceedings relating thereto.
- Placing Agreement:** The Issuer has entered into the Placing Agreement with the Placing Agent, whereby the Placing Agent agreed to place the Notes with investors, subject to the selling restrictions.
- The Issuer, after prior consultation with the Arranger, reserves the right to modify the total nominal amount of the Notes to which investors can subscribe.
- Risk Factors:** The Notes are not principal protected and involve significant risks. The attention of prospective Noteholders is drawn to the section "*Risk Factors*" in the Programme Memorandum and in this Series Memorandum and the section "*Information Relating to the Charged Assets*" of this Series Memorandum.

Conditions of the Notes

S Industries Medium Term Note (Series 62) Notes due 2019

The Noteholders should note that words and expressions not otherwise defined below shall have the meanings respectively ascribed to them by Special Condition (I) below.

The Notes designated as above (the "**Notes**") shall have the following terms and conditions which shall complete, modify and amend the Master Conditions (March 2014 Edition), which shall apply to the Notes as so completed, modified and amended. References to "**Conditions**" or "**Condition**" shall mean references to the Conditions of the Notes as modified herein.

The Issuer intends that any Further Notes which are issued pursuant to Condition 16 as amended by Special Condition (VI) (as defined herein) shall (save in respect of the relevant issue date) have the same Conditions as, and form a single Series with, the Notes of this Series.

1. (i) Issuer: IA Capital Structures (Ireland) plc.
(ii) Arranger: FlexFunds Ltd.
2. (i) Series Number: 62.
(ii) Tranche Number: 1.
3. Principal Amount: USD 16,500,000.

The Principal Amount of the Notes may be increased, at the discretion of the Issuer, by the issue of Further Notes from time to time (without requiring the consent of Noteholders) which shall be consolidated and form a single Series with the Notes of this Series, subject as provided in Special Condition (VI).
4. Issue Price: 100% of the Authorised Denomination.
5. Authorised Denomination: USD 1,000
6. (i) Issue Date: 23 March 2016
(ii) Interest Commencement Date: Not applicable.
7. Maturity Date: The earlier of (i) 22 March 2019 (the "**Scheduled Maturity Date**"); (ii) any Extended Maturity Date, and (iii) the date that all of the Notes are fully redeemed.
8. Extended Maturity Date: The date to which the term of the Notes may be extended under Special Condition (XIII)
9. Interest Basis: Variable Coupon Amount with a target rate of 6.5%

annually

10. Status of the Notes:
- (i) Status of the Notes: Secured and limited recourse obligations of the Issuer ranking *pari passu* without any preferences amongst themselves secured as set out under Security below and subject to the priority set out under Priority below.
 - (ii) Priority: Counterparty Priority applies.
11. Listing: An application has been made for admission of the Notes to the official list of the Third Market of the Vienna Stock Exchange. Such listing is expected to take place on or about the Issue Date. However, no assurance is given that approval of such application will be granted.
12. Fixed Rate Note Provisions: Not applicable.
13. Floating Rate Note Provisions: Not applicable.
14. Zero Coupon Note provisions: Not applicable.
15. Dual Currency Note Provisions: Not applicable.
16. Variable Coupon Amount Note Provisions: Applicable.
- (i) Interest Period: As regards the first interest period, the period from and including the Issue Date to and excluding the first Interest Determination Date and as regards all subsequent interest periods the period from and including an Interest Determination Date to and excluding the next Interest Determination Date or to and including the Scheduled Maturity Date or an Extended Maturity Date as applicable.
 - (ii) Interest Determination Date: Any Business Day at the discretion of the Arranger, or the Issuer.
 - (iii) Interest Rate: The Notes shall receive a total return based on the performance of the Portfolio during the Interest Period.
 - (iv) Interest Amounts: The greater of:
 - (a) Net Proceeds; and
 - (b) Zero.

	(v) Interest Payment Date:	Any Business Day determined by the Calculation Agent or the Issuer which falls within fifteen (15) Business Days of the Issuer receiving an interest payment, distribution or similar payment in respect of the Series Assets.
	(vi) Business Day Convention:	Following Business Day Convention in Dublin, London, and New York.
17.	Optional Redemption:	Condition 2(f)(2) applies as amended by Special Condition (III).
18.	Redemption Amount:	Special Condition (II) applies.
19.	Early Redemption Amount:	Special Condition (IV) applies.
20.	Redemption Amount on redemption for taxation:	Condition 2(c)(A)(1) shall apply as amended by Special Condition (IV).
21.	Form of Notes:	Bearer Notes:
	(i) The Notes will initially be represented by:	Temporary Global Note.
	(ii) Applicable TEFRA exemption:	D Rules
	(iii) Temporary Global Note exchangeable for Permanent Global/Definitive Bearer/Registered Notes:	Condition 10(a) applies.
	(iv) Permanent Global Note exchangeable for Definitive Bearer/ Registered Notes:	Permanent Global Note is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
	(v) Registered Notes:	Not applicable.
22.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not applicable.
23.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No.
24.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not applicable.
25.	Redenomination applicable:	Not applicable.

26. Portfolio Management:

- (i) Portfolio Manager: Not applicable.
- (ii) Portfolio Management Agreement: Not applicable.
- (iii) Investment Objective: Not applicable.
- (iv) Management Criteria: Not applicable.
- (v) Portfolio: Not applicable.

27. Security:

- (i) Charged Assets: The Charged Assets shall be the Series Assets and the Related Rights.

On the Issue Date, or as soon as practicable thereafter, the Issuer shall invest in the Series Assets set out in the section "*Information relating to Charged Assets*" below, (such Series Assets, together with the Related Rights applicable thereto, the "**Original Charged Assets**").

If the Issuer issues Further Notes pursuant to Condition 16 as amended by Special Condition (VI) with the intention that such Further Notes be consolidated and form a single Series with the Notes issued on the Issue Date (and all other Further Notes issued from time to time) the Issuer shall, in connection with each such issue of Further Notes, invest in further assets which shall be combined with the Series Assets (such further assets, together with the Related Rights applicable thereto, referred to as the "**Further Charged Assets**") with the issue proceeds of the relevant Further Notes such that the Notes and the Further Notes from time to time so issued shall be secured collectively on the Original Charged Assets and all of the Further Charged Assets. All references to "*Charged Assets*" shall be to the Original Charged Assets and the Further Charged Assets from time to time so purchased by the Issuer.

The assets comprising the Portfolio will be registered in the name of the Issuer and certificates in respect of the Charged Assets will be held by the Issuer subject to the security constituted by the Constituting Instrument and the Charging Instrument.

(ii)	Charging Instrument	Pursuant to a share pledge agreement in respect of the Select Industries Preferred Shares entered into between the Issuer and the Trustee dated on or about the Issue Date (the " Charging Instrument ") the Issuer has granted in favour of the Trustee, as security for itself, and the Secured Parties, a security interest governed under the law of Malta over the Issuer's interest in the Charged Assets from time to time (such security the " Supplemental Malta Security ").
(iii)	Depository Account	Not applicable.
(iv)	Charged Agreement:	Not applicable.
(v)	Swap Counterparty:	Not applicable.
28.	Securities Lending Agreement:	Not applicable.
29.	Portfolio Administrator:	Not applicable.
30.	Fees:	Special Condition (XI) applies.
31.	Additional selling restrictions	As set out in " <i>Selling Restrictions</i> " below.
32.	ISIN Code:	XS1382369350
33.	Common Code:	138236935
34.	Alternative Clearing System:	Not applicable.
35.	Delivery:	Free of payment.
36.	Principal Paying Agent:	Citibank N.A., London Branch.
37.	Sub-Custody:	Not applicable.
38.	Calculation Agent:	FlexFunds Ltd.

The Calculation Agent shall provide the NAV Report to the Arranger on each NAV Report Date.

The Arranger will publish a summary of the NAV Report received from the Calculation Agent on Bloomberg and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange.

All determinations made by the Calculation Agent hereunder shall, in the absence of manifest error, be final and conclusive. Whenever a Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and in a

commercially reasonable manner. Furthermore, each party agrees that the Calculation Agent is not acting as a fiduciary for or as an advisor to such party in respect of its duties as Calculation Agent in connection with any determinations hereunder.

39. Exchange of Permanent Global Note: The Permanent Global Note will be exchangeable, in whole but not in part, for a definitive Bearer Note if:
- (i) Euroclear or Clearstream, Luxembourg or any other clearing system in which the Permanent Global Note is for the time being deposited is closed for business for a period of 14 days (other than by reason of holidays statutory or otherwise) or announces an intention to permanently cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Permanent Global Note or does in fact do either of such things and no alternative clearing system, satisfactory to the Trustee and the Principal Paying Agent is available, or
 - (ii) the Notes become due and payable in accordance with Condition 4 and payment is not made on due presentation of the Permanent Global Note for payment.

40. Governing law: The Notes and all non-contractual obligations and any other matters arising from it will be governed by and construed in accordance with the laws of Ireland. The courts of Ireland shall have non-exclusive jurisdiction in respect of any dispute. The Supplemental Malta Security is governed by Malta law and the Malta Courts may have jurisdiction over any dispute or enforcement proceedings relating thereto.

Admission to trading, public offer and listing

Application has been made to list the Notes on the Third Market of the Vienna Stock Exchange.

The Notes will not be offered to the public in any jurisdiction. See "*Selling Restrictions*" below and in the Programme Memorandum.

GWM Group, Inc. and GWM LTD, in their capacity as the Placing Agent, will be solely responsible for the placing of the Notes with prospective investors.

Special Conditions:

(I) Definitions

Words set out in italics in these Conditions do not form part of the definitions for the purpose of the Constituting Instrument and the documents constituted thereby. In the event of a conflict between the Conditions and the Special Conditions, the Special Conditions shall prevail.

"Additional Mandatory Redemption Event" means, for the purpose of Condition 2(b)(2) (as amended), that the Issuer determines that its obligations under the Notes at any time become illegal.

"Agents" means, the Principal Paying Agent, the Issue Agent, the Sale Agent, the Placing Agent and the Calculation Agent.

"Arranger Default" means if any of the follow events occur (in the sole discretion of the Issuer) in respect of the Arranger. If the Arranger:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter;
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) above (inclusive);

- (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or
- (x) becomes unable to, or fails to within 10 days of receiving notice from the Trustee or the Issuer, perform its duties under the Notes.

"Business Day" means a day on which banks are generally open for business in New York, Dublin and London.

"Calculation Agent" means FlexFunds Ltd. and any successor appointed by the Issuer (with the prior approval of the Trustee) in accordance with the provisions of the Agency Agreement.

"Collateral Default" means either (i) a compulsory redemption (howsoever described) of the Charged Assets; or (ii) a distribution or return of capital and / or assets to holders of the Charged Assets following the winding up or liquidation of the Select Industries Preferred Shares.

"Confidential Private Placement Memorandum" means the Confidential Private Placement Memorandum, dated 23 March 2016, appended to this Series Memorandum.

"Early Redemption Date" means in relation to Conditions 2(b) or 2(c), the date specified in the notice given by or on behalf of the Issuer to the Noteholders in accordance with the Conditions.

"Early Redemption Payment Date" means five (5) Business Days following the day that the Issuer receives the aggregate Sale Proceeds pursuant to Special Condition (IV). The Early Redemption Payment Date may be significantly later than the Early Redemption Date. See "*Risk Factors – Payments*".

"Extended Maturity Date" means the date to which the term of the Notes may be extended under Special Condition (XIII).

"Final Maturity Payment Date" means, subject as provided in Special Condition (VII), five (5) Business Days following the day that the Issuer receives the aggregate Sale Proceeds pursuant to Special Condition (II). The Final Maturity Payment Date may be significantly later than the Scheduled Maturity Date or the Extended Maturity Date, as applicable. See "*Risk Factors – Payments*".

"Mandatory Redemption Event" means any of the events described in Conditions 2(b)(1), (2) or (3).

"Monthly NAV High" means a Net Asset Value calculated per Note (by dividing the Net Asset Value by the number of Notes outstanding) as at a NAV Report Date which is higher than the previous highest Net Asset Value calculated per Note as at a NAV Report Date, provided that the first Monthly NAV High shall be the Net Asset Value calculated per Note as at the Issue Date.

"NAV Report" means a report provided to the Issuer by the Calculation Agent setting out the calculation of the Net Asset Value of the Portfolio (net of any fees as described under Special Condition (XI) below).

"NAV Report Date" means the last Business Day of each calendar month.

"Net Asset Value" means the value for each component of Series Assets (net of any fees as described under Special Condition (XI) below), as provided by the Calculation Agent to the Issuer, as the case may be, on or before the NAV Report Date, and **"Net Asset Value of the Portfolio"** means the aggregate of the Net Asset Value of each component (net of any fees as described under Special Condition (XI) below) comprised in the Portfolio.

"Net Proceeds" means an amount determined by the Calculation Agent being the *pro rata* share of the Sale Proceeds of the Charged Assets in respect of one Note less any redemption and settlement costs and expenses in respect of the Charged Assets and less any fees, costs or expenses owing to the Trustee and the Agents in connection with the Notes, and less any fees payable to the and the Arranger pursuant to the Conditions of the Notes, less USD 1,000 per annum, to be retained by the Issuer

"Optional Redemption Date" means the date specified in an Optional Redemption Notice given by the Issuer or the Arranger pursuant to Condition 2(f)(2), as amended by Special Condition (III) (*Optional Redemption by the Issuer*).

"Optional Redemption Payment Date" means five (5) Business Days following a day that the Issuer receives the aggregate Sale Proceeds pursuant to Special Condition (III). The Optional Redemption Payment Date may be significantly later than the Optional Redemption Date. See *"Risk Factors – Payments"*.

"Placing Agent" means both GWM Group, Inc. and GWM LTD

"Portfolio" means the Series Assets.

"Related Rights" means all rights of the Issuer derived from or connected to the Series Assets including, without limitation, any rights to receive additional shares or other securities, assets or rights or any offers in respect thereof (whether by way of bonus issue, option rights, exchange, substitution, conversion or otherwise) or to receive monies (whether by way of redemption, return of capital, interest, dividend, distribution, income or otherwise) in respect of the Series Assets.

"Sale Agent" means both GWM Group, Inc. and GWM LTD

"Sale Proceeds" means an amount determined by the Calculation Agent being the *pro rata* share of the proceeds of sale or other means of realisation of the Charged Assets in respect of one Note less any costs, expenses, taxes and duties incurred in connection with the disposal or transfer of the Charged Assets by the Sale Agent.

"Select Industries Preferred Shares" means the redeemable, non-voting, non-participating, non-cumulative preference shares of Select Industries p.l.c.

"Series Assets" means the Select Industries Preferred Shares acquired by the Issuer and any and all investments, monies, credit balances, assets or related contracts and deposit accounts, trading positions or beneficial interests in any assets to the extent any of the foregoing is:

(i) held, carried and / or maintained by the Issuer and / or any of the Agents, in relation to the Notes, or

(ii) established, agreed or obtained by the Issuer in relation to the Notes.

See "*Information relating to the Charged Assets*" below.

"Security" means the Charging Instrument and the security constituted by the Trust Deed entered into by the execution of the Constituting Instrument dated the Issue Date between the Issuer and the Trustee, amongst others.

(II) **Redemption Amount**

Unless previously redeemed the Notes will be redeemed by a payment in respect of each Note on the Final Maturity Payment Date of an amount in USD (the "**Redemption Amount**") equal to the Net Proceeds.

No interest or other amount shall accrue or be payable in respect of the Notes in respect of the period from and including the Scheduled Maturity Date, to and including the Final Maturity Payment Date.

(III) **Optional Redemption**

The amount payable in respect of any Notes pursuant to an Optional Redemption by the Issuer or an Optional Redemption by the Arranger will be an amount in USD determined by the Calculation Agent equal to the Early Redemption Amount (the "**Optional Redemption Amount**").

Optional Redemption by the Issuer

Condition 2(f)(2) shall apply to the Notes.

The Issuer:

(A) may, on giving not less than ten (10) Business Days' prior notice to the Trustee and the Noteholders (in accordance with Condition 7);

(B) shall, at any time after receipt of a notice pursuant to this Special Condition (III) from the Arranger,

(such notice an "**Optional Redemption Notice**") redeem any amount of the Notes at their Optional Redemption Amount on the Optional Redemption Payment Date, but not before six months since the Issue Date has passed. The provisions of Condition 2(f)(2) is hereby amended accordingly.

Optional Redemption by the Arranger

The Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the Arranger, where the Arranger is the holder of any Note, redeem such Note on the Optional Redemption Date.

To exercise such option the Arranger must deposit the relevant Note with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at their respective specified offices, together with a duly completed notice of redemption ("**Redemption Notice**") in the form obtainable from any Paying Agent (in the case of Bearer Notes) or from the Registrar or any Transfer Agent (in the case of Registered Notes) not more than 30 nor less than 2 Business Days prior to the relevant date for redemption and provided that, in the case of any Note represented by a Global Note or a Global Registered

Certificate registered in the name of a nominee for Euroclear or Clearstream, Luxembourg or an Alternative Clearing System, the Arranger must deliver such Redemption Notice together with an authority to Euroclear or Clearstream, Luxembourg or the relevant Alternative Clearing System (in each case, as appropriate) to debit such Arranger's account accordingly and provided that, in the case of any Note represented by a Global Registered Certificate registered in the name of any other person, the Arranger must deliver such Redemption Notice together with an instruction to such person to amend its records accordingly. No Note (or authority) so deposited may be withdrawn (except as provided in the Constituting Instrument) without the prior written consent of the Issuer.

(IV) **Early Redemption Amount**

Condition 2(c)(B) shall apply to the Notes.

(A) The Early Redemption Amount of the Notes (in respect of principal and interest (if applicable)) shall be determined in accordance with Condition 2(e)(2) read with this Special Condition (IV) as follows:

- (i) In the event the Notes become due and payable pursuant to Condition 2(b)(1), the Sale Agent shall, on behalf of the Issuer sell or procure the sale or other means of realisation of the Charged Assets in accordance with the Master Charged Assets Sale Terms. The applicable Early Redemption Amount payable in respect of each Note pursuant to Condition 2(b)(1) will be the *pro rata* share of the Net Proceeds; or
- (ii) If the Notes become due and repayable in accordance with Conditions 2(b)(2) or 2(c),

then the applicable Early Redemption Amount shall be determined as an amount equal to the Redemption Amount had the Early Redemption Date been the Final Maturity Payment Date.

The Early Redemption Amount shall be payable on the Early Redemption Payment Date and shall not exceed the Net Proceeds of the Charged Assets. In the event that such Early Redemption Amount is less than the Net Proceeds of the Charged Assets, Noteholders shall receive such lesser amount.

- (B) Subject as provided in Special Condition (VII), the Early Redemption Amount will be paid on the Early Redemption Payment Date. No interest or other amount shall accrue or be payable in respect of the Notes in respect of the period from and including the Early Redemption Date to and including the Early Redemption Payment Date.
- (C) The Early Redemption Payment Date may be significantly later than the Early Redemption Date, see "*Risk Factors – Payments*".
- (D) For the avoidance of doubt, reference in Condition 4 and Condition 2(e) to the Early Redemption Amount payable pursuant to an Event of Default shall mean the amount payable on redemption of each Note upon its becoming due and payable as provided in Condition 4 being the lesser of (i) the outstanding principal amount of such Note and (ii) the amount available by applying the portion available to the Noteholders pursuant

to Condition 3(d) of the Net Proceeds of the enforcement of the Security in accordance with Condition 3 *pari passu* and rateably between the Notes.

(V) **Calculations, determinations and notifications**

Following receipt by the Arranger of the NAV Report from the Calculation Agent on the NAV Report Date, the Arranger will publish a summary of the NAV Report on Bloomberg, and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange

The NAV Report and the summary thereof will be an estimated valuation of the Series Assets and shall not be interpreted as an indication of expected redemption values of the Notes. The NAV Report and the summary thereof shall take account of any fees, expenses or charges that apply to the Notes, and is subject to amendments and / or corrections at any time without giving notice to any person.

Whenever any matter falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Calculation Agent or such other person, as the case may be, in its sole and absolute discretion. The Calculation Agent has agreed in the Constituting Instrument to comply with its obligations set out in these Conditions.

Each of the Issuer, the Principal Paying Agent and the Trustee shall be entitled to rely on any certification, notification, calculation or determination of the Calculation Agent given or copied to it as being true and accurate for all purposes and none of them shall be obliged to make any investigation or enquiry into any such certification, notification, calculation or determination or into the basis on which such certification, notification, calculation or determination was prepared, given or made.

The Calculation Agent is entitled to rely on any certification, notification, calculation, determination or announcement made by or on behalf of Select Industries LLC and / or any agent of Select Industries p.l.c. in connection with the Confidential Private Placement Memorandum and shall not be obliged to make any investigation or enquiry into, and shall incur no liability to any person for relying on, any such certification, notification, calculation, determination or announcement reasonably believed by it to be genuine and made by or on behalf of Select Industries LLC and / or any agent of Select Industries p.l.c..

The Calculation Agent shall consider the value of Series Assets which do not have a valuation provided to remain at cost and shall not be required to modify the recorded value of such Series Assets until provided with supported valuation by Select Industries LLC and / or any agent of Select Industries p.l.c.. The Calculation Agent is entitled to rely on any certification, notification, calculation, determination or announcement made by or on behalf of Select Industries LLC and / or any agent of Select Industries p.l.c. in connection with the Series Assets.

(VI) **Further Notes**

Pursuant to Condition 16 as amended and supplemented by this Special Condition (VI), the Issuer shall be at liberty to issue Further Notes with the express intention that such Further Notes be consolidated and form a single series with the Notes (and with any subsequent Further Notes so issued) provided that:

- (A) the net proceeds of the issue of such Further Notes shall be used to acquire further assets (such further assets and the Related Rights applicable thereto being the Further Charged Assets);
- (B) each of the Further Notes that the Issuer may issue from time to time, together with the Notes, are secured collectively on the Issuer's right, title and interest in and to the Original Charged Assets and each of the Further Charged Assets such that the Security for the Notes and any Further Notes shall be the identical and all references to "*Charged Assets*" shall be to the Original Charged Assets and the Further Charged Assets from time to time;
- (C) the Conditions of each of the Further Notes are identical to the Conditions of the Notes (save in respect of their date of issue);
- (D) each issue of Further Notes will be constituted and secured by a supplement to the Constituting Instrument in the form substantially set out in the Constituting Instrument (or in such other form as is legally effective to constitute and secure the Further Notes) (the "**Further Constituting Instrument**") and so that upon the execution by the Issuer of the Further Constituting Instrument, all references to the Constituting Instrument shall be construed as being to such document as supplemented from time to time; and
- (E) the security interests granted by the Issuer in such Further Constituting Instrument are granted to the Trustee for all the Noteholders of the consolidated Series on a *pari passu* basis.

(VII) **Collateral Default and Arranger Default**

- (A) If the Calculation Agent determines in its sole discretion that a Collateral Default or a Charged Assets Default has occurred then it shall give notice as soon as practicable thereafter to the Issuer, the Trustee, the Principal Paying Agent and the Noteholders (in accordance with Condition 7) of the occurrence of such event. The Issuer shall redeem the Notes in full by payment to each Noteholder of a *pro rata* amount of the Net Proceeds of the Charged Assets five (5) Business Days following the day on which the Issuer receives the Sale Proceeds.
- (B) If the Issuer (in its sole discretion) determines that an Arranger Default has occurred then it shall give notice as soon as practicable thereafter to the Trustee, the Principal Paying Agent and the Noteholders (in accordance with Condition 7) of the occurrence of such event. The Issuer shall redeem the Notes in full by payment to each Noteholder of a *pro rata* amount of the Net Proceeds of the Charged Assets five (5) Business Days following the day on which the Issuer receives the Sale Proceeds.

(VIII) **Purchase**

Condition 2(g) shall apply subject as amended by this Special Condition (VIII). In determining what proportion of Charged Assets corresponds to the proportion of Notes to be purchased, the Issuer shall be entitled to rely on advice given to it by the Calculation Agent. The Issuer has absolute discretion to designate which part of the Series Assets to select in order to fulfil its obligations pursuant to Condition 2(g) as hereby amended.

(IX) **The Trustee**

The Trustee shall not be responsible for, or be obliged to monitor or verify or investigate:

- (A) the performance, operation or calculation of the Portfolio or other element of the calculation thereof but shall be entitled to rely absolutely on any calculation thereof by the Calculation Agent;
- (B) the performance, operations or financial condition of the Portfolio or the terms of the Charged Assets or the calculation of amounts payable in respect thereof;
- (C) the performance by the Issuer of any agreement relating to, or in connection with, the Portfolio and shall be entitled to assume that the Issuer is in compliance with the terms thereof unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent;
- (D) whether or not any Additional Mandatory Redemption Event or other event referred to in Special Condition (IV), any Event of Default or any Collateral Default and shall be entitled to assume that no such event has occurred unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent; or
- (E) save to the extent caused by its own negligence or wilful default the Trustee shall not be responsible or liable for any failure to sell, realise or redeem the Charged Assets and the Mortgaged Property or any delay in doing so nor for any loss suffered or incurred by any person as a result of the Net Proceeds, the Sale Proceeds or any other proceeds of sale, realisation or redemption of the Charged Assets or the Mortgaged Property being insufficient to discharge any Redemption Amount, Early Redemption Amount or Optional Redemption Amount in full.

(X) **Sale Agent**

The Sale Agent shall, on behalf of the Issuer, sell or procure the sale or other means of realisation of the Charged Assets and shall be entitled to deduct any costs, expenses, taxes and duties incurred in connection with any disposal, realisation or transfer of such Charged Assets.

In the event of an Early Redemption Event or Mandatory Redemption Event, at the discretion of the Issuer and the Arranger, the Sale Agent may enter into agreements with third parties for the purpose of liquidation, realisation, disposal or transfer of Charged Assets, and shall be entitled to deduct any costs, expenses, taxes, duties and / or interest due and incurred in connection with such liquidation, realisation, disposal or transfer.

The Sale Agent may sell or procure the sale or other means of realisation of the Charged Assets in such manner and to and/or involving such person as it thinks fit and shall be entitled to sell and procure the sale or other means of realisation of the Charged Assets at such price in its sole discretion. The Sale Agent shall not be responsible or liable for any failure to sell or realise the Charged Assets or any delay in doing so nor for any loss suffered or incurred by any person as a result of their sale or other means of realisation.

(XI) **Fees**

In addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes, as determined by the

Calculation Agent, the Issuer has agreed to pay certain fees to the Arranger, which shall be paid by Select Industries LLC or Select Industries p.l.c.. In the event that Select Industries LLC or Select Industries p.l.c. fails to make such payments the fees will be deducted from the Portfolio when determining the Redemption Amount.

The following fees shall be determined by the Calculation Agent as at the date expected to be two Business Days immediately prior to the following: (i) each NAV Report Date, (ii) the Final Maturity Payment Date, and (iii) any Optional Redemption Payment Date or Early Redemption Payment Date (any such date, a "**Fees Determination Date**"):

- 1) The fees payable to the Arranger:
 - a. 0.55% per annum of the first USD 25,000,000 of the Net Asset Value of the Portfolio and 0.45% of any sum thereafter, as applicable, as at the most recent NAV Report Date (the "**Arranger Fee**")

The Arranger Fee is subject to an aggregate minimum payment of USD 1,500 per month.

The Issuer will incur fees in relation to the issuance of the Notes, which shall be met by Select Industries LLC or Select Industries p.l.c.. In the event that Select Industries LLC or Select Industries p.l.c. fails to make such payments the fees will be deducted from the Portfolio when determining the Redemption Amount. Such fees will include, but shall not be limited to:

- (A) any fees, costs and expenses payable by the Issuer which are directly attributable to the Notes, including:
 - (1) costs incurred in connection with the issuance, listing, clearing of the Notes and/or the performance of obligations in relation thereto;
 - (2) any commissions, fees, costs and expenses payable by the Issuer pursuant to the Constituting Instrument and the Series Documents as defined therein;
 - (3) any fees, costs and expenses of the administrator of the Issuer payable by the Issuer or the Arranger in respect of the Notes; and
 - (4) any legal fees and disbursements payable by the Issuer or the Arranger to Mason Hayes & Curran or any other legal advisers to the Issuer or the Arranger in respect of the issuance of the Notes; and
- (B) in relation to any realisation of the Charged Assets, all commissions, fees, charges and expenses (including, without limitation, any stamp duty, documentary or transfer or other taxes or duties payable in respect of the sale or other realisation of any such Charged Assets) incurred or payable by the Sale Agent in respect of such sale or other realisation, as certified by the Sale Agent to the Issuer and the Trustee.

Any amounts payable under the Notes are based on the performance of the Charged Assets net of the fees described above. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in value of the Notes.

Estimated fees include a set-up fee of €15,000 (euro) and other Administration fees estimated at €8,300 (euro) per year.

2) Fees payable in respect of the underlying investment

Investors in the Notes should take note of the fees payable to Select Industries LLC (or its designee) and any other fees payable in respect of the underlying investment. Details of the fees payable to Select Industries p.l.c. are set out in the Confidential Private Placement Memorandum (a copy (or copies) of which is appended hereto).

(XII) **Interest**

The Calculation Agent or the Issuer may, from time to time, on a Business Day determined by the Issuer but no later than fifteen (15) calendar days after a Distribution Date, as defined in the Confidential Private Placement Memorandum, if any, from Select Industries p.l.c., nominate any Business Day as an Interest Payment Date. The Interest Determination Date shall be any Business Day at the discretion of the Arranger, the Calculation Agent or the Issuer. On the Interest Determination Date the Calculation Agent shall calculate the amount of Interest owing on the Notes and shall inform the Trustee, Paying Agent and Issuer of the amount payable and interest shall be paid in accordance with the Conditions and the Agency Agreement.

(XIII) **Extended Maturity Date**

The term of the Notes may be extended for further periods of up to six (6) years, provided that, at the request of the Issuer, the Calculation Agent, on behalf of the Issuer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders three (3) calendar months prior to the Scheduled Maturity Date or the anniversary thereof in each subsequent year, if applicable, stating that such extension shall take place in respect of the Notes. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Scheduled Maturity Date or on the date stated in the final Extension Notice (such date being the "**Extended Maturity Date**").

Use of Proceeds

The entire net proceeds from the issue of the Notes and any Further Notes, will be invested by the Issuer in the Charged Assets and the relevant Further Charged Assets (in the case of any Further Notes) in each case within 30 days following the Issue Date or, as applicable, the relevant date of issue in respect of any Further Notes.

Information relating to the Charged Assets

General

The Issuer intends to use the proceeds of the issuance of the Notes to invest, within 30 days following the Issue Date, in Select Industries Preferred Shares, the redeemable, non-voting, non-participating, non-cumulative preference shares of Select Industries p.l.c. (the "**Select Industries Preferred Shares**"), a public limited liability company registered under the laws of Malta with Company Registration Number C 74094 and having its registered office at Level 1, Blue Harbour Business Centre, Ta' Xbiex Yacht Marina, Ta' Xbiex XBX 1027, Malta.

As more particularly set out in the Confidential Private Placement Memorandum, Select Industries p.l.c. will and may:

- 1) invest in income generating assets and an annual target coupon to participating shareholders of 6.50%
- 2) invest into any kind of registered and non-registered securities. It is anticipated that it will invest in a real estate project owned by Ocean Group LLC and Ocean Reef Group III, LLC, both Florida Limited Liability Companies, located in Ocean Reef Club in Key Largo, FL. USA

The appointed director is Amicorp Services Limited holder of company registration number C 54088 and having its registered office at Level 1, Blue Harbour Business Centre, Ta' Xbiex Yacht Marina, Ta' Xbiex Malta.

On the Issue Date, the Original Charged Assets will consist of the Series Assets and the Related Rights.

The Series Assets

For a detailed description of the Series Assets see the **CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**, a copy (or copies) of which is appended to this Series Memorandum.

Description of security arrangements in respect of the Notes

Introduction

The Notes will be secured, limited recourse obligations of the Issuer. The purpose of this section is to provide further information in respect of these important features of the Notes, which are included in the Conditions. However, the following description is a summary only of certain aspects of the security arrangements and is subject in all respects to the terms of the Trust Deed and the Conditions of the Notes, of which Noteholders are deemed to have notice and by which they are bound.

The Issuer will, pursuant to the provisions of the Trust Deed, grant the Security described below to the Trustee as continuing security for the payment of all sums due under the Trust Deed and the Notes. The Trustee shall hold such Security on behalf of itself, the Agents and the Noteholders.

Security arrangements

The Notes will be secured by a charge over the Series Assets.

Under the Trust Deed, as amended by the terms of the Constituting Instrument, the Issuer, in favour of the Trustee for itself and as trustee for the Secured Parties, and as continuing Security, will:

- (A) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in, to and under the Series Assets;
- (B) charge by way of fixed charge and assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in and to all funds and any other assets now or thereafter standing to the credit of the account of the Principal Paying Agent in respect of the Notes, the Further Notes and the debts represented by such moneys;
- (C) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in, to and under the Agency Agreement and the Placing Agreement and all sums and any other assets derived therefrom; and
- (D) charge by way of fixed charge and assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights with respect to (a) the Charged Assets and (b) any moneys and/or assets received in respect of such Charged Assets (including, for the avoidance of doubt, any sums standing to the credit of the Deposit Account, pursuant to sub-clause 7.6 of the Trust Deed),

in each case on terms that the Trustee shall hold the proceeds of such Security for itself and on trust for itself, and the Secured Parties (and the holders of any Further Notes in accordance with the terms of the Trust Deed).

Charging Instrument

Pursuant to the Charging Instrument the Issuer will grant a security interest governed by the law of Malta over the Charged Assets obtained with the net proceeds of the issue of the Notes and all rights

of the Issuer derived from or connected to the Charged Assets as security in favour of the Trustee for itself and as trustee for the Secured Parties.

Enforcement of the Mortgaged Property

The Mortgaged Property may become enforceable if the Notes or any of them have become due and repayable (for example, due to acceleration following the occurrence of a Tax Event, Mandatory Redemption Event, Additional Mandatory Redemption Event or an Event of Default) and have not been repaid.

In such circumstances the Trustee may at its discretion, and upon being indemnified, secured and/or prefunded to its satisfaction and shall if so requested or directed by the relevant parties (as more fully described in Condition 7), realise the Charged Assets. In realising the Charged Assets the Trustee may, but shall not be obliged to, procure the sale of the Charged Assets or may request the redemption of the Charged Assets.

Priority of claims and potential for insufficient security on sale of Charged Assets and/or on enforcement

In the event that any Charged Assets are required to be sold pursuant to the Conditions or the Security constituted by the Trust Deed; the Constituting Instrument and the Charging Instrument becomes enforceable in accordance with the Conditions, the net sums realised could be insufficient to pay all the amounts due to the Noteholders under the Notes. The sums realised from any such sale of the Charged Assets will be subject to deduction of the costs and expenses associated with such sale. In addition, all costs and expenses incurred by the Trustee in enforcing the Security (including any costs of a receiver or similar official) and amounts due to the Agents will be deducted from the proceeds of such enforcement before such proceeds are paid to the Noteholders. After taking action to enforce the Security as provided in the Conditions, the Trustee shall not be entitled to take any further steps against the Issuer to recover any sum still unpaid and no debt shall be owed by the Issuer in respect of such sum. In particular, no Agent or Noteholder may petition or take any other step for the winding-up of the Issuer nor shall any of them have any claim in respect of any sum over or in respect of any assets of the Issuer which are security for any other liability of the Issuer.

Limited recourse provisions

The Trustee, the Agents and the Noteholders (in each case to the extent that their claims are secured) shall have recourse only to the Mortgaged Property. If, the Trustee having realised the Mortgaged Property, the proceeds thereof are insufficient for the Issuer to make all payments then due to all such parties, the obligations of the Issuer will be limited to such proceeds of realisation of the Mortgaged Property and no other assets of the Issuer will be available to meet such shortfall; the Trustee, the Agents, the Noteholders or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum and no debt shall be owed to any such persons by the Issuer. The Trustee and the Agents, shall rank prior to the Noteholders in the application of all moneys received in connection with the realisation or enforcement of the Security. In particular, none of the Trustee and the Agents or any holder of the Notes may petition or take any other step for the winding-up of the Issuer, and none of them shall have any claim in respect of any sum arising in respect of the Mortgaged Property for any other Series.

Information relating to the Arranger and Calculation Agent

FlexFunds Ltd. is the Arranger in respect of the Notes and has been appointed as Calculation Agent, and as such is responsible for certain management and administrative functions in relation to the Notes.

FlexFunds Ltd. is an exempted company incorporated in the Cayman Islands with limited liability. The company administers the Note program with all participants and prepares the notes for issuance and calculation of NAV.

FlexFunds Ltd. has a presence in the Cayman Islands.

As Calculation Agent, FlexFunds Ltd. is responsible for determining the Interest Payment Date and any Extended Maturity Date in addition to calculating interest payment on the Notes.

The Calculation Agent may at any time resign and the Issuer may at any time terminate its appointment, subject to giving 60 days' prior written notice. In such case the Issuer would, with the prior written consent of the Trustee, appoint a successor.

The holder of the Notes will have claims against the Issuer only, and shall not have any rights directly against the Arranger or any Agent of the Issuer.

Fees

The fees payable to FlexFunds Ltd. as the Arranger are described in Special Condition (XI) of the Notes.

Information relating to the Sale Agent and Placing Agent

GWM Group, Inc. and GWM LTD have been appointed as Sales Agent and Placing Agent, and as such are responsible for certain management and administrative functions in relation to the Notes.

GWM Group, Inc. is a full service broker dealer based in Stamford, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Its clients' accounts are introduced on a fully disclosed basis to Interactive Brokers, LLC.

GWM Group, Inc. offers execution services to clients ranging from retail clients to institutional investment firms, and services ranging from wealth management services to custody and clearing services. The company also offers investment solutions, such as fee-based programs, retirement products and programs, asset management accounts, margin borrowing, mutual fund solutions, and wealth management.

GWM Group, Inc. has a presence in each of New York, Connecticut and Miami.

GWM LTD was incorporated in Bermuda in December 2014 and is licensed to conduct investment business by the Bermuda Monetary Authority.

The Bermuda Monetary Authority granted approval to GWM LTD for a license under section 16 of the Investment Business Act 2003.

As Placing Agent, GWM Group, Inc. and GWM LTD have agreed to comply with all duties and responsibilities set out in the Conditions of the Notes, and to strictly adhere to the Selling Restrictions.

As Sales Agent, GWM Group, Inc. and GWM LTD are responsible to the Issuer for taking any steps in order to realise the Charged Assets as required for the purposes of the Notes.

The holder of the Notes will have claims against the Issuer only, and shall not have any rights directly against the Arranger or any Agent of the Issuer.

Information relating to the Issuer

General

The Issuer was incorporated in Ireland as a public limited liability company on 29 August 2011, with registration number 502865 under the name IA Capital Structures (Ireland) plc, under the Companies Acts 1963 – 2013.

The registered office of the Issuer is at 22 Clanwilliam Square, Grand Canal Quay, Dublin 2, Ireland. The telephone number of the Issuer is +353 1 609 9184. The authorised share capital of the Issuer is EUR 100,000,000 divided into 100,000,000 Ordinary Shares of EUR 1 each (“**Shares**”). The Issuer has issued 38,100 Shares all of which are fully paid. The issued Shares are held by a Jersey-incorporated company, Sanne Trustee Services Limited (the “**Share Trustee**”), on trust for charitable purposes. The Share Trustee has, inter alia, undertaken not to exercise its voting rights to wind up the Issuer unless and until it has received written confirmation from the Directors of the Issuer that the Issuer does not intend to carry on further business.

The Issuer has been established as a special purpose vehicle. The principal activities of the Issuer are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

The Issuer is not, and will not be, regulated by the Central Bank of Ireland (the “Central Bank”) by virtue of the issue of the Notes. Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank.

The Issuer has not underwritten and will not underwrite the issue of, place, offer, or otherwise act in respect of the Notes, otherwise than in conformity with the provisions of all laws applicable in the jurisdiction in which the Notes are offered.

Directors and company secretary

The Directors of the Issuer are as follows:

- Wendy Merrigan
- Rory Williams

The Company Secretary is Sanne Capital Markets Ireland Limited.

Sanne Capital Markets Ireland Limited is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator commits any material breach of the corporate service agreement between the Issuer and the administrator, or if the administrator is unable to pay its debts as they fall due or if the administrator becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days’ written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is 22 Clanwilliam Square, Grand Canal Quay, Dublin 2, Ireland.

The auditors of the Issuer are PricewaterhouseCoopers who are chartered accountants qualified to practice in Ireland.

Financial statements

The Issuer has published financial statements for up to 30 June 2014.

Authorisation

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 23 March 2016.

Litigation

There are no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the Issuer's financial position.

Selling restrictions

In addition to the Selling Restrictions set out in the Programme Memorandum the restrictions set out below shall apply.

The Notes have not been and will not be registered under the U.S Securities Act of 1933, as amended, and may not be directly or indirectly offered or sold in the United States or to or for the benefit of any U.S person (as defined in Regulation S) unless the securities are registered under the Securities Act of 1933, or an exemption from the registration requirements of the Securities Act of 1933 is available.

Where:

“U.S person” means a *“US person”*, as the term is defined in Regulation S under the Securities Act of 1933 (as amended from time to time) and more particularly are references to: (i) any natural person that resides in the U.S; (ii) any entity organised or incorporated under the laws of the U.S; (iii) any entity organised or incorporated outside the U.S that was formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act of 1933, unless it is organised or incorporated, and owned, by accredited investors (as defined in Section 501 of Regulation D promulgated under the Securities Act of 1933) who are not natural persons, estates or trusts; (iv) any estate of which any executor or administrator is a US person ; (v) any trust of which any trustee is a U.S person; (vi) any agency or branch of a foreign entity located in the U.S; or (vii) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; and (viii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or resident in the U.S. For the purposes hereof, the term **“U.S person”** shall not include any discretionary or non-discretionary account (other than an estate or trust) held for the benefit or account of a non-U.S person by a dealer or other professional fiduciary organised or incorporated in the US. The term **“U.S person”** includes entities that are subject to the U.S Employee Retirement Income Securities Act of 1974, as amended, or other tax-exempt investors or entities in which substantially all of the ownership is held by U.S persons.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **“Relevant Member State”**), an offer of Notes to the public has not and may not be made in that Relevant Member State.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Programme Memorandum, this Series Memorandum or any part thereof or any other offering material, in any country or jurisdiction where action for that purpose is required.

NO OFFER, SALE OR DELIVERY OF THE NOTES, OR DISTRIBUTION OR PUBLICATION OF ANY OFFERING MATERIAL RELATING TO THE NOTES, MAY BE MADE IN OR FROM ANY JURISDICTION EXCEPT IN CIRCUMSTANCES WHICH WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. ANY OFFER OR SALE OF THE NOTES SHALL COMPLY WITH THE SELLING RESTRICTIONS AS SET OUT IN THE ISSUER'S OFFERING DOCUMENTS AND ALL APPLICABLE LAWS AND REGULATIONS.

General Information

For so long as the Notes remain outstanding, the following documents will be available in physical form from the date hereof during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the Issuer and the specified office of the Principal Paying Agent in London:

- (a) the Master Documents which are incorporated by reference by the Constituting Instrument so as to constitute the Trust Deed, Agency Agreement, Placing Agreement and Charged Assets Sale Agreement with respect to the Notes (to the extent not otherwise amended, modified and/or supplemented by the Constituting Instrument);
- (b) any deed or agreement supplemental to the Master Documents;
- (c) the Programme Memorandum;
- (d) the Certificate of Incorporation and the Memorandum and Articles of Association of the Issuer; and
- (e) the Constituting Instrument

APPENDIX 1 – CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Copy No. _____

Furnished to: _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

FOR SUBSCRIPTION OF UP TO 17,000,000

**REDEEMABLE, NON-VOTING, NON-PARTICIPATING, CUMULATIVE
PREFERENCE SHARES**

AT USD1 PER SHARE

IN

SELECT INDUSTRIES P.L.C.

a public limited liability company registered under the laws of Malta with Company Registration Number C 74829, having its registered office at Level 1, Blue Harbour Business Centre, Ta' Xbiex Yacht Marina, Ta' Xbiex XBX 1027, Malta, and established subject to the provisions of the Securitisation Act (Chapter 484 of the Laws of Malta)

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER, INVITATION OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH OFFER, INVITATION OR SOLICITATION IS NOT AUTHORISED OR LAWFUL, OR IN WHICH THE PERSON MAKING SUCH OFFER, INVITATION OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, INVITATION OR SOLICITATION.

THIS MEMORANDUM DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL DATED 4 NOVEMBER 2003, AS AMENDED (THE "PROSPECTUS DIRECTIVE"). THE OFFERING OF PREFERENCE SHARES PURSUANT TO THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC, WHETHER IN MALTA OR OTHERWISE. THIS MEMORANDUM (OR ANY OFFER OF PREFERENCE SHARES) SHALL NOT BE CONSIDERED AN OFFER OF SECURITIES TO THE PUBLIC UNDER THE PROSPECTUS DIRECTIVE OR THE COMPANIES ACT (CHAPTER 386 OF THE LAWS OF MALTA). PREFERENCE SHARES CANNOT BE SUBSCRIBED BY MALTESE INVESTORS AND MAY BE SUBSCRIBED ONLY BY 'QUALIFIED INVESTORS' WITHIN THE MEANING OF THE PROSPECTUS DIRECTIVE AND THE COMPANIES ACT.

THE MALTA FINANCIAL SERVICES AUTHORITY HAS MADE NO ASSESSMENT OR VALUE JUDGMENT ON THE ACCURACY OR COMPLETENESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN, NOR HAS IT APPROVED THE CONTENTS OF, THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM. SELECT INDUSTRIES P.L.C. IS NOT LICENSED OR AUTHORISED BY THE MALTA FINANCIAL SERVICES AUTHORITY.

[-] March 2016

INTRODUCTION AND IMPORTANT INFORMATION

Select Industries p.l.c. is a public limited liability company registered under the laws of Malta with Company Registration Number C 74829 and having its registered office at Level 1, Blue Harbour Business Centre, Ta' Xbiex Yacht Marina, Ta' Xbiex XBX 1027, Malta (the “**Issuer**”). The Issuer was registered in Malta on March 17th 2016 and established subject to the provisions of the Securitisation Act, Chapter 484 of the Laws of Malta (the “**Securitisation Act**”).

The Issuer is offering for subscription, pursuant to this Confidential Private Placement Memorandum (this “**Memorandum**”) up to USD17,000,000 redeemable, non-voting, non-participating, cumulative preference shares with a nominal value of USD1 per share (the “**Preference Shares**”) to investors who satisfy the eligibility criteria of this Memorandum. The terms and conditions of the Preference Shares are set out below under Section 1 (*Summary of Principal Terms – Securities*) and Section 3 (*Terms and Conditions of the Preference Shares*).

This Memorandum constitutes an offer to you only if the Issuer has entered your name on the cover page hereof. You are being provided this Memorandum for the exclusive purpose of assessing the merits and risks of investing in the Issuer and the Preference Shares. In the absence of the Issuer’s express prior written consent, you may not copy, use or transmit this Memorandum or any data or information contained herein, in whole or in part, or permit such copy, use or transmission by others for any purpose (except that you may provide copies of this Memorandum or portions hereof to your legal, tax, financial and other advisers for the purpose of assisting you in determining whether an investment in the Issuer is appropriate for you). Upon the Issuer’s request, you must return this Memorandum and any other materials relating to the offering of Preference Shares that the Issuer has provided to you.

The Issuer confirms that (i) this Memorandum contains all information with respect to the Issuer and the Preference Shares that is material in the context of the issue and offering of the Preference Shares; (ii) the information contained herein in respect of the Issuer and the Preference Shares is accurate in all material respects and is not misleading; (iii) any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; (iv) there are no other facts, the omission of which would make any statement, whether fact or opinion, in this Memorandum misleading in any material respect; and (v) the Issuer made has all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No person has been authorised to give any information, issue any advertisement or make any representation which is not contained or consistent with this Memorandum or any other document produced in relation to the Preference Shares and, if given or made, such information, advertisement or representation must not be relied upon as having been authorised by the Issuer.

None of the advisors or any person mentioned in this Memorandum, other than the Issuer and the Issuer’s directors (the “**Directors**”), shall be responsible for the information contained in this Memorandum and in any documents referred to by this Memorandum, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

All the advisors to the Issuer have acted and are acting exclusively for the Issuer in relation to this Memorandum and have no contractual, fiduciary or other obligation or responsibility towards any other person and will accordingly not be responsible to any investor or any other person whomsoever in relation

to the contents of and any information contained in the Memorandum, its completeness or accuracy or any other statement made in connection therewith. Each person receiving this Memorandum acknowledges that such person has not relied on any of the advisors in connection with its investigation of the accuracy of such information or its investment decision and each person must rely on its own evaluation of the Issuer and the Preference Shares and the merits and risks involved in the investing in the Preference Shares.

The services of the Issuer's legal counsel in respect of this Memorandum were and are limited to those specific matters upon which it has been consulted. There may be other matters that would have a bearing on the Issuer or an investment in the Preference Shares upon which the Issuer's legal counsel has not been consulted. The Issuer's legal counsel does not undertake to monitor the compliance by the Issuer with its obligations as described in this Memorandum, nor does it monitor the Issuer's activities for compliance with applicable laws. Additionally the Issuer's legal counsel has relied and continues to rely upon information furnished to it by the Issuer and the Directors, and has not investigated or verified nor will it investigate or verify the accuracy and completeness of information set out herein concerning the Issuer, the Directors, the Borrower (as defined below), the Ocean Reef LLCs (as defined below) or any other service providers to the Issuer or any other parties involved in the issue of the Preference Shares (including all of their respective affiliates, directors, officers, employees and agents). Moreover, the Issuer's legal counsel accepts no responsibility for any description of matters in this Memorandum that relate to (and any issues arising from) any applicable law that is not Maltese law.

It is the responsibility of any person in possession of this document to inform themselves of and to observe and comply with, all applicable law and regulations of any relevant jurisdiction. The contents of this Memorandum is not and cannot be construed as legal, tax, financial or other advice or as a recommendation or advice in relation to the subscription, purchase, holding or disposition of Preference Shares. Prospective investors for the Preference Shares should inform themselves as to the legal, tax and investment requirements of applying for the subscription of any Preference Shares and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile. Prospective investors should consult and must rely on their own legal advisors, accountants and other financial advisors as to legal, tax, investment or any other related matters concerning the Preference Shares, including in relation to any assessment of the merits and the risks of investing in the Issuer and the Preference Shares.

This Memorandum together with all documents referred to in this Memorandum, should be read in their entirety before deciding whether to acquire any Preference Shares.

The Memorandum and/or the offering, sale of any Preference Shares may not be taken as an implication that (i) the information contained in the Memorandum is accurate and complete subsequent to its date of issue, (ii) there has been no adverse change in the financial condition of the Issuer since such date or (iii) any other information supplied in connection with the Preference Shares is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Memorandum does not constitute, and may not be used for the purposes of an offer, invitation or solicitation to any person (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised, (ii) in any jurisdiction in which any person making such offer, invitation or solicitation is not qualified to do so or (iii) to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Memorandum in certain jurisdictions may be restricted and accordingly, persons into whose possession it is received are required to inform themselves about, and to observe, such restrictions.

The Preference Shares will not be registered under the Securities Act of 1933 of the United States of America, as amended (the “**Securities Act**”). The Preference Shares may not be offered, sold or delivered within the United States or to ‘U.S. persons’, as such term is defined in Regulation S adopted under the Securities Act. The Preference Shares may only be offered, sold or issued to, and accepted by, ‘qualified investors’, as such term is defined in Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the “**Prospectus Directive**”) and the Companies Act, Chapter 386 of the Laws of Malta (the “**Companies Act**”).

No application has been made the Preference Shares to be listed and/or traded on any stock exchange or other market. An active secondary market in the Preference Shares is unlikely to develop.

The value of investments can rise or fall and past performance is not necessarily indicative of future performance. Investment in the Preference Shares is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Preference Shares is suitable for them in light of their circumstances and financial resources. Investment in the Preference Shares is suitable only for investors who are capable of evaluating the risk and merits of such investment. An investment should only be made by those investors who could sustain a loss on their investment, should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. If you need investment advice with respect to the Preference Shares, you should consult a licensed investment advisor.

The Preference Shares, all the rights and obligations of the holders of the Preference Shares and the Issuer, and any non-contractual obligations arising out of or in connection with the Preference Shares, shall be governed by and construed in accordance with Maltese law. The Courts of Malta shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Preference Shares, all the rights and obligations of the of the holders of the Preference Shares and/or the Issuer, and any non-contractual obligations arising out of or in connection with the Preference Shares. Statements made in this document are (except where otherwise stated) based on the law and practice currently in force in Malta and are subject to changes thereto.

The Issuer may reject an application for subscription of the Preference Shares for any reason and is not obliged to disclose the reason, or reasons, for so rejecting such application.

This Memorandum can only be used for the purposes for which it has been published.

§ 1. SUMMARY OF PRINCIPAL TERMS

This ‘Summary of Principal Terms’ included below summarises information on the Issuer, the main features of the Preference Shares and the terms of the offer of the Preference Shares that is set out in greater detail in other sections of this Memorandum. This Summary is should only be read as an introduction to this Memorandum and is qualified in its entirety by, and must be read in conjunction with all other sections of this Memorandum.

In addition, parts of this Memorandum summarise certain provisions of the governing documents and contractual agreements relating to the Issuer, including the Issuer’s Memorandum and Articles of Association (the “**Articles**”), as well as certain provisions of applicable statutes, rules and regulations. These summaries are intended to be brief and do not purport to provide detailed descriptions or explanations of the subject matter that they cover. This Memorandum is therefore itself qualified in its entirety by the full text of those documents, agreements and laws, which you should read in their entirety for a more complete understanding of the Issuer, the Preference Shares and the purpose for which the subscription proceeds received from the issue of the Preference Shares are to be used. Any decision to invest in the Preference Shares should be based on consideration of this Memorandum and all of the aforementioned documents, agreements and laws as a whole.

The rights pertaining to the holders of Preference Shares, in particular, are regulated by the provisions of the Articles and not by the provisions of this Memorandum. In the event of an inconsistency between the provisions of the Articles and the provisions of this Memorandum, the provisions of the Articles shall prevail.

Copies of the Issuer’s Articles and any agreements entered into by the Issuer or otherwise referred to in this Memorandum, are available from the Issuer upon request.

ISSUER	
Name	Select Industries p.l.c.
Domicile & Legal Form	Public limited liability company registered in Malta with Company Registration Number C 74829 established subject to the provisions of the Securitisation Act
Business Overview	Special purpose vehicle for the sole purpose of undertaking securitisation transactions
Directors	Amicorp Services Limited & Amicorp Malta Limited
Shareholders	The majority of the Issuer’s Ordinary Shares are held by Amicorp Malta Limited, with the exception of one Ordinary Share that is held by Amicorp Services Malta
Financial Information	The Issuer has not commenced operations and has not yet made up financial statements (audited or unaudited) for its first accounting reference period

SECURITIES	
Type/Class of Securities	Redeemable, non-voting, non-participating, cumulative preference shares
Currency	USD
Nominal Value	USD 1 per Preference Share
Preferred Dividend	6.5% (of nominal value) per annum
Dividend Payment Dates	Quarterly in arrear
Priority of Payment	Preferred Dividend (as defined below) to be paid prior to and in preference to payment of dividends to holders of Ordinary Shares; in a dissolution and winding up of the Issuer, claims of Preference Shares shall be satisfied in full prior to any distribution to Ordinary Shares
Profit Participation	Preference Shares are not entitled to participate in profits of the Issuer remaining after payment of the Preferred Dividend, or, in the event of a dissolution and winding up of the Issuer, any profits remaining after payment of the Redemption Price (as defined below)
Redemptions	At the option of the Issuer at any time prior to the Final Redemption Date (as defined below); redemption requests may be submitted by holders of Preference Shares subject to approval by the Issuer, which the Issuer may withhold in its sole discretion
Final Redemption Date	To be redeemed at 72 months from the date of issue
Redemption Price	Nominal value plus (1) an amount equal to Preferred Dividends accumulated during that financial year and in prior financial years but not yet paid as at the Redemption Date and (2) pro rata portion of all Sale Participations (as defined below) received by the Issuer under the Select Loan Facility as at the Redemption Date
Listing	The Preference Shares will not be listed
Voting Rights	The Preference Shares do not carry any voting rights, any right to appoint Directors or any right to receive notice of and attend general meetings of the Issuer
Liability	The liability of holder of Preference Shares limited to amount of nominal value unpaid on the Preference Shares held
Transfers	Freely transferable subject to transfer procedure as set out in the Articles and this Memorandum.
Governing Law	Maltese law

TERMS AND CONDITIONS OF THE OFFER	
Number of Preference Shares Offered	17,000,000
Subscription Price	USD1 per Preference Share
Minimum Initial Investment	USD1,500,000
Minimum Initial Investment per Additional Subscription	USD100,000
Subscription Period	Twelve (12) months from date of this Memorandum (extendable at the option of the Issuer); Subscription Agreements available from Issuer upon request as of the date of this Memorandum
Eligibility Criteria / Selling Restrictions	‘Qualified Investors’ (as defined in the Companies Act and the Prospectus Directive) who are not U.S. Persons (as defined in Regulation S adopted under the Securities Act) and who are not Maltese residents (or acting on behalf of Maltese residents)
Use of Proceeds	The Issuer will lend all subscription proceeds it receives from the issue of the Preference Shares to the Borrower (as defined below) at a fixed interest rate of 6.5% per annum under a Florida law governed secured loan facility agreement, the term of which is expected to be 36 months and not longer than 72 months, extendable by agreement between the Issuer and the Borrower

§ 2. THE ISSUER

General Information about the Issuer

Legal Name:	Select Industries p.l.c.
Company Registration Number:	C 74829
Legal Form:	public limited company established under the Companies Act and subject to the provisions of the Securitisation Act
Place of Registration & Domicile:	Malta
Date of Registration:	March 17th 2016
Registered Office Address:	Level 1, Blue Harbour Business Centre, Ta' Xbiex Yacht Marina, Ta' Xbiex XBX 1027, Malta

Business Overview

The Issuer was established as special purpose vehicle subject to the provisions of the Securitisation Act for the sole purpose of undertaking securitisation transactions. The Issuer's business is limited to financing its activities as described herein through the issuance of the Preference Shares. The Issuer does not carry on any other business.

Capital Structure

As at the date of this Memorandum, the authorised share capital of the company is seventeen million and fifty-four thousand United States Dollars (USD17,054,000), divided into fifty-four thousand (54,000) Ordinary Shares with a nominal value of one United States Dollar (USD1) each (the "**Ordinary Shares**") and seventeen million (17,000,000) Preference Shares with a nominal value of one United States Dollar (USD1) each.

The issued share capital of the company is presently fifty-four thousand United States Dollars (USD54,000), divided into fifty-four thousand (54,000) Ordinary Shares with a nominal value of one United States Dollar (USD1), each twenty-five percent (25%) paid up. The Ordinary Shares are not available for subscription pursuant to this Memorandum.

The holders of the Ordinary Shares have the exclusive right to vote and to appoint directors and have the right to participate in the profits of the Issuer on a *pro rata* basis according to the number of shares they hold in the Issuer, subject to any preferred rights of the holders of the Preference Shares as set out in Section 3 ('*Terms and Conditions of the Preference Shares*') below. Fifty-three thousand nine hundred and ninety-nine (53,999) Ordinary Shares are held by Amicorp Malta Limited (in its capacity as fiduciary shareholder), a private limited liability company registered under the laws of Malta with Company Registration Number C 44003 and having its registered office at Level 1, Blue Harbour Business Centre, Ta' Xbiex Yacht Marina, Ta' Xbiex XBX 1027, Malta ("**Amicorp Malta Limited**"). One (1) Ordinary Share is held by Amicorp Services Limited (in its capacity as fiduciary shareholder), a private limited liability company registered under the laws of Malta with Company Registration Number C 54088 and having its registered office at Level 1, Blue Harbour Business Centre, Ta' Xbiex Yacht Marina, Ta' Xbiex XBX 1027, Malta ("**Amicorp Services Limited**").

Management

The board of directors of the Issuer is responsible for managing the overall business and affairs of the Issuer. As of the date of this Memorandum the directors of the Issuer are Amicorp Services Limited and Amicorp Malta Limited. Amicorp Services Limited is a corporate services provider authorised by the Malta Financial Services Authority to act as a Company Service Provider in terms of the Company Service Providers Act (Chapter 529 of the Laws of Malta). Amicorp Malta Limited is authorised to act as a Trustee to provide fiduciary services in terms of the Trusts and Trustees Act (Chapter 331 of the Laws of Malta). Both Amicorp Services Limited and Amicorp Malta Limited also provide the Issuer with other corporate services in addition to acting as Directors.

Under the terms of the Issuer's Articles, the Directors are entitled to be indemnified from the assets of the Issuer against any liability incurred by him in defending any proceedings in which judgment is given in his favour or in which he is acquitted.

Financial Information

As a newly incorporated entity that has not commenced operations, the Issuer has not yet, as at the date of this Memorandum, made up financial statements (audited or unaudited) for its first accounting reference period.

Auditor

KPMG, Malta has been appointed as the Issuer's statutory auditor until the end of the first annual general meeting of the Issuer. KPMG is a registered audit firm with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta).

§ 3. TERMS AND CONDITIONS OF THE PREFERENCE SHARES

Cumulative Preferred Dividend

Preference Shares shall be entitled to an annual fixed cumulative preferred dividend of six and a half percent (6.5%) (of their nominal value), payable quarterly in arrear no later than ten (10) days following the last day of immediately preceding calendar quarter (and commencing in respect of the calendar quarter during which the Preference Shares are issued), provided always that the Issuer has sufficient distributable profits for this purpose (the “**Preferred Dividend**”).

Should the Issuer not have sufficient distributable profits to pay the Preferred Dividend the Issuer shall be entitled to reduce the Preferred Dividend (and, accordingly, the relevant quarterly payments) to an amount that reflects the distributable profits actually available.

The Preferred Dividend shall be cumulative, which means that if part or all of a Preferred Dividend cannot be paid in any given financial year, any shortfall shall be carried forward to, and must be made up out of, the distributable profits of subsequent years. No dividend may be paid to the holders of the Ordinary Shares until all Preferred Dividends for past financial years are paid in full.

The Preferred Dividend shall be calculated on a daily basis from the date of issue of the Preference Shares on the basis of a three hundred and sixty (360) day year divided into twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

The Preferred Dividend shall be paid prior to and in preference to the payment of dividends to the holders of the Ordinary Shares and in the event of a dissolution and winding up of the Issuer, the claims of the holders of the Preference Shares, which shall include the right to payment of the Redemption Price (as defined below), shall be satisfied in full prior to any distribution being made to the holders of the Ordinary Shares.

The holders of the Preference Shares shall not be entitled to participate in any profits of the Issuer remaining after payment of the Preferred Dividend, or, in the event of a dissolution and winding up of the Issuer, to any profits remaining after payment of the Redemption Price.

Redemption

Preference Shares shall be redeemable at the option and discretion of the Issuer (including upon a request for a redemption by a holder of Preference Shares) at any time up to seventy-two (72) months from their date of issue (the “**Final Redemption Date**”) by providing written notice of such redemption to the holders of those Preference Shares at least seven (7) days prior to the date on which they are to be redeemed (each such date, a “**Redemption Date**”).

Each holder of Preference Shares may request a redemption (of any number of Preference Shares held) at any time prior to the Final Redemption Date subject to the approval of that redemption request by the Issuer, which approval the Issuer may grant or withhold in its sole discretion. Should the Issuer approve a redemption request, it will provide written notice of that approval to the holder of Preference Shares making the request at least seven (7) days prior to the Redemption Date, which notice shall indicate the Redemption Date.

Any Preference Shares not redeemed prior to the Final Redemption Date shall be redeemed on the Final Redemption Date.

Each Preference Share shall be redeemed at its nominal value plus (1) an amount equal to any Preferred Dividend accumulated during that financial year and in prior financial years but not yet paid as at the Redemption Date and (2) that Preference Share's *pro rata* portion of all Sale Participations (as defined below) received by the Issuer under the Select Loan Facility as at the Redemption Date (the "**Redemption Price**").

Preference Shares shall not be redeemed except out of distributable profits in accordance with the provisions of Article 115 of the Companies Act.

Subject to Article 115(1)(c) of the Companies Act, should the Issuer not have sufficient distributable profits to pay the Redemption Price the Issuer shall be entitled to reduce the Redemption Price to an amount that reflects the distributable profits actually available.

The Redemption Price shall be paid by no later than the Redemption Date.

Other Terms and Conditions

The Preference Shares shall not carry any voting rights, any right to appoint the Directors of the Issuer or any right to receive notice of and attend general meetings of the Issuer.

The liability of each holder of Preference Shares to the Issuer is limited to the amount of the unpaid on the nominal value of the Preference Shares held. The Preference Shares are being offered at their nominal value and, accordingly, any Preference Shares subscribed pursuant to this Memorandum must be fully paid up.

Transfers

A transfer of Preference Shares is permissible at any time in the manner set forth in the Articles, subject also to receipt by the Issuer of (i) irrevocable written instructions of transfer from the holder of those Preference Shares and (ii) a fully completed Subscription Agreement (as defined below) executed by the proposed transferee. Transfer fees and any applicable taxes and other charges incurred will be charged to the transferring shareholder for all transfers of Preference Shares.

§ 4. USE OF PROCEEDS

Secured Loan to Select Industries LLC

The Issuer will enter into a Florida law governed loan facility agreement with Select Industries LLC, a Florida limited liability company incorporated on the 5 February 2016 (the “**Borrower**”), pursuant to which it will lend all subscription proceeds it receives from the issue of the Preference Shares to the Borrower at a fixed interest rate of six and a half percent (6.5%) per annum, (the “**Select Loan Facility**”). The term of the Select Loan Facility is expected to be thirty-six (36) months and not expected to be longer than seventy-two (72) months, which term would be extendable by agreement between the Issuer and the Borrower. The terms of the Select Loan Facility will also provide for the payment by the Borrower of all of the Issuer’s ongoing costs and expenses upon submission of invoices for those costs and expenses to the Borrower by the Issuer.

The Select Loan Facility will, pursuant to a Florida law governed Pledge Agreement to be entered into between the Issuer and the Borrower’s sole member, [-], be secured by a Florida law governed Pledge granted in favour of the Issuer by that sole member over its whole membership interest in the Borrower (the “**Pledge Agreement**”).

Investment in Ocean Reef Club Real Estate by Select Industries LLC

The Borrower will, in turn, enter into a loan facility agreement with each of Ocean Reef Group, LLC and Ocean Reef Group III, LLC, both Florida limited liability companies (each, an “**Ocean Reef LLC**” and together, the “**Ocean Reef Group LLCs**”), pursuant to which the Borrower will lend all proceeds of the Select Loan Facility to the Ocean Reef Group LLCs (the “**Ocean Reef Loan Facilities**”). The Ocean Reef Loan Facilities will have similar terms to the Select Loan Facility but will not be secured.

The Ocean Reef Group LLCs were established for the purpose of purchasing and developing real estate in the Ocean Reef Club in Key Largo, Florida, U.S.A. (the “**Ocean Reef Club**”). Further information on the Ocean Reef Club can be found at <https://www.oceanreef.com/>. The Ocean Reef LLCs collectively own seven parcels of real estate in the Ocean Reef Club (each, a “**Property**” and collectively, the “**Properties**”) and the funds received by the Ocean Reef Group LLCs under the Ocean Reef Loan Facilities will be utilised to develop, with a view to eventually selling, those Properties. The development and construction of the Properties will be undertaken by Sea Horse Construction, LLC, an affiliate Florida LLC of South Bay Holdings, LLC.

Cash-Flows

Interest payments and principal repayments to the Issuer by the Borrower under the Select Loan Facility will be used to fund the Issuer’s Preferred Dividend obligations and redemption payments to the holders of the Preference Shares. The Borrower will, in turn, rely on interest payments and principal repayments made to it by the Ocean Reef Group LLCs under the Ocean Reef Loan Facilities in order to fund the Borrower’s obligations to the Issuer under the Select Loan Facility.

The Issuer will open an escrow account in which it will to set aside interest, construction and operational cash-flow reserves.

Upon the sale of a Property by an Ocean Reef LLC, 0.5% of the proceeds of that sale will, pursuant to the terms of the relevant Ocean Reef Loan Facility, be distributed by that Ocean Reef LLC to the Borrower (the “**Sale Participation**”). The terms of the Select Loan Facility will provide that the Borrower will pay any Sale Participation it receives in full to the Issuer together with repayment of the principal to the Issuer upon the maturity of the Select Loan Facility, which Sale Participation will, in turn, be paid by the Issuer to the holders of the Preference Shares upon redemption as part of the Redemption Price as described above.

Copies of the Select Loan Facility, the Pledge Agreement and the Ocean Reef Loan Facilities will all be available from the Issuer upon request.

§ 5. TERMS AND CONDITIONS OF THE OFFER

Offer Price, Subscription Period and Minimum Investment

The Preference Shares are being offered for subscription at their nominal value – USD1 per Preference Share – subject to an initial minimum subscription requirement of USD1,500,000, for a period of twelve (12) months commencing on the date of issue of this Memorandum, which period may be extended at the discretion of the Issuer (the “**Subscription Period**”).

The Issuer’s form of subscription agreement for subscription of the Preference Shares (the “**Subscription Agreement**”) is available from the Issuer upon request. Subscription Agreements may be submitted to the Issuer at any time during the Subscription Period.

Investors may, following their initial minimum subscription, subscribe additional Preference Shares at any time during the Subscription Period subject to a minimum additional subscription requirement of USD100,000. Investors may subscribe additional Preference Shares by submitting an additional subscription form to the Issuer, the form of which is included in the Subscription Agreement, at any time during the Subscription Period (the “**Additional Subscription Form**”).

Subscription monies (in cleared funds) must be transferred to the Issuer in accordance with the process set out in the Subscription Agreement (or the Additional Subscription Form, as applicable). The Issuer will issue Preference Shares to investors in respect of which it has received and accepted duly completed Subscription Agreements (or the Additional Subscription Form, as applicable) as soon as practicable following receipt of subscription monies in cleared funds (in accordance with the process set out in the Subscription Agreement or the Additional Subscription Form, as applicable).

Investors will not be entitled to any rights as holders of the Preference Shares, including the right to the Preferred Dividend, until the investors are actually registered by the Issuer as holders of the Preference Shares.

Investor Suitability & Eligibility Criteria / Selling Restrictions

An investment in the Issuer is suitable only for investors who are aware of, and can afford, the risks involved in an investment in the Issuer and have the ability and willingness to accept the illiquid nature of investments in Shares and the risk of loss of a substantial portion of the Issuer’s capital.

The Preference Shares may only be offered, sold or issued to, and accepted by, ‘qualified investors’ (as such term is defined in the Prospectus Directive and the Companies Act).

The Preference Shares will not be registered in the United States under the Securities Act and may not be offered, sold or delivered within the United States or to ‘U.S. persons’ and you may not subscribe Preference Shares if you are a ‘U.S. person’ (in each case as such term is defined in Regulation S adopted under the Securities Act).

Preference Shares may not be offered to or subscribed by Maltese investors (i.e. investors resident in Malta or acting on behalf of a resident in Malta).

The Directors may, in their sole discretion, restrict or prevent the ownership of Shares by any person, firm or corporate body who does not meet the investor eligibility criteria set out above.

§ 6. RISK FACTORS

General

An investment in the Preference Shares issued by the Issuer involves certain risks, including but not limited to those risks described in this Section. The following risks are those identified by the Issuer as at the date of this Memorandum. Prospective investors should carefully consider, together with their independent financial and other professional advisors, the following risk factors (not listed in order of priority) and other investment considerations as well as all the other information contained in the Memorandum before deciding to make an investment in the Issuer and the Preference Shares.

Some of these risks are subject to contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring. The sequence in which the risks below are listed is not intended to be indicative of any order of probability of a particular cause of loss arising or of the extent of that loss should it arise. Should any of the risks described below materialise, they could have a serious adverse effect on the Issuer's financial results and trading prospects and the ability of the Issuer to fulfil its obligations under the Preference Shares.

The risks and uncertainties discussed below may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those that the Directors may not currently be aware of, could well result in a material impact on the financial condition and operational performance of the Issuer. Accordingly, prospective investors should make their own independent evaluation of all risk factors, and should carefully read, consider and understand the Memorandum as a whole before investing in the Preference Shares. In addition, prospective investors ought to be aware that risk may be amplified due to a combination of risk factors.

Forward Looking Statements

This document includes statements that are or may be deemed to be "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including but not limited to the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are based purely on the intentions, beliefs or current expectations of the Issuer and/or the Directors. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Memorandum will occur.

Forward-looking statements, by their very nature, involve substantial uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, many of which are beyond the Issuer's control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations and financial condition may, as a result of many different factors, differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations and financial condition of the Issuer are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

The Issuer and the Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Risks Relating to the Issuer

Limited Source of Funds for Payments to Holders of Preference Shares

The Issuer will have no assets other than right to interest payments, principal repayments and other receivables under the Select Loan Facility to the Borrower. There can be no assurance that there will be sufficient funds to enable the Issuer to pay the Preferred Dividends or meet its other obligations to the holders of the Preference Shares, in whole or in part.

No Current Income

The Issuer's investment policy should be considered speculative as there can be no assurance that the Select Loan Facility granted to the Borrower (the Ocean Reef Loan Facilities granted to the Ocean Reef LLCs and, in turn, the investments by the Ocean Reef LLCs in the Properties) will generate a return sufficient for the Issuer to meet its obligations to the holders of the Preference Shares.

Concentration Risk

Concentration risk may arise because of lack of diversification in the Issuer's business that may lead to excessive exposure or concentration in one counterparty or group of connected counterparties. The Issuer's current investment objective is not diversified. The receivables due to the Issuer under the Select Loan Facility are expected to constitute the only assets of the Issuer, which means that the Issuer's financial position and its ability to meet its obligations to the holders of the Preference Shares will be heavily dependent on Borrower's activities and its ability to meet its obligations to the Issuer under the Select Loan Facility (and, in turn, the activities of the Ocean Reef LLCs and the ability of the Ocean Reef LLCs to meet their obligations to the Borrower under the Ocean Reef Loan Facilities).

Credit Risk

The Issuer is subject to the credit risk of the Borrower defaulting on its obligations to the Issuer under the Select Loan Facility. Any default or inability of the Borrower to pay the Issuer amounts due to the Issuer under the Select Loan Facility may result in the inability of the Issuer to meet its obligations, in whole or in part, to the holders of the Preference Shares.

Limited Operating History

The Issuer is a special purpose vehicle that was incorporated on [-] and therefore has a limited operating history that can be evaluated as a basis for the Issuer's potential performance.

The Securitisation Act

The Issuer is established subject to the provision of the Securitisation Act. As at the date of this Memorandum, there has been limited interpretation of the application of the Securitisation Act by the local regulatory authority nor have there been any judgments of the Maltese courts relating to the same. Consequently, it is possible that further regulations, guidance or judgments may be issued relating to the Securitisation Act or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Memorandum.

Risks Relating to the Preference Shares

Preference Shares are not Redeemable at the Option of the Investors

The Preference Shares are redeemable but they are not redeemable at the option of the holder of the Preference Shares. They are redeemable automatically on the Final Redemption Date provided that the Preference Shares are redeemable at the option of the Issuer at any time prior to the Final Redemption Date. Even though a holder of Preference Shares may request a redemption of part or all of those Preference Shares such a request is subject to the approval of the Issuer, which approval the Issuer may grant or withhold in its sole discretion. See also Section 3 (*'Terms and Conditions of the Preference Shares - Redemption'*).

Payment of Preferred Dividend and Redemption Price Subject to Availability of Distributable Profits

The Issuer will be able to meet pay Preferred Dividends or the Redemption Price (in the event of a redemption) to the holders of Preference Shares only if the Issuer has sufficient distributable profits available at the time for that purpose. The Issuer will not be able to meet its obligations to the holders of the Preference Shares if it does not have sufficient distributable profits to do so.

No Assurance of Active Secondary Market for the Preference Shares

The Preference Shares will constitute a new issue of securities and there is no established trading market for the Preference Shares. The Issuer does not currently intend to apply for the Preference Shares to be listed on any regulated securities exchange or to arrange for quotation on any automated dealer quotation systems. There may be little or no secondary market for the Preference Shares. Even if a secondary market for the Preference Shares were to develop, it may not provide significant liquidity, and it is expected that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for the Preference Shares in any secondary market could be substantial. There can be no assurance regarding the future development of a market for the Preference Shares, the ability of the holders of the Preference Shares to sell their Preference Shares at a particular time or at all, or the prices at which they may be able to sell their Preference Shares.

No Rating

The Issuer does not intend to request any rating of the Preference Shares, whether by an internationally recognised rating agency or otherwise. The lack of a rating may adversely affect the transfer of the Preference Shares by the holders of those Preference Shares.

Change of Law

The terms and conditions of the Preference Shares offered pursuant to this Memorandum are based on Maltese law in effect as at the date hereof. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Memorandum.

Risks Relating to the Borrower, the Ocean Reef LLCs and Real Estate Investments

Credit Risk

The Borrower is subject to the risk of default in payment by the Ocean Reef LLCs, including any failure by the Ocean Reef LLCs to meet its payment obligations under the Ocean Reef Loan Facilities.

The Issuer is therefore, albeit indirectly, also subject to the credit risk of the Ocean Reef LLCs defaulting on their obligations to the Borrower.

Liquidity Risk

Liquidity risk is the risk that the Issuer may be unable to meet its obligations as they become due. The Borrower is subject to the risk of delay arising between the scheduled payment dates and actual receipt of payments due under the Ocean Reef LLC Facilities. As the receivables under the Select Loan Facility constitute the only assets of the Issuer, any delay in payments due by the Ocean Reef LLCs to the Borrower in respect of the Ocean Reef LLC Facilities could result in a delay in payments due by the Borrower to the Issuer under the Select Loan Facility, which could in turn result in a delay in payments due by the Issuer to the holders of the Preference Shares.

Concentration and Counterparty Risk

The only assets of the Ocean Reef LLCs are the Properties, which are concentrated in a one market segment, the real estate market, and are further concentrated by geographic location. The lack of diversification means that the materialisation of any number of risks adversely affecting the real estate markets as a whole (including but not limited to a severe or extended economic downturn of economy of the United States) will impact the financial condition of both the Ocean Reef LLCs and the Borrower and the ability of the Borrower to meet its obligations to the Issuer under the Select Loan Facility.

Changes in Applicable Law and Regulation

The Borrower and the Ocean Reef LLCs are subject to all applicable United States laws and regulations. Any adverse change in United States law or regulation could potentially impair the Borrower's ability to meet its obligations to the Issuer in respect of the Select Loan Facility (and/or the Ocean Reef LLCs' ability to meet their obligations to the Borrower under the Ocean Reef Loan Facilities).

United States Withholding and Other Taxes

No disclosure is made in this Memorandum in respect of taxation in the United States, whether in relation to payments made under the Select Loan Facility, in respect of the Ocean Reef Loan Facilities or in respect of the Borrower or the Ocean Reef LLCs generally. There can be no assurance that the Borrower and/or payments to the Issuer in respect of the Select Loan Facility (or that the Ocean Reef LLCs and/or payments to the Borrower in respect of the Ocean Reef Loan Facilities) will not be subject to withholding or other taxes, which could materially affect the ability of the Borrower to meet its obligations to the Issuer in respect of the Preference Shares.

General Real Estate Risks

The Issuer, through its granting of the Select Loan Facility to the Borrower and the Borrower's investments in the Ocean Reef LLCs will be subject to risks incident to the ownership of real estate, including changes in general economic or local conditions, changes in tenant preferences that reduce the attractiveness of properties to tenants, fluctuation in occupancy rates, operating expenses and rental schedules, costs associated with the need to periodically repair, renovate and re-lease space, withdrawal of tenants and difficulty replacing tenants, tenant defaults, changes in supply or demand of competing properties in an area, such as an excess supply resulting from over-building; changes in interest rates, zoning and other governmental regulations, availability of permanent mortgage funds that may render the sale of a property difficult or unattractive, increases in maintenance, insurance and other operating costs,

including real estate taxes, which may occur as other circumstances such as market factors and competition cause a reduction in revenues, inflation, changes in tax laws and rates and imposition or extension of rent controls by governmental authorities.

Economic Conditions

An extraordinary market downturn began in mid-2008 – credit markets tightened, property transaction volumes slowed dramatically and real estate values experienced significant downward pressures. Because there is a significant uncertainty in the valuation of, or in the stability of the value of, certain of the Properties, fair values of the Properties may not reflect the prices that might be obtained if the Properties were actually sold. As a result, there can be no assurance that real estate prices will stabilise in the near term. The Ocean Reef LLCs may also be required to hold illiquid Properties for several years before any disposition can be effected.

Lack of Liquidity of Investments

Real estate investments are generally highly illiquid compared to other asset classes. Given the nature of real estate investments, the Ocean Reef LLCs may be unable to realise their investment objectives by sale or other disposition at attractive prices within any given period of time, or may otherwise be unable to complete any exit strategy for their investments in the Properties. The Properties may require a substantial length of time to liquidate. If a loan repayment or other funding obligation arises at a time which the Ocean Reef LLCs do not have sufficient cash assets to cover such payment, they may have to liquidate certain Properties at less than their expected returns to satisfy those obligations, resulting in lower realised proceeds than might otherwise be the case.

Risks of Development Projects

Development projects such as the Properties generally have a higher degree of risk when compared to existing income-generating properties.

Loan Default Risks

Any mortgage loan documents for the Properties will generally contain customary covenants, such as requirements relating to the maintenance of the properties securing the debt, restrictions on pledging and creating other liens on the property, restrictions on incurring additional indebtedness and restrictions on transactions with affiliates. Failure by a borrower to make timely payments of principal and interest on mortgage loans or to observe these loan covenants could result in the declaration of a default by the lender. The consequences of a declaration of default include foreclosure of the mortgage, resulting in loss of both the property and the income it produces, the incurrence of substantial legal costs and the imposition of a deficiency judgment if the foreclosure sale does not result in proceeds sufficient to satisfy the mortgage. In addition, if any loan contains cross-default provisions, a default under one loan could result in default under other loans.

Interest Rate Fluctuations

General interest rate fluctuations may have a negative impact on the Properties and cash flow of the Ocean Reef LLCs, and accordingly, may have a material adverse effect on the Ocean Reef LLCs' ability to make distributions to the Borrower. Interest rate fluctuations resulting in an increase in interest expenses could reduce the Ocean Reef LLCs' net operating income or result in operating losses.

Refinancing Risks

Mortgage loans on the Properties may be subject to relatively short maturities, which may require refinancing before the properties are disposed of. There is no assurance that replacement financing can be obtained or, if it is obtained, that interest rates and other terms would be as favourable as for the original loans. Inability to refinance a loan on favourable terms may compel the Fund to attempt to dispose of the properties or other properties on terms less favourable than might be obtained at a later date.

Zoning and Environmental Laws

Governmental zoning and land use regulations may exist or be promulgated that could have the effect of restricting or curtailing certain uses of existing structures, or requiring that such structures be renovated or altered in some fashion. Such regulations could adversely affect the value of any of the Properties. In recent years, the value of real estate has also sometimes been adversely affected by the presence of hazardous substances or toxic waste on, under, or in the environs of the real estate. A substance (or the amount of a substance) may be considered safe at the time the real estate is purchased but later classified by law as hazardous. Under environmental laws, owners of properties have been liable for substantial expenses to remedy chemical contamination of soil and groundwater at their real estate even if the contamination predated their ownership. Although reasonable efforts can be exercised to assure that no real estate is acquired that gives rise to such liabilities, environmental contamination cannot always be detected through readily available means, and the possibility of such liability cannot be excluded.

Risk of Uninsured Losses

While the Issuers expects that the Properties will carry customary comprehensive liability and casualty insurance, certain disaster insurance (such as earthquake or terrorism insurance) may not be available or may be available only at prohibitive cost. In addition, losses may exceed insurance policy limits, and policies may contain exclusions with respect to various types of losses or other matters. Consequently, some or all of the Properties may not be covered by insurance, and insurance may not cover all losses.

THE FOREGOING RISK FACTORS ARE NOT EXHAUSTIVE AND DO NOT PURPORT TO BE A COMPLETE LIST OF ALL OF THE RISKS AND CONSIDERATIONS INVOLVED IN INVESTING IN THE PREFERENCE SHARES. IN PARTICULAR, THE ISSUER'S PERFORMANCE MAY BE AFFECTED BY CHANGES IN MARKET OR ECONOMIC CONDITIONS AS WELL AS LEGAL, REGULATORY AND TAX REQUIREMENTS APPLICABLE TO THE ISSUER, THE BORROWER, THE OCEAN REEF LLCs AND/OR THE PREFERENCE SHARES.

§ 7. TAXATION

Prospective investors should consult legal and tax advisors in the countries of their citizenship, residence and domicile to determine the possible tax or other consequences of purchasing, holding and redeeming Shares under the laws of their respective jurisdictions.

The information given under this heading does not constitute legal or tax advice to prospective investors or an opinion as to the tax situation of any prospective investor and prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding or disposing of Preference Shares under the laws of the jurisdictions in which they may be subject to tax. The information in this section is intended to be informative only, and not a substitute for careful tax planning.

[TAX ADVISORS TO INSERT TAX DESCRIPTION]

§ 8. GENERAL INFORMATION

Expenses and Fees

The Issuer will bear, directly or indirectly, all start-up and ongoing costs, including any interest on borrowing and fees in respect thereof, annual company registration fees of the Issuer, legal and audit fees and the fees of its other service providers, the costs of printing and distributing periodic and annual reports and statements, and all other operating expenses.

Certain Regulatory Notifications & Reporting

The Issuer has given notice to the Malta Financial Services Authority (the “**MFSA**”), as competent authority under the Securitisation Act, that it intends to enter into the securitisation transaction contemplated in this Memorandum. The Issuer has also notified the Central Bank of Malta of its existence as a financial vehicle corporation in accordance with the terms of Regulation (EC) No. 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations in securitisation transactions (the “**FVC Regulation**”). Pursuant to the FVC Regulation, the Issuer is required to submit quarterly statistical reports on its assets and liabilities to the Central Bank of Malta.

Post Issuance Reporting

As soon as reasonably practicable after the end of each year, the Issuer will provide to each holder of Preference Shares a copy of the audited financial statements of the Issuer for that year.

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