

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document (the “Document”), or as to what action you should take, you are recommended to immediately consult your stockbroker, solicitor, fund manager or other independent financial advisor, being, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) or the Investment Intermediaries Act 1995 (as amended) or, if you are resident in the United Kingdom, a firm authorised under the Financial Services and Markets Act 2000 (as amended), of the United Kingdom or another appropriately authorised professional adviser if you are in a territory outside Ireland or the United Kingdom.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares, you should send any documents issued by the Company in connection with the Capital Raise and Admission, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee, except that such documents should not be forwarded or transmitted into the United States, any other Excluded Territory or any other jurisdiction where doing so may constitute a violation of the registration or other local securities laws or regulations. If you have sold or otherwise transferred part of your certificated holding of Existing Ordinary Shares prior to 23 March 2016 (the date when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange), please consult the stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the Application Form. If your registered holding of Existing Ordinary Shares which were sold or transferred were held in uncertificated form and were sold or transferred before 23 March 2016, a claim transaction will automatically be generated by CREST which, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee.

The distribution of this Document and any documents issued by the Company in connection with this Document, the Capital Raise or Admission, and/or the transfer of the Open Offer Entitlements through CREST, into any jurisdictions outside Ireland and the United Kingdom may be restricted by law, and therefore, persons into whose possession this Document and/or any accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain exceptions, this Document and any documents issued in connection with this Document, the Capital Raise or Admission should not be distributed or forwarded to, or transmitted in or into, the United States or any other Excluded Territory. The attention of Overseas Shareholders and any other person (including, without limitation, stockbrokers, banks, custodians, nominees, trustees and/or other agents) who has a contractual or other legal obligation to forward this Document into a jurisdiction other than Ireland or the United Kingdom is drawn to paragraph 8 of Part XV (*Terms and Conditions of the Open Offer*) of this Document.

This Document constitutes a prospectus for the purposes of Article 3 of the European Parliament and Council Directive 2003/71/EC of 4 November 2003 (as amended) (the “**Prospectus Directive**”) relating to the Company and has been prepared in accordance with Part 5 of the Prospectus (Directive 2003/71 EC) Regulations 2005 of Ireland (as amended) (the “**Prospectus Regulations**”), the Commission Regulation (EC) No. 809/2004 (as amended) (the “**Prospectus Directive Regulations**”) and Part 23 of the Companies Act 2014 of Ireland (as amended) (the “**Companies Act 2014**”). This Document has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive. The Central Bank only approves this Document as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the New Ordinary Shares which are to be admitted to trading on the regulated market for listed securities of the London Stock Exchange and to the New Ordinary Shares which are to be offered to the public in Ireland and the United Kingdom. The Company has requested that the Central Bank notify the European Securities and Markets Authority and provide a certificate of approval and a copy of this Document to the Financial Conduct Authority of the United Kingdom (the “**FCA**”) as the competent authority in the United Kingdom for the purposes of the Prospectus Directive.

The Existing Ordinary Shares are listed on the standard listing segment of the Official List of the FCA (the “**Official List**”) maintained by the UK Listing Authority and are traded on the London Stock Exchange plc’s (the “**London Stock Exchange**”) main market for listed securities. Application will be made to the FCA for the New Ordinary Shares to be admitted to the standard listing segment of the Official List and to the London Stock Exchange for such New Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (together, “**Admission**”). Admission to trading on the London Stock Exchange’s main market for listed securities constitutes admission to trading on a regulated market. It is expected that Admission will become effective, and that dealings will commence in the New Ordinary Shares on the London Stock Exchange, at 8.00 a.m. (Dublin time) on 19 April 2016. No application has been, or is currently intended to be, made for the New Ordinary Shares to be admitted to listing or dealt with on any other exchange. There will be no conditional dealings in the New Ordinary Shares prior to Admission.

This Document has been made available to the public in Ireland and the United Kingdom in accordance with Part 8 of the Prospectus Regulations by the same being made available, free of charge, in electronic form on the Company’s website www.cairnhomes.com. Other materials on the Company’s website are not incorporated into, and do not form a part of, this Document.

The logo for Cairn Homes p.l.c. consists of the word "CAIRN" in white, uppercase, sans-serif font, centered within a solid red rectangular background.

Cairn Homes p.l.c.

(Incorporated and registered in Ireland under the Companies Acts with registered number 552564)

Proposed Firm Placing and Placing and Open Offer of in aggregate 157,588,709 New Ordinary Shares at €1.12 per New Ordinary Share to raise approximately €176.5 million

BofA Merrill Lynch

Joint Global Co-ordinator and Joint Bookrunner

Goodbody

Joint Global Co-ordinator and Joint Bookrunner

Davy

Co-Bookrunner

The Company and its Directors (whose names appear on page 62 of this Document) accept responsibility for the information included in this Document. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information included in this Document is in accordance with the facts and contains no omission likely to affect the import of such information.

The New Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”). Prospective purchasers that are qualified institutional buyers are hereby notified that the sellers of the New Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act. New Ordinary Shares are being offered outside the United States in reliance on Regulation S under the U.S. Securities Act (“Regulation S”).

Your attention is drawn to the letter from the Chairman of Cairn Homes p.l.c. which is set out in Part VII (Letter from the Chairman) of this Document. You should read this Document in its entirety. Shareholders, and any other persons considering whether or not to make an application pursuant to the Open Offer or in connection with an investment in the New Ordinary Shares, should review Part II (Risk Factors) of this Document for a discussion of certain factors that should be considered when deciding on what action to take in relation to the Open Offer and in deciding whether or not to make an application pursuant to the Open Offer or invest in the New Ordinary Shares.

A circular is also expected to be issued to Shareholders on or about 24 March 2016 in connection with the convening of an Extraordinary General Meeting of the Company to be held for the purposes of considering and, if thought fit, approving the Capital Resolutions in connections with the Capital Raise. The EGM is to be held at 11.00 a.m. on 18 April 2016 at the Conrad Hotel, Earlsfort Terrace, Dublin 2, D02 V562. The Capital Raise is conditional upon (i) the passing of all of the Capital Resolutions; (ii) Admission becoming effective by not later than 8.00 a.m. on 19 April 2016 (or such later time and/or date as the Company and the Joint Global Co-ordinators may agree, not being later than 8.00 a.m. on 29 April 2016); (iii) the Placing and Open Offer Agreement having become unconditional in respect of the Placing and not having been terminated in accordance with its terms. The Open Offer is conditional upon (i) the passing of all of the Capital Resolutions; (ii) Admission becoming effective by not later than 8.00 a.m. on 19 April 2016 (or such later date as the Company and the Joint Global Co-ordinators may agree, not being later than 8.00 a.m. on 29 April 2016); and (iii) the Placing and Open Offer Agreement having become unconditional in respect of the Open Offer and not having been terminated in accordance with its terms. The New Ordinary Shares will, on Admission, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and otherwise will rank *pari passu* in all respects with the Existing Ordinary Shares.

The New Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act or qualified for sale under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into, in or within the United States except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. Subject to certain exceptions, this Document and the Application Form should not be distributed or forwarded to, or transmitted in or into, the United States or any other Excluded Territory or to any persons where the extension or availability of the Capital Raise would breach any applicable law.

Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, Qualifying Non-CREST Shareholders with registered addresses in the United States or any of the Excluded Territories) will receive an Application Form. Qualifying CREST Shareholders (other than, subject to certain exceptions, Qualifying CREST Shareholders with registered addresses in the United States or any of the Excluded Territories, none of whom will not receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 24 March 2016. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Ordinary Shares were marked “ex” the entitlement by the London Stock Exchange.

If the Open Offer Entitlements are for any reason not enabled by 5.00 p.m. on 24 March 2016 or such later time and/or date as the Joint Global Co-ordinators may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. The Application Form is personal to Qualifying Shareholders and cannot be transferred, sold or assigned except to satisfy *bona fide* market claims.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 13 April 2016. The procedure for acceptance and payment is set out in Part XV (*Terms and Conditions of the Open Offer*) of this Document and, where relevant, in the Application Form. Qualifying CREST Shareholders should refer to paragraph 6.2 of Part XV (*Terms and Conditions of the Open Offer*) of this Document.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer. Fractional entitlements will not be allotted to Qualifying Shareholders, and, where applicable, fractional entitlements will be rounded down to the nearest whole number of Open Offer Shares.

Notice to U.S. Investors

The New Ordinary Shares and the Open Offer Entitlements have not been approved or disapproved by the U.S. Securities and Exchange Commission, any other federal or state securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

Until the expiry of 40 days after the commencement of the Firm Placing and Placing and Open Offer, an offer or sale of New Ordinary Shares within the United States by a dealer (whether or not it is participating in the Firm Placing or Placing and Open Offer) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from, or a transaction not subject to, registration under the U.S. Securities Act.

The New Ordinary Shares made available under the Firm Placing and Placing and Open Offer are being offered and sold (i) in the United States only to persons reasonably believed to be qualified institutional buyers (each a “QIB”); and (ii) outside of the United States in offshore transactions in reliance on Regulation S.

Prospective purchasers are hereby notified that sellers of the New Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the New Ordinary Shares and the distribution of this Document, see paragraph 8 of Part XV (*Terms and Conditions of the Open Offer*) of this Document.

Notice to Swiss Investors

This Document is not intended to constitute an offer or solicitation to purchase or invest in the New Ordinary Shares and the Open Offer Entitlements described herein. The New Ordinary Shares and the Open Offer Entitlements may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Document nor any other offering or marketing material relating to the New Ordinary Shares and the Open Offer Entitlements constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Document nor any other offering or marketing material relating to the New Ordinary Shares and the Open Offer Entitlements may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Overseas Investors

This Document, the Application Form, the Open Offer Entitlements and any other documents issued by the Company in connection with this Document, the Capital Raise and/or Admission do not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, New Ordinary Shares by any person in any jurisdiction in which such an offer or solicitation is unlawful.

Subject to certain exceptions, this Document and the Application Form and any other documents issued by the Company in connection with this Document, the Capital Raise and/or Admission do not constitute an offer of the New Ordinary Shares to any person with a registered address, or who is resident or located, in the United States, Australia, Canada, Japan, Switzerland, South Africa or any of the other Excluded Territories. The New Ordinary Shares have not been, and will not be, registered or qualified under the relevant laws of any state, province or territory of the United States, Australia, Canada, Japan, Switzerland, South Africa or any of the other Excluded Territories, and the Company is not a “reporting issuer”, as such term is defined under applicable Canadian securities laws. Accordingly, subject to certain exceptions, the Ordinary Shares may not be offered or sold in Australia, Canada, Japan, Switzerland, South Africa or any other Excluded Territory or to, or for the account or benefit of, any resident of Australia, Canada, Japan, Switzerland, South Africa or any other Excluded Territory. In addition, the New Ordinary Shares may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into, in or within the United States except pursuant to an applicable exemption from registration or qualification requirements. Resales of New Ordinary Shares may only be made (i) outside the United States in offshore transactions in reliance on Regulation S or (ii) within the United States to investors that are QIBs. The Company will require the provision of a letter by investors in the United States and any transferees in the United States containing representations as to status under the U.S. Securities Act. The Company will refuse to issue or transfer New Ordinary Shares to investors that do not meet the foregoing requirements. There will be no public offer of the New Ordinary Shares in the United States.

All Overseas Shareholders and any other person (including, without limitation, a nominee, custodian or trustee) who has a contractual or other legal obligation to forward this Document or any Application Form, if and when received, and any other documents issued by the Company in connection with this Document, the Capital Raise and/or Admission to a jurisdiction outside Ireland and the United Kingdom, should read paragraph 8 of Part XV (*Terms and Conditions of the Open Offer*) of this Document.

The Ordinary Shares are subject to selling and transfer restrictions in certain jurisdictions. Prospective subscribers and purchasers should read the restrictions described in paragraph 8) of Part XV (*Terms and Conditions of the Open Offer*) of this Document. Each subscriber and purchaser of the Ordinary Shares will be deemed to have made the relevant representations, warranties, confirmations and acknowledgements described therein and in Part XV (*Terms and Conditions of the Open Offer*) of this Document.

Other Important Notices

Goodbody Stockbrokers, trading as Goodbody, is regulated in Ireland by the Central Bank. Goodbody is acting exclusively for the Company and no one else in connection with the Capital Raise and Admission, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, for the contents of this Document or for providing any advice in relation to this Document, the Capital Raise or Admission. Apart from the responsibilities and liabilities, if any, which may be imposed by the Central Bank, the FCA or the FSMA, Goodbody, or any person affiliated with it, does not accept any responsibility whatsoever and makes no representation or warranty, express or implied, in respect of the contents of this Document, including its accuracy or completeness, or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company, and nothing in this Document is or shall be relied upon as a promise or representation in this respect whether as to the past or future. In addition, Goodbody does not accept responsibility for, nor authorise the contents of, this Document or its issue, including without limitation, under Section 1349 of the Companies Act 2014 or Regulation 31 of the Prospectus Regulations. Goodbody accordingly disclaims all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have to any person, other than the Company, in respect of this Document.

Merrill Lynch International (“BofAML”), which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and PRA, is acting exclusively for the Company and no one else in connection with the Capital Raise and Admission and will not regard any other person (whether or not a recipient of this document) as its respective client in relation to the Capital Raise and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, for the contents of this Document or for providing any advice in relation to this Document, the Capital Raise, Admission or any transaction arrangement referred to herein. No representation or warranty, express or implied, is made by BofAML or any other person affiliated with it in respect of the contents of this Document including its accuracy, completeness or verification and nothing in this Document is or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. In addition, BofAML and persons affiliated with it do not accept responsibility for, nor authorise the contents of, this Document or its issue, including without limitation, under Section 1349 of the Companies Act 2014 or Regulation 31 of the Prospectus Regulations. In addition, BofAML and persons affiliated with it assume no responsibility for its accuracy, completeness or verification. BofAML accordingly disclaims, to the fullest extent permitted by applicable law, all and any liability whatsoever, whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Document or any such statement.

J&E Davy is authorised and regulated in Ireland by the Central Bank. J&E Davy is acting exclusively as Co-Bookrunner for the Company and no one else in connection with the Capital Raise and Admission, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to this Document, the Capital Raise or Admission or any transaction, matter or arrangement referred to in this Document. Apart from the responsibilities and liabilities, if any, which may not lawfully be excluded, J&E Davy, and any persons affiliated with it, do not accept any responsibility or liability whatsoever and make no representation or warranty, express or implied, in respect of the contents of this Document, including its accuracy or completeness, or for any other statement

made or purported to be made by any of them, or on behalf of them, in connection with the Company or the Group, and nothing in this Document is or shall be relied upon as a promise or representation in this respect whether as to the past or future. In addition, J&E Davy and persons affiliated with it do not accept responsibility for, nor authorise the contents of, this Document or its issue, including without limitation, under Section 1349 of the Companies Act 2014 or Regulation 31 of the Prospectus Regulations. J&E Davy and persons affiliated with it accordingly disclaim all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which they might otherwise have to any person in respect of this Document.

The Banks and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company for which they would have received customary fees. The Banks and any of their respective affiliates may provide such services to the Company in the future.

In connection with the Capital Raise each of the Banks and any of their respective affiliates, may take up a portion of the New Ordinary Shares in the Capital Raise as a principal position and in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in the New Ordinary Shares, any other securities of the Company or other related investments in connection with the Capital Raise or otherwise. Accordingly, references in this Document to the New Ordinary Shares being issued, offered, subscribed for or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing of New Ordinary Shares to any of the Banks and any of their respective affiliates acting such capacity. In addition, certain of the Banks or their affiliates may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements, in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of New Ordinary Shares. The Banks do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The investors acknowledge that: (i) they have not relied on the Banks or any person affiliated with the Banks in connection with any investigation of the accuracy of any information contained in this Document or their investment decision; and (ii) they have relied only on the information contained in this Document. None of the Company or the Banks, or any of their respective affiliates, is making any representation to any offeree or purchaser of the New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such offeree or purchaser in relation to the Capital Raise or Admission other than those contained in this Document and, if given or made, such information or representation must not be relied upon as having been authorised by the Company, the Directors or the Banks. No person has been authorised to give any information or make any representation concerning the Company or the New Ordinary Shares (other than those contained in this Document) and, if given or made, any such information or representation should not be relied upon as having been authorised by the Company or the Banks. Without prejudice to any obligation of the Company to publish a supplementary prospectus as required by law, regulations or any regulatory authority, neither the publication or delivery of this Document nor any subscription or sale made hereunder shall, under any circumstances, create any implication or be construed or relied on as a representation that there has been no change in the affairs of the Company since the date of this Document or that the information in this Document is correct as at any time subsequent to its date. The contents of this Document should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for advice.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Capital Raise, including the merits and risks involved.

Certain terms used in this Document, including certain technical and other items, are explained and defined in Part XVIII (*Definitions and Glossary*) of this Document.

This Document is dated 23 March 2016.

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PART I

SUMMARY

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

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

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

Section A—Introduction and warnings		
A.1	Introduction and warning to potential investors:	<p>THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS PROSPECTUS. ANY DECISION TO INVEST IN THE ORDINARY SHARES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR.</p> <p>Where a claim relating to the information included in this Document is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating this Document before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Document or it does not provide, when read together with other parts of the Document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries:	Not applicable. The Company is not engaging any financial intermediaries for any resale of securities or final placement of securities requiring a prospectus after publication of this Document.

Section B—Issuer		
B.1	Legal and commercial name:	The legal and commercial name of the issuer is Cairn Homes p.l.c.
B.2	Domicile and legal form:	<p>The Company is incorporated in Ireland with registered number 552564 and is a public limited company under the Companies Act 2014 and is domiciled and tax resident in Ireland.</p> <p>The registered office of the Company is 7 Grand Canal, Grand Canal Street Lower, Dublin 2, D02 KW81.</p>
B.3	Key factors relating to the nature of the issuer’s current operations, its principal activities and the principal markets in which it competes:	The Company is an Irish homebuilder, constructing high quality homes in Ireland. The Company’s aim is to capitalise on the recovery of the Irish residential property market by establishing the Company over the medium-term as a leading Irish homebuilder with a view to maximising shareholder return.

		<p>The Company has six wholly owned subsidiaries, Cairn Homes Holdings Limited, Cairn Homes Galway Limited, Cairn Homes Killiney Limited, Cairn Homes Butterly Limited, Cairn Homes Navan Limited and Cairn Homes Finance DAC. The Company has two indirect subsidiaries, Cairn Homes Properties Limited and Cairn Homes Construction Limited, each of which is a wholly owned subsidiary of Cairn Homes Holdings Limited. The Company, together with the eight subsidiaries, forms the Group.</p> <p>The Group focuses on acquiring both greenfield and brownfield residential development sites in prime areas of Ireland, notably Dublin and the Dublin commuter belt, as well as Cork and Galway, and other major urban centres where the Directors believe economic trends are supportive of housing demand and pricing. The Group's primary focus is on building family homes, but the Group will also build apartments and commercial premises as part of its larger developments.</p> <p>As at the Last Practicable Date, the Group had acquired (and/or entered into conditional contracts to acquire) ten sites in Ireland for development (the "Acquired Sites") (and, in the case of the Navan Site, has agreed to acquire the site conditional on receipt of the Navan Planning Approval), excluding sites held as collateral for the Group's Loan Portfolio. The construction of homes has commenced on two of the Acquired Sites (being the Parkside Site and the Killiney Site), with sales having commenced on the Parkside Site, and work is due to commence on the Rathgar Site in April 2016.</p> <p>On 6 December 2015, the Company entered into a definitive agreement relating to the acquisition of the Project Clear Loan Portfolio from Ulster Bank in conjunction with Lone Star. The total par value of the loans acquired by the Group was approximately €1.7 billion, for which it paid cash consideration of €378 million (excluding €4.3 million of construction bonds) for approximately 75 per cent. of the portfolio. The proportion of the entire Project Clear Loan Portfolio acquired by the Company (the "Group's Loan Portfolio") consists of 120 loans secured against 1,200 acres of land, across 28 residential development sites, and across 21 borrower connections.</p> <p>As a result of the acquisition and/or conditional acquisition (as the case may be) of the Acquired Sites and the acquisition of the Group's Loan Portfolio, the Group has identified 25 sites as being core to the business (the "Core Sites"). The Directors believe that a significant opportunity exists for the Group to (i) develop the Acquired Sites and, where it can successfully execute its strategy in respect of the Group's Loan Portfolio, the other Core Sites; and (ii) acquire further land suitable for the development of homes (including all or some of the Argentum Sites, the Cherrywood Option Site, the Maynooth Site, the South Dublin Site, and the Dublin Commuter Belt Site (the "Pipeline Sites")).</p> <p>In respect of the financial year ended 31 December 2015, the Group completed the sale of 11 homes and had revenue of €3.7 million and a gross profit of €0.7 million before administration expenses. After administration expenses of €4.5 million, the Group made an operating loss (before exceptional items) of €3.8 million. As at the Last Practicable Date, the Group's Core Sites have the potential to yield 11,229 homes.</p>
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B.4a	<p>A description of the most significant recent trends affecting the issuer and the industries in which it operates:</p>	<p>The Group’s business is dependent upon the overall condition of the Irish residential housing market. Consequently, the Group is impacted by macroeconomic conditions in Ireland which are in turn influenced by the macroeconomic conditions in the European Union and the global economy. Irish residential property prices peaked in 2007 and fell by 51 per cent. from peak to trough (<i>Source: CSO, Residential Property Price Index, January 2016</i>), stabilising in the first quarter of 2013 and registering their first annual increase since 2007 in June 2013 (<i>Source: CSO, Residential Property Price Index, December 2015</i>). However, recent supply shortages and improving macroeconomic drivers have seen Irish property prices recover to 66.2 per cent. of 2007 peak levels as of December 2015 (<i>Source: CSO Residential Property Price Index, January 2016</i>). As at December 2015, Dublin property prices are still down 36.1 per cent. from the 2007 level (<i>Source: CSO, Residential Property Price Index, December 2015</i>).</p> <p>The Directors believe that there has been for a number of years and will continue to be for a number of years to come, a structural imbalance between the demand for and supply of housing in Ireland. A recent report by the Economic and Social Research Institute (“ESRI”) has estimated that increases in population will result in the formation of an estimated 25,000 new households in Ireland each year for the next fifteen years (<i>Source: ESRI, Tax Breaks and the Residential Property Market, September 2015</i>). In addition, approximately 5,000 existing homes per annum are expected to disappear through obsolescence (<i>Source: ESRI, Tax Breaks and the Residential Property Market, September 2015</i>). This points to a need for approximately 30,000 new homes in Ireland each year for the next 15 years. There is an ongoing need for 8,000 to 10,000 new homes a year in Dublin (<i>Source: Goodbody, Q1 2016 Health Check</i>). Against this backdrop there were 11,016 homes completed in 2014 (30 per cent. of which were in Dublin) (<i>Source: Department of Environment, House Building and Private Rented statistics, December 2014</i>) and just 11,314 homes in 2015. Of these 11,314 new homes, only 2,602 or 23 per cent. were in Dublin against a need for 8,000 to 10,000 new homes per annum.</p> <p>The Dublin area local authorities have estimated that there are 2,000 hectares of land zoned for residential development in Dublin, with 1,000 hectares of these comprising large blocks of land in both brownfield and greenfield locations, well served by public transport and other essential infrastructure (<i>Source: Construction 2020: A Strategy for Renewed Construction Sector, May 2014</i>). At conservative estimates these lands have the potential to accommodate upwards of 30,000 homes in the Dublin region (<i>Source: Construction 2020: A Strategy for Renewed Construction Sector, May 2014</i>). Ongoing opportunities for the Group to acquire land are also expected to continue to in the coming months from a variety of sources.</p> <p>Mortgage lending remains low by historical standards. New mortgage lending in 2014 totalled approximately €3.9 billion (<i>Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q1 2015</i>), 90 per cent. below the peak level in 2006 of €39.9 billion (<i>Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q4 2006</i>). However, new mortgage lending has picked up, with the value of mortgage drawdowns for 2015 up by 26 per cent. on 2014 (<i>Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q4 2015</i>). Additionally, mortgage approvals by volume were 49 per</p>
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		<p>cent. higher in 2014 than in 2013, and 2015, mortgage approvals by volume were seven per cent. higher than in 2014 (<i>Source: Banking and Payments Federation of Ireland, Mortgage Approvals, December 2015</i>). A metric used to assess house affordability is the EBS/DKM Affordability Index. This index measures the proportion of net income that an average first time buyer working couple, each on average earnings, uses in mortgage repayments. On this measure, the percentage of net income being used to fund mortgages peaked in 2006 at approximately 26 per cent. nationally and approximately 33 per cent. in Dublin (<i>Source: EBS/DKM Irish Housing Affordability Index, April 2014</i>). Since the trough was reached in 2011, this ratio has been increasing and the most recent EBS/DKM Affordability Index figure for March 2015 shows that first time buyer couples nationally spend approximately 19.5 per cent. of their net income on mortgage payments while for those in Dublin it has risen to approximately 22.7 per cent. (<i>Source: EBS/DKM Irish Housing Affordability Index, May 2015</i>). However, it remains 25 per cent. below the levels seen at the peak nationally and 31 per cent. below peak levels in Dublin (<i>Source: EBS/DKM Irish Housing Affordability Index, May 2015</i>).</p> <p>On 27 January 2015, the Central Bank announced new macro-prudential rules that came into force on 9 February 2015. Under the new rules, first time buyers are allowed to borrow at a maximum loan to value ratio of 90 per cent. on properties up to a value of €220,000. A maximum 80 per cent. loan to value ratio applies on the excess above €220,000. For mover-buyers, who already own a home, a cap of 80 per cent. applies regardless of property value except for those in negative equity, where this cap does not apply. In respect of both first time buyers and mover-buyers, financial institutions can issue 15 per cent. of loans by value outside these restrictions. In respect of principal dwelling house mortgages, a loan to income cap of 3.5 times a borrower's annual salary also applies. Financial institutions can issue such loans with higher loan to income ratios in up to 20 per cent. (by value) of cases. Further, buy to let mortgages are subject to a limit of 70 per cent. loan to value ratio and financial institutions can issue ten per cent. of loans, by value, outside of this limit. These or further constraints on mortgage borrowing could impact on house prices or have an impact on mortgage availability. The Governor of the Central Bank, Professor Philip Lane, has indicated that the Central Bank will release the results of a review of these rules towards the end of 2016 (<i>Source: The Irish Times, 8 January 2016</i>). The Governor has stressed that this review could result in the rules being "adjusted upwards or downwards", or left unchanged. This proposed review will be conducted having regard to the data on the operation of the rules over the last year with the possibility of further assessments being made in future years when a new credit register is well established.</p> <p>The Directors believe that the prevailing conditions in the Irish economy and in particular the Irish residential property market underpin the significant continuing opportunity for the Group. A recovery in Irish residential property prices has commenced due to an inadequate supply-side response to a renewal of demand for residential properties. The Directors believe that the Group is ideally positioned, and equipped with the necessary expertise, to contribute to addressing this imbalance and help satisfy the demand for residential properties. The Group has identified 25 Core Sites (comprised of Acquired Sites and sites which are collateral for loans acquired by the Group) which are earmarked for development in the medium to long-term. The Group intends</p>
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		to continue to build and sell homes on the Acquired Sites and (in line with its strategy) on the other Core Sites and to seek new opportunities to acquire targeted strategic sites suitable for residential development, with a view to generating value for Shareholders over the long-term.																																												
B.5	Group description:	<p>The Company is the parent company of the Group.</p> <p>The Company has six wholly owned subsidiaries, Cairn Homes Holdings Limited, Cairn Homes Galway Limited, Cairn Homes Killiney Limited, Cairn Homes Butterly Limited, Cairn Homes Navan Limited and Cairn Homes Finance DAC.</p> <p>The Company has two indirect subsidiaries, Cairn Homes Properties Limited and Cairn Homes Construction Limited, each of which is a wholly owned subsidiary of Cairn Homes Holdings Limited.</p> <p>The Company, together with the eight subsidiaries, forms the Group.</p>																																												
B.6	Major Shareholders:	<p>As at the Last Practicable Date, insofar as the Directors are aware, immediately prior to, and following, the Last Practicable Date, the name of each person who, directly or indirectly, is interested in three per cent. or more of the Company's ordinary capital, and the amount of such person's interest, will be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name</th> <th colspan="2">Immediately prior to Admission</th> <th colspan="2">Immediately following Admission</th> </tr> <tr> <th>Number of Existing Ordinary Shares</th> <th>Percentage of Existing Issued Ordinary Share Capital</th> <th>Number of Ordinary Shares⁽²⁾</th> <th>Percentage of Enlarged Issued Ordinary Share Capital⁽²⁾</th> </tr> </thead> <tbody> <tr> <td>FMR LLC</td> <td>49,538,168</td> <td>9.59%</td> <td>65,297,039</td> <td>9.68%</td> </tr> <tr> <td>FIL Limited.....</td> <td>43,807,546</td> <td>8.48%</td> <td>59,566,417</td> <td>8.83%</td> </tr> <tr> <td>Lansdowne Partners International Limited</td> <td>33,276,612</td> <td>6.44%</td> <td>44,916,612</td> <td>6.66%</td> </tr> <tr> <td>Wellington Management Group LLP.....</td> <td>25,910,591</td> <td>5.01%</td> <td>31,078,673</td> <td>4.61%</td> </tr> <tr> <td>Henderson Group plc.....</td> <td>24,252,393</td> <td>4.69%</td> <td>26,252,393</td> <td>3.89%</td> </tr> <tr> <td>Alan McIntosh⁽¹⁾</td> <td>16,928,614</td> <td>3.28%</td> <td>16,928,614</td> <td>2.51%</td> </tr> <tr> <td>Oppenheimer Funds, Inc.</td> <td>15,746,050</td> <td>3.05%</td> <td>15,746,050</td> <td>2.34%</td> </tr> </tbody> </table> <p>(1) These interests in the Ordinary Shares are held by New Emerald LP. New Emerald LP is a limited partnership, the sole limited partner and economic beneficiary of which is the Emerald QIAIF. The Emerald QIAIF is a Central Bank regulated fund in which Prime Developments, a company in which the economic interest is indirectly held by Alan McIntosh and his spouse, is the sole investor.</p> <p>(2) Assuming no take up under the Open Offer.</p> <p>The above listed Shareholders do not have different voting rights.</p> <p>The Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company as at, or immediately following, Admission.</p>	Name	Immediately prior to Admission		Immediately following Admission		Number of Existing Ordinary Shares	Percentage of Existing Issued Ordinary Share Capital	Number of Ordinary Shares ⁽²⁾	Percentage of Enlarged Issued Ordinary Share Capital ⁽²⁾	FMR LLC	49,538,168	9.59%	65,297,039	9.68%	FIL Limited.....	43,807,546	8.48%	59,566,417	8.83%	Lansdowne Partners International Limited	33,276,612	6.44%	44,916,612	6.66%	Wellington Management Group LLP.....	25,910,591	5.01%	31,078,673	4.61%	Henderson Group plc.....	24,252,393	4.69%	26,252,393	3.89%	Alan McIntosh ⁽¹⁾	16,928,614	3.28%	16,928,614	2.51%	Oppenheimer Funds, Inc.	15,746,050	3.05%	15,746,050	2.34%
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B.7	Historical key financial information:	<p>The tables below set out the Group's summary financial information for the period indicated. The financial information for the period from incorporation (being 12 November 2014) and ended on 31 December 2015 has been extracted without material adjustment from the audited consolidated financial information of the Group for the period from incorporation on 12 November 2014 to 31 December 2015.</p> <p>Consolidated statement of profit or loss and other comprehensive income</p> <p><i>For the period from incorporation on 12 November 2014 to 31 December 2015</i></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">12 Nov 2014 to 31 Dec 2015 €'000</th> </tr> </thead> <tbody> <tr> <td>Continuing operations</td> <td></td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">3,717</td> </tr> <tr> <td>Cost of sales</td> <td style="text-align: right;">(3,015)</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right; border-top: 1px solid black;">702</td> </tr> <tr> <td>Administrative expenses</td> <td style="text-align: right;">(5,578)</td> </tr> <tr> <td>Fair value charge relating to Founder Shares</td> <td style="text-align: right;">(29,100)</td> </tr> <tr> <td>Operating loss</td> <td style="text-align: right; border-top: 1px solid black;">(33,976)</td> </tr> <tr> <td>Finance income</td> <td style="text-align: right;">114</td> </tr> <tr> <td>Finance costs</td> <td style="text-align: right;">(3,658)</td> </tr> <tr> <td>Loss before taxation</td> <td style="text-align: right; border-top: 1px solid black;">(37,520)</td> </tr> <tr> <td>Income tax credit</td> <td style="text-align: right;">312</td> </tr> <tr> <td>Loss for the period attributable to owners of the Company</td> <td style="text-align: right; border-top: 1px solid black;">(37,208)</td> </tr> <tr> <td>Other comprehensive income</td> <td style="text-align: right;">–</td> </tr> <tr> <td>Total comprehensive loss for the period attributable to owners of the Company</td> <td style="text-align: right; border-top: 1px solid black;">(37,208)</td> </tr> <tr> <td>Basic loss per share</td> <td style="text-align: right; border-top: 1px solid black;">15.9 cents</td> </tr> <tr> <td>Diluted loss per share</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">15.9 cents</td> </tr> </tbody> </table>		12 Nov 2014 to 31 Dec 2015 €'000	Continuing operations		Revenue	3,717	Cost of sales	(3,015)	Gross profit	702	Administrative expenses	(5,578)	Fair value charge relating to Founder Shares	(29,100)	Operating loss	(33,976)	Finance income	114	Finance costs	(3,658)	Loss before taxation	(37,520)	Income tax credit	312	Loss for the period attributable to owners of the Company	(37,208)	Other comprehensive income	–	Total comprehensive loss for the period attributable to owners of the Company	(37,208)	Basic loss per share	15.9 cents	Diluted loss per share	15.9 cents
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Consolidated statement of financial position	
<i>as at 31 December 2015</i>	
	31 Dec 2015
	€'000
Assets	
Non-current assets	
Property, plant and equipment	130
Intangible assets	130
Restricted cash	27,000
	27,260
Current assets	
Loan assets	382,951
Inventories	149,331
Deposits paid	5,000
Trade and other receivables	2,962
Cash and cash equivalents	6,551
	546,795
Total assets	574,055
Equity	
Share capital	637
Share premium	521,390
Share-based payment reserve	29,118
Retained earnings	(53,155)
Total equity	497,990
Liabilities	
Non-current liabilities	
Loans and borrowings	63,543
Derivative liability	514
Deferred taxation	815
	64,872
Current liabilities	
Trade and other payables	11,193
Total liabilities	76,065
Total equity and liabilities	574,055
Selected Group cash flow information	
<i>For the period from incorporation on 12 November 2014 to 31 December 2015</i>	
	12 Nov 2014 to 31 Dec 2015
	€'000
Net cash used in operating activities	(491,106)
Net cash used in investing activities	(25,136)
Net cash from financing activities	522,793
Save for (i) the acquisition of the Hanover Quay Site; (ii) the acquisition of the Cherrywood Site; (iii) the execution of the Maynooth Site Acquisition Agreement in respect of the Maynooth Site; (iv) the transfer of the Stillorgan Site (Blakes), the Blackrock Site and the Moyglare Site to the Group; and (v) the further debt drawdown, there has been no significant change in the financial or trading position of the Group since 31 December 2015, being the end of the last period for which audited financial information has been prepared.	

B.8

Selected key pro forma financial information:

Set out below is the unaudited pro forma balance sheet of the Group as at 31 December 2015. It has been prepared to illustrate the effect of (i) the Capital Raise; (ii) a further debt drawdown; (iii) the acquisition of the Hanover Quay Site; (iv) the acquisition of the Cherrywood Site; (v) the acquisition of the Maynooth Site; and (vi) the acquisition of the Argentum Sites, as if such transactions had occurred on 31 December 2015. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the Group's actual financial position or results following the transactions. The unaudited pro forma financial information does not illustrate the effects of the potential acquisition of the Cherrywood Option Site, the South Dublin Site or the Dublin Commuter Belt Site.

The unaudited pro forma financial information has been compiled on the basis set out in the Notes below and has been prepared in a manner consistent with the accounting policies used by the Group in preparing the consolidated financial statements of the Company for the financial period ended 31 December 2015.

Unaudited pro forma net asset statement							
Historical net assets at 31 Dec 2015	Debt drawdown	Acquisition of Hanover Quay Site	Acquisition of Cherrywood Site	Net Proceeds of the Capital Raise	Acquisition of Maynooth Site	Post Capital Raise acquisition of Argentum Sites	Pro forma net assets at 31 Dec 2015
Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	
€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Non-current assets							
Property, plant and equipment	130						130
Intangible assets	130						130
Restricted cash	27,000						27,000
	27,260	-	-	-	-	-	27,260
Current assets							
Loan receivables	382,951						382,951
Inventories	149,331	18,500	22,100		27,675	111,996	329,602
Deposits paid	5,000					(5,000)	-
Trade and other receivables	2,962					750	3,712
Cash and cash equivalents	6,551	50,000	(18,500)	(22,100)	168,900	(27,675)	(102,036)
	546,795	50,000	-	-	168,900	-	771,405
Total Assets	574,055	50,000	-	-	168,900	-	798,665
Liabilities							
Non-current liabilities							
Loans and Borrowings	63,543	50,000					113,543
Derivative Liability	514						514
Deferred taxation	815					5,710	6,525
	64,872	50,000	-	-	-	5,710	120,582
Current liabilities							
Trade and other payables	11,193						11,193
	11,193	-	-	-	-	-	11,193
Total liabilities	76,065	50,000	-	-	-	5,710	131,775
Net Assets	497,990	-	-	-	168,900	-	666,890

The unaudited pro forma financial information is prepared on the basis set out in the Notes below.

Notes

- 1: The net assets of the Company have been extracted, without material adjustment, from the historical financial information of the Company (which historical financial information is set out in Part XII (*Historical Financial Information*) of this Document).
- 2: This adjustment reflects the receipt of net proceeds of a loan drawdown for €42 million on 9 February 2016, and a further €8 million on 11 March 2016 under the Senior Debt Facilities.
- 3: This adjustment reflects the acquisition of the Hanover Quay Site on 4 January 2016 (which acquisition completed on 22 March 2016) pursuant to the terms of the Hanover Quay Site Acquisition Agreement, for a consideration of €18 million; and other costs of €0.5 million (which includes stamp duty at two per cent.).

		<p>4: This adjustment reflects the acquisition of the Cherrywood Site on 11 February 2016 pursuant to the terms of the Cherrywood Site Acquisition Agreement, for a consideration of €21.5 million; and other costs of €0.6 million (which includes stamp duty at two per cent.).</p> <p>5: This adjustment reflects the receipt of the net proceeds of the Capital Raise of €168.9 million by the Company. This represents gross proceeds of €176.5 million less estimated transaction costs and associated taxes of €7.6 million.</p> <p>6: This adjustment reflects the acquisition of the Maynooth Site in respect of which the Maynooth Site Acquisition Agreement was executed on 7 March 2016, for a consideration of €27 million and other costs of €0.7 million (which includes stamp duty at two per cent.).</p> <p>7: This adjustment reflects the proposed post Capital Raise acquisition of Argentum Property HoldCo Limited for which a €5.0 million exclusivity payment was made prior to 31 December 2015. A further exclusivity payment of €2.5 million was paid on 16 February 2016. Should the transaction proceed, the Company would acquire net current assets of circa €1 million and a site portfolio at a cost of €110 million. The Group will also incur stamp duty and other costs of circa €2 million. The acquisition of Argentum Property HoldCo Limited would result in a deferred tax liability of circa €5.7 million.</p>
B.9	Profit forecast or estimate:	Not applicable. The Group has not made any profit forecasts or profit estimates which remain outstanding as at the date of this Document nor does this Document or any other related document contain any profit forecasts or estimates.
B.10	A description of the nature of any qualifications in the audit report on the historical financial information:	Not applicable. There are no qualifications in the accountants' report on the historical financial information.
B.11	Qualified working capital:	Not applicable. The Company is of the opinion that, taking into account the Net Proceeds receivable by the Company, the working capital of the Group is sufficient for its present requirements, that is, for at least the period of 12 months from the date of this Document.

Section C—Securities

C.1	Type and class of security:	Pursuant to the Capital Raise, the Company is proposing to offer in aggregate 157,588,709 New Ordinary Shares at €1.12 per New Ordinary Share. When admitted to trading the ISIN number of the New Ordinary Shares will be the same as that of the Existing Ordinary Shares, being IE00BWY4ZF18. The ISIN number for the Open Offer Entitlements is IE00BYZ0C393.
C.2	Currency of the securities issue:	The New Ordinary Shares will be denominated in Euro.
C.3	The number of shares issued:	On Admission, the Company will have in issue 674,252,686 fully paid Ordinary Shares each with a nominal value of €0.001, all of which will be issued fully paid. In addition to the Ordinary Shares in issue, on Admission, the Company will have in issue 100,000,000 fully paid Founder Shares and 19,980,000 fully paid Deferred Shares.
C.4	A description of the rights attached to the securities:	<p>The New Ordinary Shares issued under the Firm Placing and Placing and Open Offer, when issued and fully paid, will be identical to and rank <i>pari passu</i> with the Existing Ordinary Shares.</p> <p>The Ordinary Shares rank equally for voting purposes. On a show of hands every member who is present in person shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share for which he is the holder.</p> <p>Each Ordinary Share ranks equally for any dividend declared, made or paid.</p> <p>Each Ordinary Share ranks equally for any distribution made on winding up.</p>
C.5	Restrictions on the free transferability of the securities:	<p>The Ordinary Shares are freely transferable and there are no restrictions on transfer.</p> <p>The Directors in their absolute discretion and without assigning any reason therefor may decline to register:</p> <p>a) any transfer of a share which is not fully paid; or</p>

		<p>b) any transfer to or by a minor or person who is adjudged by any competent court or tribunal or determined in accordance with the Articles, not to possess an adequate decision-making capacity; or</p> <p>c) any transfer by any person to whom a transfer notice has been given under Article 5(f)(i); or</p> <p>d) any transfer which is a ‘restricted transfer’ (as defined in article 66 of the Articles) under article 66 of the Articles,</p> <p>provided that in the case of shares which are admitted to listing on the London Stock Exchange, the refusal to register the transfer does not prevent dealings in the shares from taking place on an open and proper basis.</p> <p>Persons located or resident in, or who are citizens of, or who have a registered address in, countries other than Ireland or the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction, which may include restrictions on the free transferability of such Ordinary Shares.</p>
C.6	Admission:	<p>The Existing Ordinary Shares are listed on the standard listing segment of the Official List of the FCA (the “Official List”) maintained by the UK Listing Authority and are traded on the London Stock Exchange plc’s (the “London Stock Exchange”) main market for listed securities. Application will be made to the FCA for the New Ordinary Shares to be admitted to the standard listing segment of the Official List and to the London Stock Exchange for such New Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (together, “Admission”). Admission to trading on the London Stock Exchange’s main market for listed securities constitutes admission to trading on a regulated market. It is expected that Admission will become effective, and that dealings will commence in the New Ordinary Shares on the London Stock Exchange, at 8.00 a.m. (Dublin time) on 19 April 2016. No application has been, or is currently intended to be, made for the New Ordinary Shares to be admitted to listing or dealt with on any other exchange.</p>
C.7	Dividend policy:	<p>The Company is primarily seeking to achieve capital growth for its Shareholders. Accordingly, the Directors do not anticipate paying a dividend in the short to medium term. However, in the long-term the Directors intend to follow a progressive dividend policy and pay dividends to Shareholders, as and when the Directors consider appropriate.</p> <p>Subject to the provisions of the Companies Act 2014, the Company by ordinary resolution may declare dividends in accordance with the respective rights of the Shareholders, but no dividend shall exceed the amount recommended by the Directors.</p>

Section D—Risks

D.1	Key information on the key risks that are specific to the Issuer or its industry:	<p>Prior to investing in the New Ordinary Shares, prospective investors should consider the risks associated therewith. The risks relating to the Group and/or its industry include the following:</p> <ul style="list-style-type: none"> • Housing market conditions and the macroeconomic climate in Ireland may deteriorate. The Group is an Irish homebuilder and, as such, is dependent upon the overall condition of the Irish residential housing market. Accordingly, the Group has a significant geographical concentration risk related to the Irish property market, particularly in Dublin where the majority of its assets are located. The Irish residential housing market is, in
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		<p>turn, highly correlated with the economic cycle and macroeconomic conditions in Ireland. More recently there has been an improvement in macroeconomic conditions in Ireland. Residential property prices have recovered to 66.2 per cent. of 2007 peak levels (<i>Source: CSO Residential Property Price Index, January 2016</i>), domestic demand is forecast to grow by 7.4 per cent. in 2016, and GNP is forecast to grow by 5.3 per cent. in 2016 (<i>Source: ESRI, Quarterly Economic Commentary, Winter 2015</i>). Should this current relative stability in the Irish housing market and/or the macroeconomic climate deteriorate, the Group could experience lower sales volumes and demand than anticipated, decreases in sales prices and margins and could see a decline in the value of the Group's inventories (including its land bank) and the collateral assets underlying the loans in the portfolio of loans (with a total par value of approximately €1.7 billion and secured against 28 residential development sites across 21 borrower connections) acquired by the Company from Ulster Bank. There is no guarantee that demand for new homes will continue to rise, nor that any future recovery in consumer confidence or improvement in credit availability would result in residential property prices, sales volumes and demand to recover to the same degree as levels experienced in the past.</p> <ul style="list-style-type: none"> • The Group is indirectly subject to risks arising from state of the global financial markets. In particular, from mid-2008, the global economy and the Eurozone experienced a period of significant turbulence and uncertainty which triggered widespread problems at many commercial banks, investment banks, insurance companies and other financial and related institutions. The dislocation severely affected property prices in Ireland and contributed to a significant reduction in the availability of credit and deterioration in the terms on which credit was available. The global market dislocations were also accompanied by recessionary conditions and trends in Ireland and many economies around the world. The widespread deterioration in these economies adversely affected, among other things, consumer confidence, levels of employment, the state of the housing market, sales volumes and interest rates. The re-emergence of any such financial turbulence or the failure of ongoing progress towards a return to more normal patterns and economic conditions could adversely impact sales volumes and demand and result in decreased sales prices and margins, and a decline in the value of the Group's inventories (including its land bank) and the collateral assets underlying the loans in the Group's Loan Portfolio. • As at the Last Practicable Date, the Group is pursuing the potential acquisition of some or all of the Pipeline Sites (which are comprised of the Argentum Sites, the Cherrywood Option Site, the Maynooth Site, the South Dublin Site and the Dublin Commuter Belt Site), which are located in Dublin and the Dublin commuter belt. Although the Directors are hopeful that the Group will acquire the Pipeline Sites within the next number of months, there is no guarantee that any or all of these sites will be successfully acquired by the Group. If the Group is unable to acquire one or more of the Pipeline Sites or is unable to procure other attractive or selective development land in line with the Group's acquisition criteria, this may result in the Group being unable to deploy the proceeds of the Capital Raise in the manner anticipated in this Document which failure or delay in investing the proceeds may result in the Group carrying significant cash balances in respect of which it may not be in a position to generate returns for Shareholders.
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		<ul style="list-style-type: none"> • The ability of the Group to achieve its strategic and operational objectives is dependent on the availability at relevant times of suitable liquidity reserves (comprising undrawn borrowing facilities and available cash and cash equivalents). The performance of the Group against those strategic and operational objectives is subject to liquidity risk, being the risk that the Group will have insufficient cash or cash equivalents to meet its commitments in line with its planned strategic timelines. The Group’s strategic and operational objectives will include the timing of construction work on relevant sites and the consequent timing of the generation of net sales proceeds. The Group’s approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities and commitments when due. However, the Group’s ability to maintain the appropriate balance of capital to meet the varying levels of capital required for the different cash flow requirements of housing construction compared with apartment construction, and its ability to appropriately balance the deployment of capital in meeting the needs of existing and future projects and capital expenditure on new development sites, may be or may become subject to factors which are outside the control of the Group, or which are, in turn, based on assumptions (such as the timing on sales, anticipated sales prices and purchaser affordability) which may be inaccurate. • A substantial portion of the Group’s assets comprise non-performing loans (against which development land has been secured as collateral) acquired by the Group as part of the Project Clear Loan Portfolio in order to obtain title to the underlying development land. In such instances, the asset acquired by the Group is an existing loan and security rather than the property asset(s) secured against that loan. While the objective of the Group in acquiring loans is to ultimately enter into consensual arrangements with borrowers or to enforce the security on the loan with a view to obtaining some or all of the underlying development land held as collateral, there are a number of risks inherent in the process that may affect the Group’s ability to acquire the underlying assets, and in some circumstances, the Group may not be able to obtain the underlying development land. While the Group will generally seek to enter into an agreement with a borrower to provide for the transfer of the ownership of the asset to the Group, it is possible that agreement may not be reached, or even if agreement is, or has been, reached, the borrower may not (or may not be able to) adhere to the terms of that agreement. This may then require the Group to seek to undertake an enforcement process against the collateral, which may result in delays, and which may add cost and uncertainty, to the process. • The Group’s estimated Net Development Value (“NDVs”) and Gross Development Value (“GDVs”) relating to its planned developments are estimates only and are ascertained on the basis of assumptions (including demand for homes, average sales price, assumed number of homes within developments and the split between open market and affordable housing, and the obtaining of planning consent so as to achieve the developments then proposed by the Group) made at the time that the Group acquires an asset. Such estimates and underlying assumptions may prove to be inaccurate or unreliable and there is no assurance that the estimated NDVs and GDVs relating to the Group’s land bank and its proposed developments will reflect the actual sale prices achieved of any developments built on the land. In particular, factors including
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		<p>identified 25 Core Sites, with the potential to build 11,229 homes. The Group intends to build and sell homes on the Core Sites and where appropriate to seek new opportunities to acquire targeted strategic sites suitable for Shareholders over the long-term. It may not always be possible to acquire targeted strategic sites at the right time and price and in the most appropriate geographical locations. Furthermore, in circumstances where the Group is unsuccessful in completing the acquisition of some or all of the Pipeline Sites, and/or where the Group is unable to obtain development land which is collateral to the Group's Loan Portfolio, the Group may need to seek to acquire additional development land with a view to generating planned returns. In those circumstances, and at the time that the Group seeks to acquire such additional development land, market conditions may not be favourable. Unfavourable market conditions could result from factors such as an increase in the price of development land to levels that would negatively impact margins or would make a site uneconomical; a lack of suitable sites that fit with the Group's strategic plans; and/or increased demand for development land from the Group's competitors (including other local, regional and national homebuilders, speculative land acquirers, local or national authorities as well as colleges, hospitals, hotels and universities or private companies looking to acquire sites to use as student accommodation, healthcare providers and providers of recreational sites).</p> <ul style="list-style-type: none"> • Since the second half of 2007, mortgage credit has been restricted, particularly at higher loan to value ratios, due to a number of factors including (i) the exit of a large number of mortgage providers from the market; (ii) the significant reduction in the number of available mortgage products; (iii) cautious surveyors' valuations on properties (which reduces the value of the mortgage that can be obtained on a given property); and (iv) many lenders requiring increased levels of financial qualification and greater deposits, whilst lending lower multiples of income and lower loan to value ratios. The Central Bank introduced new macro-prudential rules with respect to residential mortgage lending on 9 February 2015: the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) Regulations 2015. The regulations apply to regulated financial service providers that provide housing loans secured or to be secured on residential property in Ireland. Different rules apply depending on whether or not the residential property on which the housing loan is or is to be secured is a 'principal home' (being one which a borrower occupies or intends to occupy as his or her principal residence). The regulations do not apply in certain limited circumstances, such as where the new housing loan is to refinance the full amount outstanding under an existing housing loan secured on the same residential property. <p>These or further constraints on mortgage borrowing could cause house prices and sales volume to decline, and could result in a decline in its value of the Group's inventories (including its land bank), which could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.</p> <ul style="list-style-type: none"> • The Board and Management Team have significant experience in the homebuilding industry in Ireland and the United Kingdom, and the future success of the Group is, to a large
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		<p>extent, dependent upon their specialist experience, industry knowledge and skills. The Group has the benefit of certain non-compete and non-solicitation arrangements with the Founders pursuant to the Founders Relationship Agreements, from Kevin Stanley pursuant to his Lock-up Agreement and from each member of the Management Team pursuant to their employment contracts. However, there is no guarantee that the non-competition and non-solicitation agreements to which the Founders and Management Team are subject will prevent them from leaving the Group, joining a competitor or otherwise competing with the Group or that these arrangements will be enforceable in all cases. In addition, these agreements will expire after a certain period of time, at which point the Founders and each member of the Management Team would be free to compete against the Group and solicit its employees. The success of the Group's businesses is further dependent on recruiting, retaining and developing highly-skilled, competent people at all levels of the organisation. The Group does not, and does not intend to, hold any key-person life insurance policies. The unexpected departure or loss of members of the Board or Management Team, or the inability of the Group to retain or attract key personnel, or develop a succession plan effectively, or find individuals with comparable experience and knowledge in a timely manner if members of the Board or Management Team leave, could have an adverse impact on the Group's business, financial condition, results of operations, share price and prospects and there can be no assurance that the Group will be able to attract or retain suitable replacements for members of the Board or Management Team.</p> <ul style="list-style-type: none"> • The Group is reliant on the Management Team to implement its development strategy which ranges from land acquisitions, to planning, building, marketing and delivering homes in the targeted geographic areas in order to create value for the Shareholders. The performance of the Management Team since the IPO is not indicative, or intended to be indicative, of the future performance or results of the Group. • In some circumstances, the Group may acquire land which is zoned for residential development, but where planning consent has lapsed or no planning consent has been obtained. In such circumstances, the Management Team will seek to mitigate the risk of failure to achieve the desired planning consents by considering planning consent at an early stage and by focusing on sites which are zoned for residential purposes and therefore where residential development is permitted. Where possible, the Group intends to acquire sites which already have planning consent in place or consent which has lapsed, including sites where the Management Team considers that a site would benefit from a change to its current planning consent (for example, in relation to a site's scope or nature, density of homes and/or mix of home types). In some cases the Group may acquire sites without planning consent, but where the site is in an area zoned for residential development. Securing planning consent on favourable terms is key to the Group's ability to realise value on its developments and failure to obtain the planning consent the Group seeks in respect of a site may, in turn, reduce a site's GDV. <p>The Group may also make submissions to a relevant local authority for lands to be rezoned to enable the Group for example to construct additional homes at a relevant site (or to reduce the amount of commercial space). The timing of any</p>
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		<p>such submissions must be in line with the review of the relevant local authority development plan, which plans are typically reviewed every four years. However, while any submissions relative to the rezoning of lands must be taken in consideration by the relevant local authority before the making of the final development plan, there can be no assurance that the lands will be rezoned as a result and this could negatively impact on the Group's plans for any particular site in respect of the Group's intended scope or nature, density of homes and/or mix of home types on that site.</p> <p>Any failure to obtain final planning consent on a timely basis or the overturning or amendment of a previously granted consent, and/or any failure of an application for rezoning of a site, could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.</p> <ul style="list-style-type: none"> • Development land and homes can be relatively illiquid assets, meaning that they may not be easily sold and converted into cash and that any sale may not be capable of being completed quickly without accepting a lower price than may be otherwise offered. The Group may be unable to dispose of the development land, sites, loans and/or collateral that it does not wish to develop, either at all, or at a value which the Group considers appropriate. Furthermore, if the underlying property assets are disposed of to third parties then in the case of a loan acquisition, there can be no assurance that the proceeds of sale will be sufficient to recover all monies due under the relevant loan facilities or even the acquisition cost of such loan facility. In circumstances where the Group recovers an amount that is less than the price at which the relevant loan was acquired, then the Group would incur a loss on that acquisition. <p>Illiquidity may affect the Group's ability to value, dispose or liquidate some or all of, its development land, sites, loans and/or homes in a timely fashion and at satisfactory prices which could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.</p> <ul style="list-style-type: none"> • Laws and regulations, which may be amended over time, may impose on the Group environmental liabilities associated with development land and homes (including in relation to any soil and other contamination that may have occurred or arisen prior to the Group's acquisition of such properties). The Group's land bank may include properties historically used for commercial, industrial and/or manufacturing uses. Such properties are more likely to contain, or may have contained, storage tanks for the storage of hazardous or toxic substances. There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on the Group's operations. Compliance with such current or future environmental requirements does not ensure that the Group will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse impact on a site owned by the Group, and there can be no assurance that any site will at all times comply with all applicable environmental laws, regulations and permit requirements.
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		<ul style="list-style-type: none"> • Cost estimates are made in advance of commencing a development and are dependent upon assumptions, estimates and judgments which may ultimately prove to be inaccurate or unreliable. Whilst the Group attempts to mitigate this risk by taking reasonable steps to ensure that its risk management and financial and operational procedures, controls and systems are appropriate for its businesses, there is no guarantee that significant unanticipated costs or delays will not arise. Such unanticipated costs or delays could arise during the course of development due to (i) errors and omissions; (ii) unforeseen technical conditions or increases in sub-contractor rates or material costs; (iii) inadequate contractual arrangements or tendering processes which do not provide for a final and known cost in advance; or (iv) factors inherent in property development (including, without limitation, accommodating existing third party rights affecting a property when developing the property, dealing with disputes and objections of adjacent landowners, interdependencies with adjacent lands and land owners, restrictive covenants affecting development and use and dealing with the financial, environmental, planning, economic, physical, regulatory, legal and political, issues inherent in a complex development project). Unanticipated costs or delays in developing sites may result in additional costs for the Group on account of contractual requirements or otherwise. Should significant unanticipated additional costs arise, this could have a material adverse impact on margins achieved in respect of the relevant development or on the Group's business, financial condition, results of operations and prospects. • While the Group maintains commercial insurance (including employer's liability, public and product liability and contractor's all risk and, to the extent required, engineering cover, as well as a homebond policy to cover homebuyers following the acquisition of their home) at a level it believes is appropriate against risks commonly insured in its industry, there is no guarantee that it will be able to obtain the desired levels of cover on acceptable terms in the future. Therefore, the Group could suffer losses that may not be fully compensated by insurance. • The Group will need to identify suitable development land, investigate and pursue such opportunities and negotiate acquisitions on suitable terms, all of which require significant expenditure prior to completion of the acquisitions. The Group expects to incur certain third-party costs, including in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable development land. There can be no assurance as to the level of such costs and no guarantee that the Group will be successful in its negotiations to acquire any given site. The greater the number of potential investments that do not reach completion, the greater the likelihood of an adverse impact of such costs on the Group's business, financial condition, results of operations and prospects. • The Group may be exposed to future liabilities and/or obligations with respect to the homes that it sells, including, but not limited to, breach of contract, contractual disputes and defective title or property misdescription claims. The Group may be required or may consider it prudent to set aside provisions for warranty claims or contingent liabilities in respect of the sale of the homes. The Group may be required to
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		<p>pay damages (including but not limited to litigation costs) to a purchaser to the extent that any representations or warranties given to a purchaser prove to be inaccurate or to the extent that the Group breaches any of its covenants or obligations contained in the sale documentation.</p> <ul style="list-style-type: none"> • The Group may enter into joint venture arrangements in connection with residential development projects, including with local authorities and investment funds. Certain decisions relating to sites held through joint venture arrangements may depend upon the consent or approval of the Group's joint venture partner. The Group's joint venture partners may have economic or business interests that are inconsistent with the Group's objectives and, in the case of local authorities, may be influenced by political considerations. The Group may have disputes with its joint venture partners and may not be able to resolve all of the issues that arise with respect to such disputes, or the Group may have to provide financial or other inducements to its joint venture partners in order to obtain a resolution in its favour. Joint ventures would also subject the Group to the risk that a joint venture partner breaches agreements related to the development project which causes a default and results in liability for the Group. In addition, a default by a joint venture partner could constitute a default under a mortgage or other loan financing documentation relating to the development project, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the Group. • To the extent the Group incurs a substantial level of indebtedness (whether by way of the Amended Senior Debt Facilities or otherwise), this could reduce the Group's financial and operating flexibility and the amount of cash available to pay dividends to Shareholders due to the need to service its debt obligations and to amortise its loans. Prior to agreeing the terms of its current bank financing, the Group considered its potential debt servicing costs and all relevant financial and operating covenants and other restrictions. The Amended Senior Debt Facilities contains certain financial covenants which require that specific ratios, including LTV ratios, be maintained in addition to certain non-financial covenants that require continued compliance. If certain extraordinary or unforeseen events occur, including breach of financial covenants, the Group's bank finance or other borrowings may be repayable prior to the date on which they are scheduled for repayment or could otherwise become subject to early termination. If the Group is required to repay bank finance or other borrowings early either in full or in part, it may be forced to sell assets when it would not otherwise choose to do so in order to make the payments and it may be subject to pre-payment penalties. Additionally, in the event of default, the Lenders may be able to enforce their security and require the Group to sell the relevant development land and/or transfer it to the lender. • The Company has incurred debt under the Amended Senior Debt Facilities and in the future it may incur further material floating rate indebtedness, under the Amended Senior Debt Facilities or otherwise. Although it is the Group's intention to hedge a proportion of its exposure to such interest rates, these hedging arrangements are not currently in place (and there is no guarantee that the Group will be able to put any such arrangement in place). Interest rates are highly sensitive to
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		<p>many factors, including international and domestic economic and political conditions, and other factors beyond the Company's control. The level of interest rates can fluctuate due to, among other things, inflationary pressures, disruption to financial markets, the availability of bank credit and increases in bank margins. If interest rates rise, the Company will be required to use a greater proportion of its profits to pay interest expenses on its floating rate debt. While the Company will hedge a portion of its interest rate exposure on its borrowings under the Amended Senior Debt Facilities, such measures may not be sufficient to protect the Company from risks associated with movements in prevailing interest rates.</p> <ul style="list-style-type: none"> • The Group operates in a competitive market and is subject to competition from other local, regional and national homebuilders who within the localities of the Group's sites, compete or may compete with the Group for the purchase of land for residential development and on the subsequent sale of residential homes. These competitors may have greater financial resources and lower costs of funds than the Group. If increased competition in homebuilding was to result in difficulty in acquiring suitable land at acceptable prices or the need for increased selling incentives, this could lower sales and ultimately lower profit margins or financial returns. Furthermore, there is a risk in an increasingly competitive sales environment that the Group may fail to sell homes as quickly as anticipated at the expected price. Any or all of these factors could have a material adverse impact on the Group's business, financial condition, results of operations and prospects. • Any change (including a change in interpretation) in tax legislation, including, but not limited to, the imposition of new taxes or increases in tax rates, or any change in the tax treatment of assets or liabilities held by the Group may have a material adverse impact on the Group's financial condition, business, prospects or results of operations. In particular, an increase in the rates of stamp duty in Ireland could have a material adverse impact on the price at which Irish development land can be acquired, and therefore on property values and house prices. • Compulsory registration of title in the Land Registry of properties previously registered in the Registry of Deeds has been introduced in Ireland. The Land Registry may raise queries as part of this process and it can therefore take a considerable period of time to complete the registration depending on the complexity of the title and how easily the queries can be addressed. This applies in respect of the Rathgar Site, the Killiney Site, Hanover Quay Site, the Foxrock Site, and it may also be the case in relation to any properties that are acquired by the Group at some future date, including the Pipeline Sites and any sites acquired as part of the loan to own strategy for the Group's Loan Portfolio. • The Company was incorporated on 12 November 2014 and has a limited operating history. As the Group has a limited operating history, there is a limited basis on which to evaluate the Group's ability to successfully implement its strategy or achieve its objective of establishing itself over the medium-term as a leading Irish homebuilder. • The Group's operations must comply with laws and governmental regulations (whether domestic or international (including in the EU)) which relate to, among other things,
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		<p>property, land use, development, zoning, health and safety requirements and environmental compliance.</p> <ul style="list-style-type: none"> • As part of the Group’s loan to own strategy for the Group’s Loan Portfolio, the Group may take enforcement action against a borrower. In taking such steps, the Group (or any credit servicing firm appointed to undertake credit servicing on behalf of the Group) may have to comply with various laws, codes and regulations of the Central Bank depending on the status and nature of the relevant borrower (depending on whether for example, the borrower is an individual is acting outside the course of his or her business or is a small or medium sized enterprise (an “SME”)). • The Group is also dependent on the performance of third-party service providers for aspects of its business which are regulated activities including, in particular those activities carried out by Hudson Advisors Ireland Limited (and/or any of its subcontractors) (“Hudson”), a third party service provider of asset and loan management services to the Group in respect of the Group’s Loan Portfolio. If Hudson fail to successfully perform the services for which they have been engaged, either as a result of their own fault or negligence, or due to the Group’s failure to properly supervise any such service providers, this could have a material adverse effect on the Group as it may be subject to substantial monetary damages; regulatory investigations or enforcement actions (or sanctions), civil or private litigation, criminal enforcement proceedings and/or regulatory restrictions on its business, all or any of which could have a material adverse effect on its business, results of operations, financial condition and prospects and could negatively impact its reputation among customers and counterparties. • Construction defects (including as a consequence of contamination at a site or materials used in the homebuilding process) may occur on projects and developments and may arise some time after completion of that particular project or development. • The Group uses sub-contractors to carry out the construction of its developments and engages design team professionals, including architects, landscaping architects, mechanical and electrical engineers, structural engineers and planning consultants. The failure to develop and maintain good relationships with highly skilled, competent sub-contractors and design team professionals, the insolvency or other financial distress of one or more of the Group’s sub-contractors or the unavailability of design team professionals to the Group, could have a material adverse impact on the Group’s business, financial condition, result of operations and prospects. • Increased costs or shortages of skilled labour and/or timber framing, concrete, steel and other building materials could cause increases in construction costs and construction delays. If the Group is unable to pass on any increase in costs to the Group’s customers, or renegotiate improved terms with suppliers and sub-contractors, the Group’s margins may reduce, which could accordingly have an adverse impact on the Group’s business, financial condition, result of operations and prospects. • The homebuilding industry poses certain health and safety risks. A significant health and safety incident at one of the Group’s developments or general deterioration in the Group’s
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		<p>standards could put the Group's employees, sub-contractors and/or the general public at risk as well as leading to significant penalties or damage to the Group's reputation.</p> <ul style="list-style-type: none"> • The occurrence of severe weather conditions can delay the construction and delivery of new homes and increase costs.
D.3	Key information on the key risks that are specific to the securities:	<p>Prior to investing in the New Ordinary Shares, prospective investors should consider the risks associated therewith. The risks relating to the securities of the Group include the following:</p> <ul style="list-style-type: none"> • The issue of the New Ordinary Shares is conditional, <i>inter alia</i>, upon the approval of all of the Capital Resolutions proposed for consideration at the Extraordinary General Meeting. In the event that Shareholders do not approve all of the Capital Resolutions, the Capital Raise will not complete. In such circumstances, the conditionally committed funds under the Placing and Open Offer Agreement will not then be available to the Company and the Group may not be able to deliver the planned acquisition of some or all of the Pipeline Sites, fund the planned development of the Core Sites, or fund the development of new sites, and as a result the Company may not be able to deliver anticipated returns to Shareholders. • Shareholders will experience dilution in their ownership of the Company as a result of the Firm Placing and Shareholders who do not acquire New Ordinary Shares in the Open Offer will experience further dilution in their ownership of the Company. • The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares or in response to a variety of factors including, but not limited to, the financial performance of the Group, speculation about the business of the Group in the press, media or the investment community, changes to the Group's revenues or profit estimates, the availability and use of debt finance by the Group, regulatory changes affecting the business of the Group, the publication of research reports by analysts, the Group's ability or decision to pay dividends in accordance with its dividend policy, current affairs and general market conditions. • The New Ordinary Shares may not be a suitable investment for all the recipients of this Document. The value of the New Ordinary Shares, and any income received from them, can go down as well as up and Shareholders may receive less than their original investment, and/or may suffer an unrealised loss where the market price of the New Ordinary Shares falls below that of the Issue Price. • The Board may apply the proceeds of the Capital Raise to uses that the Shareholders may not agree with and may make investments that fail to produce income or capital growth or that lose value. • The Company cannot guarantee that dividends will be declared in the future. • Substantial future issuances of Ordinary Shares and the conversion of Founder Shares into Ordinary Shares in future could impact the market price of Shares and dilute Shareholders' shareholdings. • Future sales of Ordinary Shares by the Founders and/or Kevin Stanley may depress the price of the Ordinary Shares.

		<ul style="list-style-type: none"> • A number of external factors could impact on the Group’s performance, business, results of operations, or prospects and the price of Ordinary Shares, including investor sentiment and local and international stock market conditions. Shareholders should recognise that the price of shares may fall as well as rise. In addition, terrorist acts, other acts of war or hostility, geopolitical acts, pandemics, floods, adverse weather events or other such acts/events and responses to those acts/events may also create economic and political uncertainties, which could have a negative impact on Irish, EU and international economic conditions generally, and more specifically on the Group’s business and results of operations in ways that cannot necessarily be predicted. • A number of internal factors may also impact on the Group’s performance and the price of the Ordinary Shares, such as development and planning risk, loan asset acquisition risk and any failure to recruit, retain or develop appropriate senior management and skilled personnel. • An investment in New Ordinary Shares by an investor whose principal currency is not Euro may be affected by exchange rate fluctuations. • Irish law governs the rights of holders of Ordinary Shares and these rights may differ from the rights of Shareholders in other jurisdictions. Overseas Shareholders may therefore have only limited ability to bring or enforce judgements against the Company. • Pre-emption rights for U.S. and other non-UK, non-Irish holders of Ordinary Shares may be unavailable. • It is possible that the Company will be treated as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for its taxable year that includes the date of Admission and for subsequent taxable years. Such classification could result in adverse U.S. federal income tax consequences to U.S. investors.
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Section E – Offer		
E.1	The total net proceeds and an estimate of the total expenses of the issue:	The estimated Net Proceeds receivable by the Company (after the deduction of commissions, fees and expenses of, or incidental to, the Capital Raise payable by the Company, estimated to be approximately €7.6 million) from the Capital Raise is €168.9 million. No expenses will be directly charged to purchasers of the New Ordinary Shares in connection with the Capital Raise.
E.2a	Reasons for the issue, use of proceeds and estimated net amount of the proceeds:	<p>The Directors believe the Capital Raise will enable the Company to further capitalise on the recovery of the Irish residential property market by expanding the Company’s landbank through targeted strategic acquisitions, accelerating its operations, and by establishing the Company over the medium-term as a leading Irish homebuilder, constructing high quality new homes, with an emphasis on innovation, design and customer service.</p> <p>The estimated Net Proceeds are as set out in E.1 above. The Company’s principal use of the Net Proceeds will be to finance (i) the completion of the acquisition of some or all of the Pipeline Sites (including the Argentum Sites); (ii) the development of new and existing sites predominantly in the Dublin, the Dublin commuter belt, Cork and Galway regions, in addition to other major urban centres; (iii) the acquisition of development sites to the extent that some or all of the Pipeline Sites are not acquired;</p>

		and (iv) in the day to day operations of the Group in line with its strategy. The majority of the Net Proceeds of the Capital Raise is anticipated to be used to expand the land bank through further acquisitions.
E.3	<p>A description of the terms and conditions of the issue:</p> <p>Firm Placing:</p> <p>Placing and Open Offer:</p>	<p>The Company intends to raise gross proceeds of approximately €176.5 million (approximately €168.9 million net of commissions, fees and expenses) through the issue of 157,588,709 New Ordinary Shares by way of the Firm Placing and the Placing and Open Offer at €1.12 per share. The Capital Raise is conditional, among other things, on Shareholder approval of the Capital Resolutions, which will be sought at the Extraordinary General Meeting.</p> <p>The Company is proposing to issue 46,875,000 New Ordinary Shares pursuant to the Firm Placing. The Firm Placed Shares are not subject to clawback and do not form part of the Placing and Open Offer. The Firm Placing is expected to raise approximately €52.5 million (prior to deduction of commissions, fees and expenses). The Firm Placing is subject to the same conditions and termination rights which apply to the Placing and Open Offer.</p> <p>Application will be made to (i) the FCA for the New Ordinary Shares to be admitted to listing on the standard listing segment of the Official List of the FCA and (ii) the London Stock Exchange for the New Ordinary Shares to be admitted to trading on its main market for listed securities. It is expected that Admission in respect of the Firm Placed Shares will become effective on 19 April 2016 and that dealings for normal settlement in the Firm Placed Shares will commence at 8.00 a.m. on the same day.</p> <p>The Firm Placed Shares, when issued and fully paid, will be identical to, and rank <i>pari passu</i> with, the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or delivered after Admission.</p> <p>The Firm Placees will not be entitled, by virtue of their subscription for Firm Placed Shares, to participate in the Open Offer (but this is without prejudice to any right that any Firm Placee may have to participate in the Open Offer to the extent that any such Firm Placee separately has any Open Offer Entitlements).</p> <p>The Company intends to raise approximately €124 million (prior to deduction of commissions, fees and expenses) through the Placing and Open Offer of 110,713,709 New Ordinary Shares at the Issue Price.</p> <p>The Issue Price represents a discount of €0.07 (5.9 per cent.) to the closing price of €1.19 per Existing Ordinary Share on the London Stock Exchange on 21 March 2016 (being the last trading day prior to the announcement of the Capital Raise).</p> <p>The Banks have placed all of the Open Offer Shares at the Issue Price with institutional and other investors. The commitments of these Placees are subject to clawback in respect of valid applications for Open Offer Shares by Qualifying Shareholders pursuant to the Open Offer. Subject to waiver or satisfaction of the conditions and the Placing and Open Offer not being terminated, any Open Offer Shares that are not applied for in respect of the Open Offer will be issued to the placees and/or other subscribers procured by the Banks, with the net proceeds of the Placing retained for the benefit of the Company.</p> <p>Qualifying Shareholders are being given the opportunity to apply for the Open Offer Shares at the Issue Price, on and subject to the</p>

		<p>terms and conditions of the Open Offer, up to a maximum of their <i>pro rata</i> entitlement (on the Record Date) which shall be calculated on the basis of:</p> <p>3 New Ordinary Shares for every 14 Existing Ordinary Shares</p> <p>Fractions of New Ordinary Shares will not be allotted and each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements will be aggregated and will be placed pursuant to the Placing for the benefit of the Company.</p> <p>Accordingly, Qualifying Shareholders with fewer than 14 Existing Ordinary Shares will not have the opportunity to participate in the Open Offer.</p> <p>The New Ordinary Shares issued under the Placing and Open Offer, when issued and fully paid, will be identical to and rank <i>pari passu</i> with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after Admission.</p> <p>Qualifying Shareholders may apply for any whole number of New Ordinary Shares up to their maximum entitlement which, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.</p> <p>Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Open Offer Entitlements.</p> <p>No application in excess of a Qualifying Shareholder's Open Offer Entitlement will be met, and any Qualifying Shareholder so applying will be deemed to have applied for his Open Offer Entitlement only.</p> <p>Application will be made for the Open Offer Entitlements to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 24 March 2016, and that the Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 24 March 2016.</p> <p>The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a <i>bona fide</i> market claim raised by Euroclear's claims processing unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be subscribed for under the Placing with the net proceeds of the Placing retained for the benefit of the Company.</p> <p>The Firm Placing and Placing and Open Offer are conditional upon:</p> <ol style="list-style-type: none"> 1) the passing of all of the Capital Resolutions;
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		<p>2) Admission becoming effective by not later than 8.00 a.m. on 19 April 2016 (or such later time and/or date as the Company and the Joint Global Co-ordinators may agree, not being later than 8.00 a.m. on 29 April 2016); and</p> <p>3) the Placing and Open Offer Agreement having become unconditional in all respects and not having been terminated in accordance with its terms.</p> <p>Accordingly, if any such conditions are not satisfied the Firm Placing and Placing and Open Offer will not proceed, any Open Offer Entitlements admitted to CREST will thereafter be disabled and application monies received under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest, as soon as practicable thereafter.</p>
E.4	A description of any interest that is material to the issue/offer including conflicting interests:	<p>As at the Last Practicable Date, other than as stated below, there is no potential conflict of interest between the duties of the Directors and the Management Team to the Company and their other interests, including their private interests, that is material to the Company or the Capital Raise:</p> <p>a) The Founder Shares held by Michael Stanley, New Emerald LP and Kevin Stanley give them rights to convert Founder Shares into Ordinary Shares in future if the Performance Condition is satisfied.</p> <p>b) John Reynolds, the Independent Non-Executive Chairman of the Company, is a director of Computershare Investor Services (Ireland) Limited, the Company's registrars.</p> <p>c) Aidan O'Hogan is Managing Director of Property Byte Limited, a company through which he provides property consultancy and advisory services to various vendors and acquirers of Irish property including (and also in its capacity as a secured lender) ACC Loan Management Limited (a member of the Rabobank Group). He also provides advice to clients on existing property holdings and potential purchases on a personal basis. Mr O'Hogan is a director of Irish Residential Properties REIT plc, a company which holds some assets for development as homes and may from time to time be interested in acquiring properties which may be suitable for development or refurbishment into homes. Each of these business interests could potentially result in a situation where the interests of the Company and/or those of Mr O'Hogan or the third parties being advised by him may conflict.</p> <p>The nature and terms of the above interests and transactions have been considered by the Non-Executive Directors and approved by those Non-Executive Directors eligible to vote on such interests and transactions.</p>

E.5	Name of the person or entity offering to sell the securities and details of any lock-in agreements:	<p>Not applicable. Save for the Company, there are no entities or persons offering to sell Ordinary Shares.</p> <p>Lock-up arrangements</p> <p>Pursuant to the Placing and Open Offer Agreement, the Company has agreed that, subject to certain customary exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Banks (not to be unreasonably withheld or delayed), issue, offer, lend, mortgage, assign, charge, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any interest in Ordinary Shares or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or any interest in Ordinary Shares or enter into any transaction with the same economic effect as any of the foregoing. This undertaking shall not apply to the operation of any employee share scheme which is in existence at the date of Admission and is described in this Document</p> <p>Pursuant to the Lock-up Agreements, each of the Founders and Kevin Stanley have agreed that, subject to certain customary exceptions, during the period 365 days from the date of IPO Admission (i.e. until 14 June 2016), they will not, without the prior written consent of Goodbody and Credit Suisse, offer, sell or contract to sell, or otherwise dispose of such Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. The customary exceptions to the Lock-up Agreements include any actions that were contemplated by the capital raise at the time of the IPO, any actions taken with the consent of Goodbody and Credit Suisse, any disposal made in accordance with the Irish Takeover Rules, any disposal by way of gift to family members of family trusts, any disposals to or by personal representatives and any disposal pursuant to a scheme of reconstruction or in connection with a compromise arrangement. For the purposes of the Lock-up Agreements, only 40.5 per cent. of the Ordinary Shares held by Stanbro at the date of the IPO shall be affected, representing the Ordinary Shares in which Michael Stanley and Kevin Stanley are interested. Each of the Founders and Kevin Stanley has further agreed that, subject to certain customary exceptions, during the period of 365 days from conversion of any of his Founder Shares into Ordinary Shares, neither he nor any member of the Founder Group will, without the prior written consent of the Board, offer, sell or contract to sell, or otherwise dispose of such Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. Following the period of 365 days from conversion of Founder Shares, each of the Founders and Kevin Stanley will be permitted to offer, sell or contract to sell, or otherwise dispose of 50 per cent. of such Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same effect as any of the foregoing but the lock-up restriction described above will continue to apply to the</p>
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		remaining 50 per cent. of such Ordinary Shares for a further period of 365 days.
E.6	Dilution:	<p>Upon Admission the Enlarged Issued Ordinary Share Capital is expected to be 674,252,686 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 23.4 per cent. of the Company's Enlarged Issued Ordinary Share Capital.</p> <p>Shareholders who do not or cannot participate at all in the Open Offer will have their proportionate shareholdings in the Company diluted by approximately 23.4 per cent. as a consequence of the issue of the New Ordinary Shares.</p> <p>A Qualifying Shareholder who does take up his full entitlement under the Open Offer, will have his proportionate shareholding in the Company diluted by approximately 7 per cent. as a consequence of the Firm Placing.</p>
E.7	Estimated expenses charged to the investor by the issuer:	Not applicable. No expenses will be charged to any investor by the Company in respect of the Issue

PART II

RISK FACTORS

Any investment in the New Ordinary Shares is subject to a number of risks. Before making any investment decision, prospective investors should carefully consider the factors and risks attaching to an investment in the New Ordinary Shares, the Group's business and the industry in which it operates, together with all other information included in this Document including, in particular, the risk factors described below. Prospective investors should note that the risks relating to the Company, the Group and its business, regulation, the Group's industry, the Capital Raise, Admission and the New Ordinary Shares summarised in Part I (Summary) of this Document are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the New Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in Part I (Summary) of this Document but also, among other things, the risks and uncertainties described below. The Directors consider the following risks to be material for prospective investors in the context of the Group, its business, regulation, industry, the Capital Raise, Admission and the New Ordinary Shares. However, the following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in the New Ordinary Shares and should be used as guidance only. These risks and uncertainties are not the only ones facing the Group.

This Document also contains forward looking statements that involve risks and uncertainties. See the paragraph entitled "Information regarding forward-looking statements" in Part VI (Presentation of Information) of this Document. The Group's actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the risks faced by the Group described below and elsewhere in this Document.

The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks, or of the scope of any potential harm to the Group's business, financial condition, results of operations and prospects. Additional risks and uncertainties not presently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse impact on its business, financial condition, results of operations and prospects. If any such risk should occur, the price of the Existing Ordinary Shares and the New Ordinary Shares may decline and investors could lose all or part of their investment.

Investors should consider carefully whether an investment in the New Ordinary Shares is suitable for them in light of the information in this Document and their personal circumstances. Prospective investors should read this section in conjunction with this entire Document.

Risks Relating to the Group and its Business

Housing market conditions and the macroeconomic climate in Ireland may deteriorate.

The Group is an Irish homebuilder and, as such, is dependent upon the overall condition of the Irish residential housing market. Accordingly, the Group has a significant geographical concentration risk related to the Irish property market, particularly in Dublin where the majority of its assets are located. The Irish residential housing market is, in turn, highly correlated with the economic cycle and macroeconomic conditions in Ireland. In recent years, the Irish economy has experienced severe distress as a result of the global financial crisis that started in mid-2007. Irish output ("GDP") fell by a cumulative 10.8 per cent. from its peak in Q4 2007 to its trough in Q3 2009 (Source: CSO, *Quarterly National Accounts, Q3 2015*). As a result of these and other factors, Irish residential property prices peaked in 2007 and fell by 51 per cent. from peak to trough (Source: CSO, *Residential Property Price Index, January 2016*). More recently there has been an improvement in macroeconomic conditions in Ireland as reflected, *inter alia*, in a recovery in Irish property prices to 66.2 per cent. of the 2007 peak levels (Source: CSO *Residential Property Price Index, January 2016*), domestic demand is forecast to grow by 7.4 per cent. in 2016, and GNP is forecast to grow by 5.3 per cent. in 2016 (Source: ESRI, *Quarterly Economic Commentary, Winter 2015*). There has been a

significant decline in unemployment with the Standardised Unemployment Rate down to 8.8 per cent. in February 2016 from a peak of 15.1 per cent. in February 2012 (*Source: CSO Adjusted Unemployment Rate, February 2016*). Should this current relative stability in the Irish housing market and/or the macroeconomic climate deteriorate, the Group could experience lower sales volumes and demand than anticipated, decreases in sales prices and margins and could see a decline in the value of the Group's inventories (including its land bank) and the collateral assets underlying the loans in the proportion of the loan portfolio acquired by the Group from Ulster Bank (the "Group's Loan Portfolio").

Long-term demand for new homes is also directly related to population growth and the rate of new household formation. These trends have, in the past, contributed to an increase in home ownership and demand for new homes in Ireland. While, for example, there is estimated to be an ongoing need for 8,000 new homes a year in Dublin alone (*Source: ESRI, Projected Population Change and Housing Demand*) but there is no guarantee that demand for new homes will continue to rise, nor that any future recovery in consumer confidence or improvement in credit availability would result in residential property prices, sales volumes and demand to recover to the same degree as levels experienced in the past.

The Irish residential housing market is also susceptible to adverse impacts caused by the following factors:

- inflation rate and interest rate fluctuations;
- restrictions on the availability of credit, including the introduction by the Central Bank of additional mortgage lending caps;
- declining real income and/or a reduction in the affordability of mortgages;
- rising unemployment;
- a decline in the economic performance of Ireland;
- changes in government regulation or policy, including planning and environmental regulations (which could reduce residential property demand, for example, as a result of higher housing or energy costs);
- increases in tax rates (including VAT, stamp duty and/or local property tax); and
- any breakup of the Eurozone or other adverse political events.

Any or all of these factors could decrease demand for new homes, negatively affect sales volumes and reduce sales prices and have a material adverse impact on the Group's business, financial condition, results of operations and prospects, and could result in a decline in the value of the Group's inventories (including its land bank).

The global macroeconomic climate may deteriorate.

The Group is indirectly subject to risks arising from state of the global financial markets. In particular, from mid-2008, the global economy and the Eurozone experienced a period of significant turbulence and uncertainty which triggered widespread problems at many commercial banks, investment banks, insurance companies and other financial and related institutions. The dislocation severely affected property prices in Ireland and contributed to a significant reduction in the availability of credit and a deterioration in the terms on which credit was available. The global market dislocations were also accompanied by recessionary conditions and trends in Ireland and many economies around the world. The widespread deterioration in these economies adversely affected, among other things, consumer confidence, levels of employment, the state of the housing market, sales volumes and interest rates. The re-emergence of any such financial turbulence or the failure of ongoing progress towards a return to more normal patterns and economic conditions could adversely impact sales volumes and demand and result in decreased sales prices and margins, and a decline in the value of the Group's inventories (including its land bank) and the collateral assets underlying the loans in the Group's Loan Portfolio.

The Group may not complete the acquisition of (i) some or all of the Pipeline Sites; and (ii) those sites where the Group has entered into an acquisition agreement.

As at the Last Practicable Date, the Group is pursuing the potential acquisition of some or all of the Pipeline Sites (which are comprised of the Argentum Sites, the Cherrywood Option Site, the Maynooth Site, the South Dublin Site and the Dublin Commuter Belt Site), which are located in Dublin and the Dublin commuter belt. Although the Directors are hopeful that the Group will acquire the Argentum Sites and the Maynooth Site within the next number of months, and some or all of the other Pipeline Sites within a period of time thereafter, there is no guarantee that any or all of these sites will be successfully acquired by the Group. If the Group is unable to acquire one or more of the Pipeline Sites or is unable to procure other attractive or selective development land in line with the Group's acquisition criteria, this may result in the Group being unable to deploy the proceeds of the Capital Raise in the manner anticipated in this Document which failure or delay in investing the proceeds may result in the Group carrying significant cash balances in respect of which it may not be in a position to generate returns for Shareholders (for further information on this risk, please see the Risk Factor "*The Group may be unable to make additional purchases of development land, sites, loans and/or collateral this may lead to development delays and/or the Group may not be able to do so at an acceptable price*" of this Part II (Risk Factors)).

In particular, in respect of the Argentum Sites, the Group has entered into an exclusivity agreement in relation to the Argentum Sites. The exclusivity period expires on 21 April 2016 as set out in paragraph 14.7 of Part XVII (*Additional Information*) of this Document. The exclusivity agreement contemplates the sale and purchase of the Argentum Sites being entered into between the parties on the basis of specified documentation. It also provides that the vendors of the Argentum Sites have a contractual right not to enter into any such transaction. In that event, the €7.5 million exclusivity payment already paid by the Group to the vendors, would be refunded and the vendors of the Argentum Sites would be contractually restricted from selling such sites for a period of 12 months. Following the Capital Raise, the Group intends to acquire the Argentum Sites but there can be no guarantee that at the time that the Group seeks to acquire the Argentum Sites that the vendors will do so on the terms envisaged, or at all. If the Group elects not to proceed to acquire the Argentum Sites, the Group would forfeit the €7.5 million exclusivity payment.

Furthermore, in respect of the proposed acquisition of the Cherrywood Option Site, the completion of the transaction is subject to the grant of final planning permission for that site. There can be no assurance that such planning permission will be granted and, in such circumstances the Group may not be able to (and may not want to) complete the acquisition of the Cherrywood Option Site. In relation to the other Pipeline Sites, being the proposed acquisition of the Maynooth Site (where the Group executed a binding agreement on 7 March 2016 and which has not yet completed), the proposed acquisition of the South Dublin Site, and the proposed acquisition of the Dublin Commuter Belt Site where the Group has not entered into binding agreements to acquire the sites, there can be no assurance that the acquisitions will be completed on the terms the Group envisages or at all.

In addition to the potential acquisition of some or all of the Pipeline Sites the Group has also executed an acquisition agreement, which has not yet completed, to acquire the Navan Site. In the case of the Navan Site, the acquisition is conditional on the grant of planning permission. While the Group anticipates that the completion of the acquisition of the Navan Site will occur in accordance with the terms of the contract, if the acquisition does not complete, this could have an adverse effect on the Group's finances and prospects both in terms of costs and expenses expended on the proposed acquisition, and in terms of any other consequences, legal or otherwise that may arise from the acquisition not completing.

The Group is subject to liquidity risks.

The ability of the Group to achieve its strategic and operational objectives is dependent on the availability at relevant times of suitable liquidity reserves (comprising undrawn borrowing facilities and available cash and cash equivalents). The performance of the Group against those strategic and operational objectives is subject to liquidity risk, being the risk that the Group will have insufficient cash or cash equivalents to meet its commitments in line with its planned strategic timelines. The Group's strategic and operational objectives will include the timing of construction work on relevant sites and the consequent timing of the generation of net sales proceeds. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it

will always have sufficient liquidity to meet its liabilities and commitments when due. However, the Group's ability to maintain the appropriate balance of capital to meet the varying levels of capital required for the different cash flow requirements of housing construction compared with apartment construction, and its ability to appropriately balance the deployment of capital in meeting the needs of existing and future projects and capital expenditure on new development sites, may be or may become subject to factors which are outside the control of the Group, or which are, in turn, based on assumptions (such as the timing on sales, anticipated sales prices and purchaser affordability) which may be inaccurate.

The Group may be unable to obtain the development land underlying the Group's Loan Portfolio.

A substantial portion of the Group's assets comprise non-performing loans (against which development land has been secured as collateral) acquired by the Group as part of the Project Clear Loan Portfolio in order to obtain title to underlying development land. The development land held as collateral against loans acquired by the Group comprised 28 residential development sites, which together were carried at a cost of €378 million and represented approximately 66 per cent. of the value of the Group's assets as at 31 December 2015. In addition, in the future the Group may purchase further loan assets secured on development land from NAMA, financial institutions and/or investment funds with a view to realising the security and acquiring the underlying development land. For further information on the Group's loan asset acquisitions, see paragraph 3 of Part IX (*Information on the Group*) of this Document.

In such instances, the asset acquired by the Group is an existing loan and security rather than the property asset(s) secured against that loan. While the objective of the Group in acquiring loans is to ultimately enter into consensual arrangements with borrowers or to enforce the security on the loan with a view to obtaining some or all of the underlying development land held as collateral, there are a number of risks inherent in the process that may affect the Group's ability to acquire the underlying assets, and in some circumstances, the Group may not be able to obtain the underlying development land. While the Group will generally seek to enter into an agreement with a borrower to provide for the transfer of the ownership of the asset to the Group, it is possible that agreement may not be reached, or even if agreement is, or has been, reached, the borrower may not (or may not be able to) adhere to the terms of that agreement. This may then require the Group to seek to undertake an enforcement process against the collateral, which may result in delays, and which may add cost and uncertainty, to the process.

The Group may also seek to acquire development land assets from receivers that have been appointed over target assets, or acquired loans in the Group's Loan Portfolio. In circumstances where a loan is in default and a consensual arrangement cannot be reached with a borrower (and/or where a personal guarantee is in place with the borrower or another obligor), the Group will issue a demand letter to the borrower giving the borrower an appropriate time period for repayment in full. If, following the expiry of the demand period, the loan has not been repaid in full, the Group will seek to appoint a receiver or otherwise effect an enforcement and sale of the relevant security underpinning the loan. As at the Last Practicable Date, receivers are already in place for 64 per cent. of the loans (calculated by reference to the par value of the loans) in the Group's Loan Portfolio.

The appointment of a receiver is the usual means to enforce security (including enforcement through the courts) however, there is always a risk of a borrower challenge to the means by which the loans were acquired by the Group or to the validity and enforceability of the loan and security documents, or to the appointment of a receiver or to the means by which the asset was transferred to the Group or to the enforcement process generally. A borrower seeking to challenge the appointment of a receiver may for example seek to dispute the validity of the appointment of the receiver, the process by which the receiver has been appointed, or dispute that a loan is in default which, even in the eventuality of any such allegations being unsubstantiated, may delay or inhibit the enforcement process.

Furthermore, in circumstances where a receiver is appointed, the receiver has a statutory obligation in disposing of the collateral to act in the best interests of the borrower and to achieve the best price for the secured asset. If a *bona fide* third party is willing to pay a higher price for the relevant collateral than the Group has offered, the Group will have to consider if it wishes to match the third party offer. The primary value leakage to the Group in increasing its bid above the market valuation to match the third party's offer will be an additional stamp duty cost and a potential additional charge to corporation tax at 25 per cent.,

should a taxable profit arise on the loan redemption after funding costs. If the Group is not willing in any particular case to increase its bid above the market valuation, it may not acquire the development land, and in such circumstances the Group will be unable to avail of the opportunity to generate returns from that land and its return will be limited to the repayment of outstanding principal and interest in respect of the acquired loan from the purchase price paid by the third party. (For additional information on the risks of acquiring development land from receivers see the Risk Factor: “*The Group’s due diligence may not identify all risks and liabilities in respect of an acquisition and/or the Group may receive limited contractual protections where it acquires assets from receivers or as part of any auction process*” of this Part II (*Risk Factors*)).

Furthermore, enforcement of the loans and all related guarantees and security is subject to laws relating to insolvency, bankruptcy and all applicable laws affecting creditors’ rights generally. In the event of a corporate borrower being dissolved or struck-off the Companies Registration Office register, this may delay and add cost to any enforcement process as the prudent (and perhaps required) step to take in such circumstances is to restore the corporate borrower to the register before a receiver is appointed.

In the event that a trading corporate borrower enters into an examinership process, this will remove the ability of appointing a receiver to the assets of the company during the course of the examinership, and if the examinership process is successful, the corporate borrower’s liability under the loan receivable could be reduced to the market value of the secured assets. If certain assets of a corporate entity are subject to a floating charge, the realisations of those assets will be used to pay the company’s preferential creditors (principally taxes and employees) in priority to the holder of the floating charge. Liquidators will take steps to investigate the circumstances in which the security was given to ensure it was validly granted and to test whether it ought to be set aside for the benefit of all of the creditors of the company. Further, in the event of the insolvency of a personal borrower, the Group’s ability to access the underlying development land may be adversely impacted by the personal insolvency arrangement procedure, which imposes rules for the protection of creditors and Irish laws applicable to the bankruptcy and insolvency of individuals generally.

To the extent that the Group fails to obtain the underlying development land as a result of any of the circumstances listed above, the Group will be unable to realise its estimated returns on the underlying development land (for further information see the Risk Factor: “*The Group may be unable to realise its estimated returns on its land bank*” of this Part II (*Risk Factors*)), and the Group will have lost the development and revenue potential of such a site, which could have a material adverse impact on the Group’s business, financial condition, results of operations and prospects. To the extent that the Group suffers delays or legal impediments over a period of time to obtain the underlying development land as a result of any of the circumstances listed above, the Group may incur significant legal costs and expenses, and/or be forced to dispose of, or to seek to dispose of the loan (for further information on the risk associated with selling a loan, please see the Risk Factor: “*Development land, sites, loans and/or homes can be illiquid assets and can therefore be difficult to sell*” in this Part II (*Risk Factors*)), which could furthermore negatively impact on the achievement by the Group of its estimated returns.

The Group may be unable to realise its estimated returns on its land bank.

The Group’s estimated Net Development Value (“NDVs”) and Gross Development Value (“GDVs”) relating to its planned developments are estimates only and are ascertained on the basis of assumptions (including demand for homes, average sales price, assumed number of homes within developments and the split between open market and affordable housing homes, and the obtaining of planning consent so as to achieve the developments then proposed by the Group) made at the time that the Group acquires an asset. Such estimates and underlying assumptions may prove to be inaccurate or unreliable and there is no assurance that the estimated NDVs and GDVs relating to the Group’s land bank and its proposed developments will reflect the actual sale prices achieved of any developments built on the land. In particular, factors including lower demand for homes and those factors listed in the Risk Factor: “*Housing market conditions and the macroeconomic climate in Ireland may deteriorate.*” of this Part II (*Risk Factors*), may lead to lower NDVs, or GDVs than estimated. Any failure to sell as many homes as anticipated, and/or for the sales prices expected, could result in the Group not achieving its estimated NDVs or GDVs, or its stated target of 1,000 homes per year by 2019, and in the case of the Group achieving lower sales prices than expected, could

negatively affect the margins the Group receives on such sales, all of which in turn could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

In addition, the valuation of property or land is inherently subjective and valuations are subject to uncertainty (and valuations can fluctuate to a significant degree over short periods of time) in part because all property valuations are made on the basis of assumptions which may not prove to be accurate (particularly in periods of volatility or low transaction flow in the relevant property market), and in part because of the individual nature of each property. The valuation of property or land is affected by factors such as changes in regulatory requirements and applicable laws (including in relation to building and environmental regulations, taxation, zoning and planning), political conditions, the condition of financial markets, the financial position of customers, tax legislation, and interest and inflation rate fluctuations. For example, in circumstances where the Group makes submissions to a relevant local authority for lands to be rezoned to enable the Group to construct additional homes at a relevant site (or to reduce the amount of commercial space at a relevant site), the failure to achieve such rezoning may negatively impact the value of that land, resulting in the requirement to write down the value of the land in the Group's financial reporting.

While the Group reviews each property valuation to ensure that appropriate assumptions have been applied, property valuations are complex and involve data which is not publically available and involve a degree of subjective judgement. There can therefore be no assurance that valuations will be reflected in actual transaction prices, even where any such transactions occur shortly after the relevant valuation date.

Certain loans purchased as part of the Project Clear Loan Portfolio require the consent of the underlying borrower.

The acquisition of the Project Clear Loan Portfolio was structured as, initially a participation arrangement between the Group, Lone Star and Ulster Bank. A subsequent formal transfer, assignment or novation of the legal and beneficial rights and obligations from Ulster Bank to the Group in respect of approximately 94 per cent. of the Group's Loan Portfolio (calculated by reference to the total purchase price of €378 million (excluding €4.3 million of construction bonds)) occurred on 19 February 2016. In respect of those loans which did not transfer on 19 February 2016, the transfers did not occur because the consent of the underlying borrower and/or a third party which was required as a contractual precondition to such transfers had not been obtained at that time. To the extent that full legal and beneficial ownership of any of the Group's Loan Portfolio did not so transfer to the Group on that date, such loans remain subject to such sub-participation or a trust arrangement where the benefits of ownership of such loans are held by Ulster Bank for the benefit of the Group pending transfer. Where a loan remains in sub-participation or subject to a trust arrangement, the Group and Ulster Bank will continue to seek to obtain the consent of the underlying borrower and/or the relevant third party to the transfer of the legal and beneficial interest in the relevant loan and related collateral to the Group. While the Group anticipates that the majority, if not all, of such consents will be forthcoming within the next 12 months, there can be no assurance that such consents will be forthcoming.

Pursuant to the terms of the sub-participation and declaration of trust arrangements respectively, if the consent of the underlying borrower is still outstanding on 11 December 2016, then enforcement steps (subject to the terms of the underlying security documentation) are to be taken by Ulster Bank with the intention that the collateral would be realised. There is a risk that where Ulster Bank enforces against a borrower who has not consented and takes enforcement steps in respect of the collateral, that any sale of the collateral may not easily occur and that any sale may not be capable of being completed quickly either in terms of bringing any development land comprising collateral for such loans into the ownership or control of the Group or net cash proceeds to reduce the net costs of the Project Clear Loan Portfolio acquisition. More specifically, if a borrower has not consented by 11 December 2016, it is possible that such borrower is reserving the right to mount a challenge either to the validity or enforceability of the loan and security documents or the right of Ulster Bank to appoint a receiver, or that such borrower is intending to seek to counterclaim against Ulster Bank in relation to some unconnected issue. There is also a risk that at the time that Ulster Bank seeks to take enforcement steps in respect of the security that Ulster Bank may not be able to enforce against the security, for example where the borrower may not (or may no longer) be in default under the terms of the loan, or where the borrower is insolvent. Even though valid collateral survives insolvency procedures, there are options in both the personal (through personal insolvency arrangements)

and corporate (examinership) insolvency regimes which impose a protection period for a debtor during which time secured creditors are precluded from exercising their collateral entitlements. To the extent that the Group fails to obtain the underlying development land (and such land comprises one of the 25 core sites of the Group (a “Core Site”)), this could have a material adverse impact on the Group’s business, financial condition, results of operations and prospects. Where Ulster Bank is not in a position to enforce against the underlying collateral, and/or the underlying collateral cannot be sold in a timely manner or at all, the Group would need to enter into discussions with Ulster Bank to extend or modify the relevant sub-participation or declaration of trust arrangements.

The Group’s due diligence may not identify all risks and liabilities in respect of an acquisition and/or the Group may receive limited contractual protections where it acquires assets from receivers or as part of any auction process.

Prior to entering into an agreement to acquire development land or loan assets, the Group performs due diligence on the proposed investment. In doing so, it typically relies in part on third parties to conduct a significant portion of this due diligence (including providing planning, engineering and legal reports on title and property valuations). The agreed scope of any due diligence exercise together with the quality of the documentation available for review will determine the reliability of any due diligence exercise. In relation to the Acquired Sites, the Group’s due diligence included a physical examination of the sites, in respect of environmental, planning and identification matters. However in other circumstances, such as the competitive auction process in respect of the Project Clear Loan Portfolio, or where the Group is acquiring assets from receivers or liquidators, the Group may be able to undertake only a limited scope due diligence exercise, due, for example, to timing constraints in completing the acquisition or purchasing assets out of receivership or from liquidators or examiners whose knowledge of matters occurring prior to their appointment will typically be limited and who may be reluctant or unable to provide all the information relating to the relevant development land that a normal seller would usually provide. Furthermore, the acquisition of the Project Clear Loan Portfolio was completed in a competitive auction scenario and, in such circumstances the transaction documentation negotiated between the parties contained very limited contractual protections (including limited warranties and representations), as a result of which the Group has only limited ability to claim against Ulster Bank.

In the case of acquisitions of assets from receivers, the quality of responses to the Group’s due diligence enquiries and/or the receiver’s capacity to deal with enquiries will typically be limited to the actual knowledge of the receiver since his appointment. Limited replies to requisitions on title, and limited availability of documentation or replies in connection with planning, loan and security documentation and limited information generally in relation to underlying development land held as collateral may be furnished by receivers. Additionally, limited or no protections are typically offered by receivers in respect of underlying development land held as collateral. Any such factor that compromises development land due diligence or that results in a fundamental defect in the enforceability of security against, or title to, the underlying property may have an adverse impact on the Group’s ability to acquire and/or develop the underlying development land.

In relation to the Project Clear Loan Portfolio, legal due diligence reports were prepared for the Group which were based solely on a review of title, loans and security documents/information made available by Ulster Bank and publicly available title and borrower searches (which were comprised of searches in the Companies Registration Office, the Judgments Office, insolvency and title searches in the Land Registry and/or the Registry of Deeds (as applicable)). Any security and assets which related to sites identified by the Group as not being Core Sites were excluded from the scope of the more detailed due diligence exercise carried out in respect of the Core Sites. Furthermore, no documentation concerning the capacity or authority of the borrowers, guarantors or other obligors of collateral was examined as part of the legal due diligence.

As a result of the factors set out above, there can be no assurance that the due diligence examinations carried out by the Group or third parties on behalf of the Group in connection with any development land, sites, loans and/or collateral the Group has acquired or may acquire have revealed or will reveal all of the risks and/or defects associated with that development land, sites, loans and/or collateral, or the full extent of potential liability or losses arising from such risks. To the extent the Directors or third parties underestimate

or fail to identify risks and liabilities associated with an acquisition, the Group may be subject to one or more of the following risks:

- defects in title;
- environmental, structural or operational defects or liabilities requiring remediation and/or not covered by indemnities or insurance;
- prior ranking interests in any asset;
- missing documents;
- an inability to obtain permits enabling it to use and/or develop the asset as intended;
- existing structures or developments on the site having structural issues or not being in compliance with planning legislation, building control legislation, health and safety legislation or fire safety legislation;
- acquiring assets that fail to perform in accordance with expectations;
- unexpected or undetected tax costs associated with acquiring the underlying property;
- legal or practical difficulties in enforcing or an inability to enforce loans and related security and/or obtain the title to the underlying property collateral;
- non-compliance with contractual commitments or outstanding financial contributions imposed by various planning permissions; or
- third party rights over the site or other sites affecting title having the potential to inhibit or restrict development.

Any of these consequences of a due diligence failure could have a material adverse impact on the Group's business, results of operations, financial condition and prospects.

In addition, the contractual protections the Group has received or receives in connection with its acquisitions from certain types of vendors may be limited or ineffective to cover the Group's losses. For example, in the case of acquisitions from receivers, the warranties and other protections and assurances given by the receiver in relation to the asset being acquired will typically be more limited than might be expected where the vendor is a market seller. Equally, in the case of acquisitions from other particular types of vendors, such as distressed sellers, it may be more difficult to recover in respect of warranties and protections that may be provided than it would be in the normal course. As a result, the Group's ability to identify, and eventually recover in respect of any losses incurred as a result of, any defects, risks or liabilities that may arise in connection with any such acquisition may be more limited than would otherwise be the case.

If the Group is required to make additional purchases of development land, sites, loans and/or collateral this may lead to development delays and/or the Group may not be able to do so at an acceptable price.

To date the Group has principally acquired development land, sites, loans and/or collateral out of which the Group has identified 25 Core Sites, with the potential to build 11,229 homes. The Group intends to build and sell homes on the Core Sites and where appropriate to seek new opportunities to acquire targeted strategic sites suitable for residential development, with a view to generating value for Shareholders over the long-term. It may not always be possible to acquire targeted strategic sites at the right time and price and in the most appropriate geographical locations. Furthermore, in circumstances where the Group is unsuccessful in completing the acquisition of some or all of the Pipeline Sites, and/or where the Group is unable to obtain development land which is collateral to the Group's Loan Portfolio, the Group may need to seek to acquire additional development land with a view to generating planned returns. In those circumstances, and at the time that the Group seeks to acquire such additional development land, market conditions may not be favourable. Unfavourable market conditions could result from factors such as an increase in the price of development land to levels that would negatively impact margins or would make a site uneconomical; a lack of suitable sites that fit with the Group's strategic plans; and/or increased demand for development land from

the Group's competitors (including other local, regional and national homebuilders, speculative land acquirers, local or national authorities as well as colleges, hospitals, hotels and universities or private companies looking to acquire sites to use as student accommodation, healthcare providers and providers of recreational sites). If the Group is unable to acquire development land in such circumstances and/or is forced to pay an increased cost to procure development land this negatively impact on the Group's ability to deliver its level of planned income. For further information see the Risk Factors: "*The Group may be unable to realise its estimated returns on its land bank.*" and "*The Group may not complete the acquisition of (i) some or all of the Pipeline Sites and (ii) those sites where the Group has entered into an acquisition agreement.*" of this Part II (*Risk Factors*).

Constraints on the availability of mortgage funding may have an adverse impact on the Group's house sales.

Since the second half of 2007, mortgage credit has been restricted, particularly at higher loan to value ratios, due to a number of factors including (i) the exit of a large number of mortgage providers from the market; (ii) the significant reduction in the number of available mortgage products; (iii) cautious surveyors' valuations on properties (which reduces the value of the mortgage that can be obtained on a given property); and (iv) many lenders requiring increased levels of financial qualification and greater deposits, whilst lending lower multiples of income and lower loan to value ratios. Mortgage lending in 2014 totalled €3.9 billion (*Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q1 2015*), 90 per cent. below the peak level in 2006 of €39.9 billion (*Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q4 2006*). Mortgage lending in the 12 months to September 2015 was up 32 per cent. on the 12 months to September 2014 (*Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q3 2015*). Constraints on mortgage funding may also be driven by macroeconomic conditions, such as interest rate fluctuations; declining real income and/or a reduction in the affordability of mortgages; rising unemployment; and a decline in the economic performance of Ireland (for further information see the Risk Factor: "*Housing market conditions and the macroeconomic climate in Ireland may deteriorate.*")

More recently the Central Bank introduced new macro-prudential rules with respect to residential mortgage lending on 9 February 2015: the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) Regulations 2015. Previously, there were no similar regulations in place. The regulations apply to regulated financial service providers that provide housing loans secured or to be secured on residential property in Ireland. Different rules apply depending on whether or not the residential property on which the housing loan is or is to be secured is a 'principal home' (being one which a borrower occupies or intends to occupy as his or her principal residence). The regulations do not apply in certain limited circumstances, such as where the new housing loan is to refinance the full amount outstanding under an existing housing loan secured on the same residential property.

Where the property is a principal home, under the new rules:

- first time buyers are allowed to borrow at a maximum loan to value ratio of 90 per cent. on properties up to a value of €220,000. A maximum 80 per cent. loan to value ratio applies on the excess above €220,000;
- for mover-buyers, who already own a home, a cap of 80 per cent. applies regardless of property value except for those in negative equity, where this cap does not apply;
- in respect of both first time buyers and mover-buyers, lenders can issue an aggregate maximum of 15 per cent. of loans by value outside these restrictions in any one calendar year;
- a loan-to-income cap of 3.5 times a borrower's gross annual income (before tax or other deductions) also generally applies. Lenders can issue such loans with higher loan-to-income ratios up to a maximum of 20 per cent., by value, of cases in any one calendar year.

Where the property is not a principal home, under the new rules:

- a lender must ensure that the loan-to-value ratio of the housing loan does not exceed 70 per cent. Lenders can issue a maximum of ten per cent. of loans, by value, outside of this limit in any one calendar year;
- unlike where the property is a principal home, there is no loan-to-income cap.

The regulations introduce new requirements concerning the valuation of residential property for the purposes of mortgage lending, including that the appraiser must undertake the valuation not earlier than a period of two months before the date on which the advance under the housing loan is made by the lender.

The key objectives of these regulations, as communicated by the Central Bank, are to increase the resilience of the banking and household sectors to the property market and to reduce the risk of bank credit and house price spirals from developing in future. The Governor of the Central Bank, Professor Philip Lane, has indicated that the Central Bank will release the results of a review of these rules towards the end of 2016 (*Source: The Irish Times 8 January 2016*). The Governor has stressed that this review could result in the rules being “adjusted up or downwards”, or left unchanged. This proposed review will be conducted having regard to the data on the operation of the rules over the last year with the possibility of further assessments being made in future years when a new credit register is well established.

The availability of mortgage credit is also subject to legal and regulatory requirements under the Consumer Credit Act 1995 and the Consumer Protection Code. The Consumer Protection Code requires a lender to carry out a suitability and affordability assessment; that assessment typically includes a stress-test of the borrower’s ability to repay the mortgage loan on the basis of a two per cent. interest rate increase, at a minimum, above the rate offered to the borrower. Additional requirements relating to mortgage lending in Ireland are expected to apply from 21 March 2016 under regulations transposing the Mortgage Credit Directive 2014/17/EU into Irish law.

Furthermore, the rental market in Dublin is going through a significant period of undersupply and price rises. As of 1 February 2016 there were fewer than 1,400 properties available to rent in Dublin, with 3,600 available nationally at the same date, the lowest total at any point since the start of the data series ten years ago (*Source: The Daft.ie Rental Report, 2015 Review*). In the period since 2012, average asking rents nationally have risen by nine per cent. year on year, while Q4 2015 was the 14th consecutive quarter of average rent increases (*Source: The Daft.ie Rental Report, 2015 Review*). The rent rises that have accompanied the undersupply, have negatively impacted on the disposable income of the population, and consequently impacted on their ability to set aside sufficient funds to meet the Central Bank macro-prudential requirements.

These or further constraints on mortgage borrowing could cause house prices and sales volume to decline, and could result in a decline in its value of the Group’s inventories (including its land bank), which could have a material adverse impact on the Group’s business, financial condition, results of operations and prospects and on its reputation.

The Group is dependent on its Board and Management Team and on the expertise of the key personnel.

The Board and Management Team have significant experience in the homebuilding industry in Ireland and the United Kingdom, and the future success of the Group is, to a large extent, dependent upon their specialist experience, industry knowledge and skills. In particular, the Group’s co-founder and CEO, Michael Stanley together with the Group’s other co-founder and Executive Director Alan McIntosh, Chief Commercial Officer Kevin Stanley, Chief Operating Officer Jude Byrne and Group Finance Director Eamonn O’Kennedy have also been critical to the overall management of the Group as well as the development of its products, culture and strategic direction since the IPO. The Group has the benefit of certain non-compete and non-solicitation arrangements with the Founders pursuant to the Founders Relationship Agreements, from Kevin Stanley pursuant to his Lock-up Agreement and from each member of the Management Team pursuant to their employment contracts. However, there is no guarantee that the non-competition and non-solicitation agreements to which the Founders and Management Team are subject will prevent them from leaving the Group, joining a competitor or otherwise competing with the Group or that these arrangements will be

enforceable in all cases. In addition, these agreements will expire after a certain period of time, at which point the Founders and each member of the Management Team would be free to compete against the Group and solicit its employees.

The success of the Group's businesses is further dependent on recruiting, retaining and developing highly-skilled, competent people at all levels of the organisation. The Group does not, and does not intend to, hold any key-person life insurance policies. The unexpected departure or loss of members of the Board or Management Team, or the inability of the Group to retain or attract key personnel, or develop a succession plan effectively, or find individuals with comparable experience and knowledge in a timely manner if members of the Board or Management Team leave, could have an adverse impact on the Group's business, financial condition, results of operations, share price and prospects and there can be no assurance that the Group will be able to attract or retain suitable replacements for members of the Board or Management Team.

The past performance of the Management Team is not a guarantee of the future performance of the Group.

The Group is reliant on the Management Team to implement its development strategy which ranges from land acquisitions, to planning, building, marketing and delivering homes in the targeted geographic areas in order to create value for the Shareholders. The performance of the Management Team since the IPO is not indicative, or intended to be indicative, of the future performance or results of the Group.

The Group may be unable to secure viable planning consent on a timely basis or at all and/or the Group maybe unsuccessful in any application for land to be rezoned.

In some circumstances, the Group may acquire land which is zoned for residential development, but where planning consent has lapsed or no planning consent has been obtained. In such circumstances, the Management Team will seek to mitigate the risk of failure to achieve the desired planning consents by considering planning consent at an early stage and by focusing on sites which are zoned for residential purposes and therefore where residential development is permitted. Where possible, the Group intends to acquire sites which already have planning consent in place or consent which has lapsed, including sites where the Management Team considers that a site would benefit from a change to its current planning consent (for example, in relation to a site's scope or nature, density of homes and/or mix of home types). In some cases the Group may acquire sites without planning consent, but where the site is in an area zoned for residential development. Securing planning consent on favourable terms is key to the Group's ability to realise value on its developments and failure to obtain the planning consent the Group seeks in respect of a site may, in turn, reduce a site's GDV. Local and national planning policies, local urban regeneration strategies, and policies on the use of brownfield and greenfield sites and building on greenbelt sites continue to have a significant impact on the ability of homebuilders to develop sites. There can be no certainty that any given application (or broadly equivalent proposal) will result in full planning consent or consent of the type applied for by the Group, or that a planning consent, if granted, will not be on onerous terms and, therefore, financially unviable to implement. Any failure to obtain planning consent on acceptable terms or at all could mean the Group is unable to develop a site or could result in a reduction to the number of homes that are available for sale within the proposed timeframe and could have a material adverse impact on the Group's business, financial condition, results of operations and prospects. Delays to the expected timescale for receipt of planning consent for a site may result in delays to the completion of the development of homes. Planning policies can place restrictions on access to new land and on how land is developed. Further, where the Group has obtained planning consent, there is a possibility that planning consent could be overturned on appeal through the process overseen by An Bord Pleanála.

The Group may also make submissions to a relevant local authority for lands to be rezoned to enable the Group for example to construct additional homes at a relevant site (or to reduce the amount of commercial space). The timing of any such submissions must be in line with the review of the relevant local authority development plan, which plans are typically reviewed every four years. The local authorities have a formal public consultation process as part of the development plan review. Once a draft development plan has been prepared, in accordance with Section 12(2) of the Planning and Development Act, 2000, it must be put on public display for a period of not less than ten weeks, during which time submissions or observation can be made. However, while any submissions relative to the rezoning of lands must be taken in consideration by

the relevant local authority before the making of the final development plan, there can be no assurance that the lands will be rezoned as a result and this could negatively impact on the Group's plans for any particular site in respect of the Group's intended scope or nature, density of homes and/or mix of home types on that site.

Any failure to obtain final planning consent on a timely basis or the overturning or amendment of a previously granted consent, and/or any failure of an application for rezoning of a site, could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Development land, sites, loans and/or homes can be illiquid assets and can therefore be difficult to sell.

Development land and homes can be relatively illiquid assets, meaning that they may not be easily sold and converted into cash and that any sale may not be capable of being completed quickly without accepting a lower price than may be otherwise offered. Although the Group acquires sites for development purposes in connection with its homebuilding business and generally expects to sell such assets in the form of homes following development, there can be no guarantee that the Group will not seek to, or be required to, sell entire sites in certain circumstances, including due to changes in development plans, failure to obtain planning consent, the Group's decisions not to proceed with developments, changes in economic, property market or other conditions or financial distress.

Similarly, in relation to the acquisition of the Group's Loan Portfolio (and the acquisition by the Group of any development land, sites, loans and/or collateral that the Group has identified as not being core to the business), the relevant asset(s) may be accompanied by other property that the Group might ultimately not wish to develop. The Group may be unable to dispose of the development land, sites, loans and/or collateral that it does not wish to develop, either at all, or at a value which the Group considers appropriate. Furthermore, if the underlying property assets are disposed of to third parties then in the case of a loan acquisition, there can be no assurance that the proceeds of sale will be sufficient to recover all monies due under the relevant loan facilities or even the acquisition cost of such loan facility. In circumstances where the Group recovers an amount that is less than the price at which the relevant loan was acquired, then the Group would incur a loss on that acquisition.

Illiquidity may affect the Group's ability to value, dispose or liquidate some or all of, its development land, sites, loans and/or homes in a timely fashion and at satisfactory prices which could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Environmental laws, regulations and standards may expose the Group to the risk of substantial costs and liabilities.

Laws and regulations, which may be amended over time, may impose on the Group environmental liabilities associated with development land and homes (including in relation to any soil and other contamination that may have occurred or arisen prior to the Group's acquisition of such properties). Regardless of whether the Group originally caused the contamination or other environmental hazard, such liabilities may result in significant investigation, removal, or remediation costs and could prohibit or severely restrict development and homebuilding in certain locations and/or make a proposed development financially unviable. As is normally the case for homebuilders, these liabilities would typically not be covered by the Group's insurance. In addition, environmental liabilities could adversely affect the Group's ability to sell or redevelop a property, or to borrow using a property as security, and may in certain circumstances (such as the release of certain materials, including asbestos, into the air or water) form the basis for liability to third persons for personal injury or other damages. For example, the Group may suffer loss as a result of soil contamination on sites it acquires, or could incur fines and penalties in the event of a spill caused by its employees or sub-contractors on a site. This may be the case in respect of the Hanover Quay Site where the Group has entered into an agreement with the vendor of the site in order to carry out certain works, including the removal of the decontaminated soil on the site. It is anticipated that the cost of the decontamination works will be in the region of €4,000,000 and the period for completion of the works is anticipated to be approximately four months. No environmental warranties have been given by the sellers of the Core Sites and therefore the Group would have no or limited recourse in the event that it suffers a loss as a consequence of historic environmental issues in respect of any of the Core Sites. The Group's land bank may include properties

historically used for commercial, industrial and/or manufacturing uses. Such properties are more likely to contain, or may have contained, storage tanks for the storage of hazardous or toxic substances. Environmental laws and regulations may limit the development of, and impose liability for the disturbance of, wetlands or the habitats of threatened or endangered species. Although the Group is not aware of any material environmental liabilities with respect to the Core Sites, or sites identified in the Group's potential pipeline, in the event the Group is in the future exposed to environmental liabilities or increased costs or limitations on its use or disposal of properties as a result of environmental laws and regulation this may have a material adverse impact on the Group's business, financial condition, results of operations and prospects. If a site with an environmental issue can only be controlled by the appointment of a receiver, it will be difficult to engage a receiver willing to act except in circumstances where such receiver has the benefit of indemnity cover for any personal liability he may suffer in connection with such appointment. For further information, see the Risk Factor: "*The Group's due diligence may not identify all risks and liabilities in respect of an acquisition and/or the Group may receive limited contractual protections where it acquires assets from receivers or as part of any auction process.*" of this Part II (Risk Factors).

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on the Group's operations. Compliance with such current or future environmental requirements does not ensure that the Group will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse impact on a site owned by the Group, and there can be no assurance that any site will at all times comply with all applicable environmental laws, regulations and permit requirements.

Significant unanticipated costs might arise in relation to the Group's business.

Cost estimates are made in advance of commencing a development and are dependent upon assumptions, estimates and judgments which may ultimately prove to be inaccurate or unreliable. Whilst the Group attempts to mitigate this risk by taking reasonable steps to ensure that its risk management and financial and operational procedures, controls and systems are appropriate for its businesses, there is no guarantee that significant unanticipated costs or delays will not arise. Such unanticipated costs or delays could arise during the course of development due to (i) errors and omissions; (ii) unforeseen technical conditions or increases in sub-contractor rates or material costs; (iii) inadequate contractual arrangements or tendering processes which do not provide for a final and known cost in advance; or (iv) factors inherent in property development (including, without limitation, accommodating existing third party rights affecting a property when developing the property, dealing with disputes and objections of adjacent landowners, interdependencies with adjacent lands and land owners, restrictive covenants affecting development and use and dealing with the financial, environmental, planning, economic, physical, regulatory, legal and political, issues inherent in a complex development project). Unanticipated costs or delays in developing sites may result in additional costs for the Group, on account of contractual requirements or otherwise. Should significant unanticipated additional costs arise, this could have a material adverse impact on margins achieved in respect of the relevant development or on the Group's business, financial condition, results of operations and prospects.

The Group may suffer uninsured losses or suffer material losses in excess of insurance proceeds.

While the Group maintains commercial insurance (including employer's liability, public and product liability and contractor's all risk and, to the extent required, engineering cover, as well as a homebond policy to cover homebuyers following the acquisition of their home) at a level it believes is appropriate against risks commonly insured in its industry, there is no guarantee that it will be able to obtain the desired levels of cover on acceptable terms in the future. Therefore, the Group could suffer losses that may not be fully compensated by insurance. In addition, certain types of risks may be, or may become, either uninsurable or not economically insurable, or may not be currently or in the future covered by the Group's insurance policies. In addition, the Group could be liable to make payments in respect of uninsured losses out of its own funds or could be liable in circumstances where a sub-contractor causes a loss and a sub-contractor's own professional indemnity coverage does not respond. In circumstances where the Group is unable to use a site as planned following any uninsured loss, it might also remain liable for any debt or other financial obligation

related to the affected property. Any of the foregoing could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Any costs associated with potential investments that do not proceed to completion may affect the Group's performance.

The Group will need to identify suitable development land, investigate and pursue such opportunities and negotiate acquisitions on suitable terms, all of which require significant expenditure prior to completion of the acquisitions. The Group expects to incur certain third-party costs, including in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable development land. There can be no assurance as to the level of such costs and no guarantee that the Group will be successful in its negotiations to acquire any given site. The greater the number of potential investments that do not reach completion, the greater the likelihood of an adverse impact of such costs on the Group's business, financial condition, results of operations and prospects.

The Group may be subject to liability following the sale of its homes.

The Group may be exposed to future liabilities and/or obligations with respect to the homes that it sells, including, but not limited to, breach of contract, contractual disputes and defective title or property misdescription claims.

Although the Group may have obtained contractual protection against such claims and liabilities from third parties, such as for example, collateral warranties from relevant building contractors or design team members, there can be no assurance that such contractual protection will always be enforceable or effective if obtained under contract. Any claims for recourse that the Group may have against third parties in respect of contractual protections may fail because of the expiration of warranty periods and the statute of limitations, lack of proof, the insolvency of the third party, or for other reasons.

The Group may be required or may consider it prudent to set aside provisions for warranty claims or contingent liabilities in respect of the sale of the homes. The Group may be required to pay damages (including but not limited to litigation costs) to a purchaser to the extent that any representations or warranties given to a purchaser prove to be inaccurate or to the extent that the Group breaches any of its covenants or obligations contained in the sale documentation. In certain circumstances, it is possible that representations and warranties incorrectly given could give rise to a right by the purchaser to unwind the contract in addition to the payment of damages. Further, the Group may become involved in disputes or litigation in connection with such homes. Certain obligations and liabilities associated with the ownership of the homes can also continue to exist notwithstanding any sale, such as certain environmental liabilities. Any claims, litigation or continuing obligations in connection with the sale of any homes may subject the Group to unanticipated costs and may require the Group to devote considerable time to dealing with them. As a result, any such claims, litigation or obligations could have a material adverse impact on the Group's business, financial condition, results of operations and prospects and on its reputation.

The Group may enter into joint venture arrangements in certain circumstances and therefore could be dependent on the actions of joint venture partners.

The Group may enter into joint venture arrangements in connection with residential development projects, including with local authorities and investment funds. Certain decisions relating to sites held through joint venture arrangements may depend upon the consent or approval of the Group's joint venture partner. The Group's joint venture partners may have economic or business interests that are inconsistent with the Group's objectives and, in the case of local authorities, may be influenced by political considerations. The Group may have disputes with its joint venture partners and may not be able to resolve all of the issues that arise with respect to such disputes, or the Group may have to provide financial or other inducements to its joint venture partners in order to obtain a resolution in its favour. Such disputes may create impasses on decisions and lead to delays in the development and completion of the project, or the project being developed in such a way that it will not achieve its highest potential rate of return. Disputes could also potentially result in litigation or arbitration which may distract the Board and the Management Team from their managerial tasks. When dealing with local authority joint venture partners, the Group may experience delays in decision-making for

policy, political or internal process reasons. When dealing with local authorities, the Group may also be required to comply with more stringent requirements as to capital, disclosure of information and credit rating than when dealing with private companies.

In the case of the Cherrywood Site, the Company is reliant on Hines Cherrywood Development ICAV acting on behalf of its sub-fund HCDF Land Development Fund (“Hines”), who owns the larger estate of which the Cherrywood Site forms part, to procure an amendment to the Strategic Development Zone (“SDZ”) phasing to permit the development of the sites as soon as possible and to obtain planning permission for and deliver the key initial infrastructure for the site. The Group has entered into an interface agreement with Hines in relation to development of the estate, and this agreement permits the Group to step-in if Hines fails to deliver infrastructure within a commercially reasonable timeframe. However, there remains a risk that Hines will not obtain and complete the infrastructure planning in a timely manner, or at all.

Similarly, in the case of the Hanover Quay Site, the Group is reliant on Targeted Investment Opportunities ICAV (an umbrella fund with segregated liability between sub-funds acting solely in respect of its sub-fund South Docks Fund) (“TIO”), who own 5 Hanover Quay, the property beside the Hanover Quay Site. The Group has entered into an interface agreement with TIO in relation to development of the estate, and this agreement permits the Group to step-in if TIO fails to carry out soil remediation and construct the ramp, the basement car park and the common foundations within a commercially reasonable timeframe. However, even taking account of these step-in rights, there remains a risk that TIO will not obtain and complete the works in a timely manner, or at all.

For certain other sites, the Group may be reliant on third parties who own lands adjacent to the sites owned by the Group to provide key infrastructure for the sites owned by the Group. The Group may not have step-in rights if the relevant third parties fail to deliver infrastructure within a commercially reasonable timeframe. There is a risk that the third parties will not provide the key infrastructure to service the sites owned by the Group in a timely manner, or at all.

Joint ventures would also subject the Group to the risk that a joint venture partner breaches agreements related to the development project which causes a default and results in liability for the Group. In addition, a default by a joint venture partner could constitute a default under a mortgage or other loan financing documentation relating to the development project, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the Group.

In addition, projects may require financing to be provided by joint venture partners. If a joint venture partner were to fail to provide such financing when required, the Group may be forced to make up such shortfall out of its own resources to avoid additional cost or delay to the development. Should any of the aforementioned events occur, they could have a material adverse impact on the Group’s business, financial condition, results of operations and prospects.

The Group’s strategy includes incurring indebtedness, which exposes the Group to risks associated with borrowing.

The Group has a €200 million senior debt facility with Allied Irish Banks and Ulster Bank Ireland Limited (“UBIL”, and together with Allied Irish Bank, the “Lenders”), consisting of a term loan facility of up to €150 million and a revolving credit facility of up to €50 million which has a four year term secured against a corporate level debenture (the “Amended Senior Debt Facilities”). In addition, the Group intends to grant security to lenders in relation to future bank finance. To the extent the Group incurs a substantial level of indebtedness (whether by way of the Amended Senior Debt Facilities or otherwise), this could reduce the Group’s financial and operating flexibility and the amount of cash available to pay dividends to Shareholders due to the need to service its debt obligations and to amortise its loans. Prior to agreeing the terms of its current bank financing, the Group considered its potential debt servicing costs and all relevant financial and operating covenants and other restrictions.

The Amended Senior Debt Facilities contain certain financial covenants which require that specific ratios, including LTV ratios, be maintained in addition to certain non-financial covenants that require continued compliance. The Amended Senior Debt Facilities also contain a loans to gross asset value covenant which

obliges the Group to ensure that the nominal value of the loans purchased by it, expressed as a percentage of its gross asset value, does not exceed, at any time, 70 per cent. in year one of the Amended Senior Debt Facilities, 35 per cent. in year two and 20 per cent. thereafter. In addition, there is an obligation imposed on the Group to acquire at least 60 per cent. of real property subject to security granted in respect of a purchased loan within 12 months of the Group's acquisition of that purchased loan. This obligation is tested at 12 months and again at 18 months post acquisition of the loan and if less than 60 per cent. has been acquired, a limited fee (up to a maximum of €200,000) is payable to the Lenders.

There is therefore a risk that if the Group's strategy of loan to own in respect of the Group's Loan Portfolio does not succeed that the Group may be exposed to paying significant additional fees to the up to a maximum of €200,000. Amongst other events and circumstances, an event of default under the Amended Senior Debt Facilities Agreement will occur if (i) the Group fails to comply with the loans to gross asset value covenant; and/or (ii) the Group fails to acquire at least 60 per cent. of real property subject to security granted in respect of a purchased loan; and (iii) the Group fails to acquire at least 95 per cent. of any real property which is subject to security granted in respect of a purchased loan within 24 months of the purchase of that loan. The financial covenants could be adversely affected by reductions in the value of the Core Sites and other assets and other factors, some of which are outside the Group's control. The Company has granted security over its assets to the Lenders under the Amended Senior Debt Facilities, which security was granted in favour of the Royal Bank of Scotland plc as security trustee for the Lenders (the "Security Trustee"). The Company, by way of fixed charge, has granted security over shares in its subsidiaries in favour of the Security Trustee. By way of floating charge, the Company has also granted security over certain classes of assets including property, plant and machinery, insurances, debts, contracts, accounts, intellectual property, investments, goodwill, uncalled capital and authorisations in favour of the Security Trustee. If the Company fails to make payments or fails to perform or comply with other covenants, or another event of default occurs, the Security Trustee may enforce the security. Any default by a member of the Group resulting in enforcement action could have a material adverse effect on the Group's business, financial condition, results of operations, reputation and/or future prospects.

Whilst compliance with financial covenants and undertakings is closely monitored by the Group and the Group aims to manage its balance sheet and funding position such that it maintains a prudent level of headroom over all financial covenants whilst also optimising efficiency and minimising the cost of capital, if the Company breaches any of the financial covenants in the Senior Debt Facilities Agreement or if the Lenders determine that there has been a material adverse change in the financial position or business of the Group, an event of default could be declared under the provisions of the Senior Debt Facilities Agreement. This could in turn result in the accelerated repayment of any amount drawn on the Senior Debt Facilities. In order to avoid or remedy such a default, the Group could be forced to sell one or more of its assets when it would not otherwise choose to do so, and the Group may not therefore achieve the price expected for those assets.

If certain extraordinary or unforeseen events occur, including breach of financial covenants, the Group's bank finance or other borrowings may be repayable prior to the date on which they are scheduled for repayment or could otherwise become subject to early termination. If the Group is required to repay bank finance or other borrowings early either in full or in part, it may be forced to sell assets when it would not otherwise choose to do so in order to make the payments and it may be subject to pre-payment penalties. Additionally, in the event of default, the Lenders may be able to enforce their security and require the Group to sell the relevant development land and/or transfer it to the Lenders or their nominees.

The Group's costs may also increase where it is subject to a floating rate of interest and the underlying interest rate increases or where interest rates are higher when any indebtedness is refinanced or default occurs.

Any of the foregoing events could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

There can be no guarantee in the future that the Group will be able to obtain the credit it may need on acceptable terms, which could adversely affect its ability to implement its strategic goals. If the Group is

unable to obtain credit, it may seek additional capital through the issuance of debt or equity securities to fund further acquisitions and/or development costs but there can be no assurances it will be able to do so.

For further details on the Group's banking facilities see Part XI (*Operating and Financial Review*) and paragraph 14.8 of Part XVII (*Additional Information*) of this Document.

The Company has incurred floating rate debt and, unless effectively hedged, it will be exposed to risks associated with movements in interest rates.

The Company has incurred debt under the Amended Senior Debt Facilities (as at the Last Practicable Date, the Group had a principal drawn balance of €115.5 million and an overall variable interest rate of EURIBOR and margin ranging from 2.5-3 per cent.), and in the future it may incur further material floating rate indebtedness, under the Senior Debt Facilities or otherwise. Although it is the Group's intention to hedge a proportion of its exposure to such interest rates, these hedging arrangements are not currently in place (and there is no guarantee that the Group will be able to put any such arrangement in place). Interest rates are highly sensitive to many factors, including international and domestic economic and political conditions, and other factors beyond the Company's control. The level of interest rates can fluctuate due to, among other things, inflationary pressures, disruption to financial markets, the availability of bank credit and increases in bank margins. If interest rates rise, the Company will be required to use a greater proportion of its profits to pay interest expenses on its floating rate debt. While the Company will hedge a portion of its interest rate exposure on its borrowings under the Senior Debt Facilities, such measures may not be sufficient to protect the Company from risks associated with movements in prevailing interest rates.

In addition, hedging arrangements may not be effective and may furthermore expose the Company to credit risk in respect of the hedging counterparty. Increased exposure to adverse interest rate movements through floating rate debt may have a material adverse effect on the Company's financial condition, business, prospects and results of operations.

The Group may be subject to increased competition from other homebuilders.

The Group operates in a competitive market and is subject to competition from other local, regional and national homebuilders who within the localities of the Group's sites, compete or may compete with the Group for the purchase of land for residential development and on the subsequent sale of homes. These competitors may have greater financial resources and lower costs of funds than the Group. If increased competition in homebuilding was to result in difficulty in acquiring suitable land at acceptable prices or the need for increased selling incentives, this could lower sales and ultimately lower profit margins or financial returns. Furthermore, there is a risk in an increasingly competitive sales environment that the Group may fail to sell homes as quickly as anticipated at the expected price. Any or all of these factors could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Future changes in tax legislation may adversely affect the Group.

Any change (including a change in interpretation) in tax legislation, including, but not limited to, the imposition of new taxes or increases in tax rates, or any change in the tax treatment of assets or liabilities held by the Group may have a material adverse impact on the Group's financial condition, business, prospects or results of operations. In particular, an increase in the rates of stamp duty in Ireland could have a material adverse impact on the price at which Irish development land can be acquired, and therefore on property values and house prices.

Registration of title in the Land Registry of properties acquired by the Group may be subject to delays.

Compulsory registration of title in the Land Registry of properties previously registered in the Registry of Deeds has been introduced in Ireland. The benefit of this process is that the Land Registry provides a State guaranteed title once registration is completed. The process involves lodging the title documents with the Land Registry, which examines the title to check that the owner has good title. The Land Registry may raise queries as part of this process and it can therefore take a considerable period of time to complete the registration depending on the complexity of the title and how easily the queries can be addressed. This applies in respect of the Rathgar Site, the Killiney Site, Hanover Quay Site, the Foxrock Site, and it may also

be the case in relation to any properties that are acquired by the Group at some future date, including the Pipeline Sites and any sites acquired as part of the loan to own strategy for the Group's Loan Portfolio. Similarly, delays can be experienced from the time that a deed of transfer of Land Registry property is lodged to when legal title to the property vests in the owner (at the time registration successfully completes). While legal title to the property only vests in the owner when the registration is complete, the owner's priority is protected from the time the application for registration is lodged (assuming that Land Registry queries are dealt with) and that title then relates back to the date of acquisition of the property. In addition, the property can be sold and otherwise dealt with while the registration is ongoing.

The Company has a limited operating history.

The Company was incorporated on 12 November 2014 and has a limited operating history. As the Group has a limited operating history, there is a limited basis on which to evaluate the Group's ability to successfully implement its strategy or achieve its objective of establishing itself over the medium-term as a leading Irish homebuilder. As a consequence, any investment in the New Ordinary Shares is subject to all of the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its objectives and that the value of the Existing Ordinary Shares and the New Ordinary Shares could substantially decline.

Risks relating to Regulation

Changes in laws and regulations may have a material adverse impact on the Group's financial condition, business, prospects and results of operations.

The Group's operations must comply with laws and governmental regulations (whether domestic or international (including in the EU)) which relate to, among other things, property, land use, development, zoning, health and safety requirements and environmental compliance. These laws and regulations often provide broad discretion to the administering authorities. Additionally, all of these laws and regulations are subject to change, which may be retrospective, and changes in regulations could adversely affect existing planning consent, costs of property ownership and the capital value of the Group's land bank. Such changes may also adversely affect the Group's ability to develop a site as intended and could cause the Group to incur increased capital expenditure or running costs to ensure compliance with the new applicable laws or regulation.

The Group is particularly affected by changes to mortgage lending requirements, and any amendment to these rules could result in a decrease in the number of people able or willing to buy a house. For further information please see the Risk Factor "*Constraints on the availability of mortgage funding may have an adverse impact on the Group's sales*" of this Part II (*Risk Factors*).

Enforcement actions taken by the Group in respect of the Group's Loan Portfolio may be regulated activities.

As part of the Group's loan to own strategy for the Group's Loan Portfolio, the Group may take enforcement action against a borrower. In taking such steps, the Group (or any credit servicing firm appointed to undertake credit servicing on behalf of the Group) may have to comply with various laws, codes and regulations of the Central Bank depending on the status and nature of the relevant borrower (depending on whether for example, the borrower is an individual acting outside the course of his or her business or is a small or medium sized enterprise (an "SME")). The laws, codes and regulations that may apply in such circumstances include *inter alia* the Consumer Credit Act 1995, the Code of Conduct for Business Lending to Small and Medium Enterprises; the Consumer Protection Code, and/or the Code of Conduct on Mortgage Arrears and/or the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (*Lending to Small and Medium-Sized Enterprises*) Regulations 2015. These laws, codes and regulations (where applicable) may require the Group to take or refrain from taking certain actions at the time of, or in advance of enforcement. Such actions may include engaging with borrowers, evidencing that borrowers have been treated fairly, and/or giving advance notice of enforcement proceedings. If the Group (or any credit servicing firm appointed to undertake credit servicing on behalf of the Group) fails to comply with such laws, codes and regulations, this could have a material adverse effect on the Group as any breach may result in an

impediment to enforcement action against a borrower or an exposure to substantial monetary damages; regulatory investigations or enforcement actions (or sanctions), civil or private litigation, criminal enforcement proceedings and/or regulatory restrictions on its business, all or any of which could have a material adverse effect on its business, results or operations, financial condition and prospects and could negatively impact its reputation among customers and counterparties.

The Group is dependent on third party service providers to carry out certain regulated activities.

The Group is also dependent on the performance of third-party service providers for aspects of its business which are regulated activities including, in particular those activities carried out by Hudson Advisors Ireland Limited (and/or any of its subcontractors) (“Hudson”), a third party service provider of asset and loan management services to the Group in respect of the Group’s Loan Portfolio. If Hudson fails to comply with its obligations under the service agreement, then the Group could face a number of adverse outcomes. Further details of the Hudson loan servicing agreement are described in paragraph 14.16 of Part XVII (*Additional Information*) of this Document and, in particular risks may arise in any of the following circumstances:

- a failure of Hudson to comply with all legal and regulatory requirements including, without limitation under the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 and the codes and guidelines issued by the Central Bank which are relevant to the Group’s Loan Portfolio activities;
- fraud (including financial fraud and/or theft) or misconduct by an officer, employee, or agent of Hudson, which could result in losses to the Group, or damage the Group’s reputation;
- liability of the Group for the actions or omissions of Hudson (including without limitation data protection issues); and/or
- withdrawal of Hudson from the market.

If Hudson fails to successfully perform the services for which it has been engaged, either as a result of its own fault or negligence, or due to the Group’s failure to properly supervise any such service providers, this could have a material adverse effect on the Group as it may be subject to substantial monetary damages; regulatory investigations or enforcement actions (or sanctions), civil or private litigation, criminal enforcement proceedings and/or regulatory restrictions on its business, all or any of which could have a material adverse effect on its business, results of operations, financial condition and prospects and could negatively impact its reputation among customers and counterparties.

Risks relating to the Industry

Homebuilding is subject to the risk of construction defects, which may give rise to contractual or other liabilities and reputational damage.

Construction defects (including as a consequence of contamination at a site or materials used in the homebuilding process) may occur on projects and developments and may arise some time after completion of that particular project or development. A recent example of a construction defect which has affected a number of homebuilders in Ireland is pyrite. On occasion, due to the presence of the mineral in certain construction materials, some homebuilders in Ireland have incurred significant liabilities in connection with damage to homes caused by pyrite heave. Although the Group will seek to obtain warranty, guarantee or indemnity protection in its contracts with designers and sub-contractors, and may have arrangements with insurance providers to insure against such risks, it may not be able to obtain adequate protection or the protection may not cover all risks and significant liabilities may not be identified or may only come to light after the expiry of warranty or indemnity periods. Any claims relating to defects arising on a development attributable to the Group may give rise to contractual or other liabilities. Unexpected levels of expenditure attributable to defects arising on a development project may have a material adverse impact on the levels of return generated from a particular project. In addition, severe or widespread incidence of defects giving rise to unexpected levels of expenditure could, to the extent that insurance or legal redress against sub-contractors does not provide compensation, have a material adverse impact on the Group’s business, financial condition, results of operations and prospects.

Furthermore, widespread defects could generate significant adverse publicity and have a negative impact on the Group's reputation and the Group's ability to sell homes and acquire new land, which in turn would have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group's business depends on the continued viability of sub-contractors and availability of design team professionals.

The Group uses sub-contractors to carry out the construction of its developments and engages design team professionals, including architects, landscaping architects, mechanical and electrical engineers, structural engineers and planning consultants. The Group has developed and intends to continue to develop, its relationships with a number of sub-contractors with which it would regularly contract to provide construction and various other services for the development of the Group's sites. In the event that any sub-contractor does not perform, or a design team professional is not available, other sub-contractors or professionals are typically available with which the Group may then contract and, in the case of sub-contractors, the Group intends to operate on the basis of a panel of a number of approved sub-contractors. However, third-party sub-contractors and, to a lesser extent, design team professionals have been, and may continue to be, adversely affected by economic downturns or recessions. If market conditions deteriorated, the failure of several sub-contractors to perform or the lack of availability of design professionals could disrupt the Group's ability to deliver homes on schedule. In the case of sub-contractors, the Group may hire a sub-contractor that subsequently becomes insolvent or otherwise fails to perform its obligations. This could cause cost overruns and programme delays and could increase the risk that the Group will be unable to recover costs in relation to any defective work performed by such sub-contractor, to the extent such costs are not covered by insurance or the sub-contractor. Any of these factors could reduce expected returns on a development. The failure to develop and maintain good relationships with highly skilled, competent sub-contractors and design team professionals, the insolvency or other financial distress of one or more of the Group's sub-contractors or the unavailability of design team professionals to the Group, could have a material adverse impact on the Group's business, financial condition, result of operations and prospects.

Shortages or increased costs of materials and skilled labour could increase costs and delay completion of homes.

In most cases, sub-contractors engaged by the Group will supply the labour and materials used to develop the sites as part of their obligations under their contracts with the Group. In other instances, the Group will directly obtain supplies itself, including, but not limited to, internal fittings, including kitchens, wardrobes, lighting and sanitary ware for the fit out of homes. Homebuilders may be subject to supply risks related to the availability and cost of materials and labour. Increased costs or shortages of skilled labour and/or timber framing, concrete, steel and other building materials could cause increases in construction costs and construction delays. In particular, supply costs in the Irish residential property market have historically been low when compared with the United Kingdom, for example, and there is a possibility that this differential may narrow with a resultant increase in the Group's cost base. If the Group is unable to pass on any increase in costs to the Group's customers, or renegotiate improved terms with suppliers and sub-contractors, the Group's margins may reduce, which could accordingly have an adverse impact on the Group's business, financial condition, result of operations and prospects.

The construction of new developments involves health and safety risks.

The homebuilding industry poses certain health and safety risks. A significant health and safety incident at one of the Group's developments or general deterioration in the Group's standards could put the Group's employees, sub-contractors and/or the general public at risk as well as leading to significant penalties or damage to the Group's reputation. Due to the Group's focus on operational and occupational safety, health and safety regulatory requirements and the number of projects worked on, health and safety performance is critical to the success of all areas of the Group's business. Any failure in health and safety performance, including any delay in responding to changes in health and safety regulations, may result in penalties for non-compliance with relevant regulatory requirements. Moreover, any such failure which results in a major or significant health and safety incident may be costly in terms of potential liabilities incurred as a result. Furthermore, such a failure could generate significant adverse publicity and have a negative impact on the

Group's reputation and its ability to win new business. Any of the foregoing could have a material adverse impact on the Group's business, financial condition, result of operations and prospects.

Severe weather conditions could delay the construction of homes or increase costs for new homes in affected areas.

The occurrence of severe weather conditions can delay the construction and delivery of new homes and increase costs. Severe weather conditions can also cause a reduction or delay in the availability of materials in affected areas. Consequently, severe weather conditions could have a material adverse impact on the Group's business, financial condition, result of operations and prospects. In addition, the impact of any material catastrophe caused by, for example, fire or flooding or another natural disaster, may be exacerbated as a result of the close geographic proximity of some of the properties to each other.

Risks relating to the Capital Raise and the New Ordinary Shares

The Capital Raise may not be approved by Shareholders.

The issue of the New Ordinary Shares is conditional, *inter alia*, upon the approval of all of the Capital Resolutions proposed for consideration at the Extraordinary General Meeting. In the event that Shareholders do not approve all of the Capital Resolutions, the Capital Raise will not complete. In such circumstances, the conditionally committed funds under the Placing and Open Offer Agreement will not then be available to the Company and the Group may not be able to deliver the planned acquisition of some or all of the Pipeline Sites, fund the planned development of the Core Sites, or fund the development of new sites, and as a result the Company may not be able to deliver anticipated returns to Shareholders, and/or the Group may become more reliant upon the Amended Senior Debt Facilities and this may have a material adverse effect on the Group's financial condition, business, prospects and results of operations and may delay or limit distributions to Shareholders by the Company and limit the Group's ability to take advantage of potential additional investment and/or development opportunities.

Shareholders will experience dilution in their ownership of the Company as a result of the Firm Placing and Shareholders who do not acquire New Ordinary Shares in the Open Offer will experience further dilution in their ownership of the Company.

Qualifying Shareholders who do not participate in the Firm Placing will suffer an immediate dilution in their proportion of ownership and voting interests in the Enlarged Issued Ordinary Share Capital following the issue of New Ordinary Shares pursuant to the Firm Placing.

Qualifying Shareholders who do not take up their Open Offer Entitlements in full pursuant to the Open Offer, will suffer an immediate further dilution in their proportionate ownership and voting interests in the Enlarged Issued Ordinary Share Capital following the issue of the New Ordinary Shares pursuant to the Placing and Open Offer. In addition, Qualifying Shareholders who take up the Open Offer Entitlements may still suffer dilution by reason of the Placing and Open Offer.

A Qualifying Shareholder that takes up its Open Offer Entitlement in full will be diluted by 7 per cent. as a result of the Firm Placing and Placing and Open Offer. A Qualifying Shareholder that does not take up any Open Offer Shares under the Open Offer (or a Shareholder in the United States or an Excluded Territory who is not eligible to participate in the Open Offer) will experience a more substantial dilution of 23.4 per cent. as a result of the Firm Placing and Placing and Open Offer.

The Group's share price may fluctuate significantly in response to a number of factors, some of which may be outside of the Group's control.

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares or in response to a variety of factors including, but not limited to, the financial performance of the Group, speculation about the business of the Group in the press, media or the investment community, changes to the Group's revenues or profit estimates, the availability and use of debt finance by the Group, departure of any Directors or any number of the Management Team, regulatory changes affecting the business of the Group, the publication of research

reports by analysts, the Group's ability or decision to pay dividends in accordance with its dividend policy, current affairs and general market conditions.

General fluctuations in stock markets may have an adverse impact on the market price of the Ordinary Shares, even though such fluctuations are unrelated to the Group's operating performance or prospects. There are a relatively small number of companies with comparable business models to that of the Group. Accordingly, any event which detrimentally affects the companies in this comparator group may adversely affect the value of the Group and the value of the Ordinary Shares. Furthermore, the operating results and prospects from time to time of the Group may be below the expectations of market analysts and Shareholders. Any of these events could result in a decline in the market price of the Ordinary Shares.

Suitability of the Ordinary Shares as an investment.

The New Ordinary Shares may not be a suitable investment for all the recipients of this document. Before making a final decision, Shareholders and other prospective investors are advised to consult a competent independent financial adviser who is authorised or exempted pursuant to the European Communities (Markets in Financial Investments) Regulations 2007 (Nos. 1 to 3) (as amended) or the Investment Intermediaries Act 1995 (as amended) if such Shareholder or prospective investor is resident in Ireland, or authorised under FSMA if such Shareholder or other prospective investor is resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser who specialises in advising on acquisitions of shares and other securities.

The value of the New Ordinary Shares, and any income received from them, can go down as well as up and Shareholders may receive less than their original investment, and/or may suffer an unrealised loss where the market price of the New Ordinary Shares falls below that of the Issue Price.

In the event of a winding-up of the Company, the Ordinary Shares will rank behind any liabilities of the Company and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of creditors.

The Board may apply the proceeds of the Capital Raise to uses that the Shareholders may not agree with and may make investments that fail to produce income or capital growth or that lose value.

The Board will have considerable discretion in the application of the Net Proceeds of the Capital Raise and Shareholders must rely on the judgement of the Board regarding the application of such proceeds. The Net Proceeds may be placed in investments that fail to produce income or capital growth or that lose value which, in any such case, may affect the business, financial condition, results of operations and/or prospects of the Group.

The Company cannot guarantee that dividends will be declared in the future.

The Directors do not anticipate paying dividends in the short to medium term. However, in the long-term the Directors intend to follow a progressive dividend policy and pay dividends to Shareholders, as and when the Directors consider appropriate. Any future dividend on the Ordinary Shares will be limited by the underlying growth in the Group's businesses and, as a holding company, the ability of the Company to pay dividends will also be affected by the receipt of dividends from its subsidiaries.

Under Irish law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. Furthermore, the Company might not pay dividends if the Directors believe this would cause the Company to be less than adequately capitalised or if for any other reason the Directors determine that it would not be in the best interests of the Company to pay a dividend (because, for example, the Board determines that profits could be better utilised by re-investing in the business). Future dividends will depend on, among other things, the Group's future profits, financial position, working capital requirements, general economic conditions and other factors that the Directors deem significant from time to time.

Substantial future issuances of Ordinary Shares and the conversion of Founder Shares into Ordinary Shares in future could impact the market price of Shares and dilute Shareholders' shareholdings.

It is possible that the Company may decide to offer additional Ordinary Shares in the future for example to finance the acquisition of development sites or to fund the further development of sites, or for other purposes consistent with the day to day operations of the Group, and in line with its strategy. Further, holders of Founder Shares may have the right in future to convert their Founder Shares into Ordinary Shares if the Performance Condition is satisfied. Any future issue of Ordinary Shares or conversion of Founder Shares into Ordinary Shares would dilute the Shareholders' existing shareholdings. The Companies Act 2014 provides for pre-emptive rights in respect of equity offerings for cash to be granted to its existing Shareholders, unless such rights are disapplied by shareholder resolution. Further, a future issue, or the perception that such issuance could occur, could adversely affect the market price of Ordinary Shares and make it more difficult for Shareholders to sell their Ordinary Shares at a time and price which they deem appropriate.

Future sales of Ordinary Shares by the Founders and/or Kevin Stanley may depress the price of the Ordinary Shares.

Future sales or the availability for sale of a substantial number of the Ordinary Shares in the public market could adversely affect the prevailing market price of the Ordinary Shares and could also impair the Company's ability to raise capital through future issues of Ordinary Shares. The Founders and/or members of the Founder Group hold significant shareholdings in the Company and these holdings would increase significantly if Founder Shares are converted into Ordinary Shares. Kevin Stanley also holds Ordinary Shares and a significant number of Founder Shares. The Founders and Kevin Stanley are subject to lock-up agreements in respect of their holdings and the holdings of any member of the Founder Group of Ordinary Shares for a period of one year from the IPO Admission and are further subject to lock-up agreements for two years following the date of conversion of any Founder Shares to Ordinary Shares in future (the lock-up restrictions applying to all the Ordinary Shares resulting from such conversion for a period of one year and to fifty per cent. of such Ordinary Shares for the second year following conversion). However, only 40.5 per cent. of the Ordinary Shares held by Stanbro at the date of the IPO, representing the Ordinary Shares in which Michael Stanley and Kevin Stanley are indirectly interested, are subject to these lock-up agreements. The remaining 59.5 per cent. of the Ordinary Shares currently held by Stanbro (representing Ordinary Shares in which certain family members of Michael Stanley and Kevin Stanley and others are indirectly interested), being in aggregate 7,038,024 Ordinary Shares, are not subject to any restrictions on sale following the IPO Admission. Additionally, following expiry of the lock-up period the Founders, Kevin Stanley and members of the Founder Group may sell Ordinary Shares in the public or private market. If the Founders, Kevin Stanley and/or members of the Founder Group were to sell Ordinary Shares in the public market, the market price of the shares could be adversely affected. Sales by the Founders, Kevin Stanley and/or members of the Founder Group could also make it more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate. There can be no assurance that the Founders, Kevin Stanley and/or members of the Founder Group will not sell their shares in such a way. The sale of a significant number of Ordinary Shares in the public market, or the perception that such sales may occur, could materially affect the market price of the Ordinary Shares and could also impede the Company's ability to raise capital through the issue of equity securities in the future.

General investment risks exist.

A number of external factors could impact on the Group's performance, business, results of operations, or prospects and the price of Ordinary Shares, including investor sentiment and local and international stock market conditions. Shareholders should recognise that the price of shares may fall as well as rise. In addition, terrorist acts, other acts of war or hostility, geopolitical acts, pandemics, floods, adverse weather events or other such acts/events and responses to those acts/events may also create economic and political uncertainties, which could have a negative impact on Irish, EU and international economic conditions generally, and more specifically on the Group's business and results of operations in ways that cannot necessarily be predicted.

A number of internal factors may also impact on the Group's performance and the price of the Ordinary Shares, such as development and planning risk, loan asset acquisition risk and any failure to recruit, retain or develop appropriate senior management and skilled personnel.

An investment in New Ordinary Shares by an investor whose principal currency is not Euro may be affected by exchange rate fluctuations.

The New Ordinary Shares are, and any dividends to be paid on them will be, denominated in Euro. An investment in New Ordinary Shares by an investor whose principal currency is not Euro exposes the investor to foreign currency exchange rate risk. Any depreciation in the value of the Euro in relation to such foreign currency will reduce the value of the investment in the New Ordinary Shares or any dividends in relation to such foreign currency.

Irish law governs the rights of holders of Ordinary Shares and these rights may differ from the rights of Shareholders in other jurisdictions. Overseas Shareholders may therefore have only limited ability to bring or enforce judgements against the Company.

The Company is incorporated under the laws of Ireland. The rights of holders of Ordinary Shares are governed by Irish law, including the Companies Act 2014, and by the Articles and certain laws of the EU. These rights differ in certain respects from the rights of shareholder corporations incorporated in other jurisdictions, including in the United States. As a result, it may be difficult for investors outside Ireland to serve process on or enforce foreign judgments against the Company. In particular, Irish law significantly limits the circumstances under which shareholders in Irish companies may bring derivative actions. In addition, Irish law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders of a U.S. corporation.

Pre-emption rights for U.S. and other Overseas Shareholders may be unavailable.

In the case of certain increases in the Company's issued share capital, existing holders of Ordinary Shares are generally entitled to pre-emption rights to subscribe for such shares, unless shareholders waive such rights by a resolution at a shareholders' meeting. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by shareholders in future offerings. In particular, U.S. holders of Ordinary Shares in Irish companies are customarily excluded from exercising any such pre-emption rights unless a registration statement under the U.S. Securities Act is effective with respect to those rights or an exemption from the registration requirements thereunder is available. The Company does not intend to file any such registration statement, and the Company cannot assure prospective U.S. investors that any exemption from the registration requirements of the U.S. Securities Act or applicable non-U.S. Securities law would be available to enable U.S. or other non-UK, non-Irish holders to exercise such pre-emption rights or, if available, that the Company would utilise any such exemption.

It is possible that the Company will be treated as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for its taxable year that includes the date of Admission and for subsequent taxable years. Such classification could result in adverse U.S. federal income tax consequences to U.S. investors.

For the reasons described in detail under the heading "Taxation—U.S. Taxation—Passive Foreign Investment Company Considerations," it is possible that the Company will be treated as a PFIC for its taxable year that includes the date of Admission, and for subsequent taxable years. Unless a U.S. Shareholder makes one of the elections described under "Taxation—U.S. Taxation—Passive Foreign Investment Company Considerations," which may or may not be available depending on circumstances not entirely within the Company's or such U.S. Shareholder's control, U.S. Persons who hold the Ordinary Shares, either directly or indirectly, may be subject to adverse U.S. federal income tax consequences on distributions with respect to the Ordinary Shares to the extent the distributions are "excess distributions," which are generally distributions in excess of a normal rate of distribution as calculated for PFIC purposes. Gain realised on the sale or other disposition of the Ordinary Shares would generally not be treated as capital gain, but rather would be treated as if such U.S. Shareholder had realised such gain and certain "excess distributions" ratably over the holding period for the Ordinary Shares and would be taxed at the highest tax rate in effect

for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. Partial redemptions would also be treated as excess distributions. No representation is made with respect to the Company's status as a PFIC for the taxable year that includes the date of Admission or any subsequent taxable year. In addition, the Company does not intend to prepare and provide information necessary for "qualified electing fund" elections and makes no representation as to the availability of "mark to market" elections that may mitigate the consequences of the Company being a PFIC to any U.S. investor. Prospective U.S. Shareholders should consult their own U.S. tax advisers regarding the potential application of the PFIC rules. For more information on the U.S. federal income tax consequences of the Ordinary Shares being treated as stock of a PFIC, see "Taxation—U.S. Taxation—Passive Foreign Investment Company Considerations."

PART III

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates is subject to change without further notice. Please refer to the notes for the timetable set out below.

Event	Time/Date
Record Date for entitlements to participate in the Open Offer	5.00 p.m. on 18 March 2016
Announcement of the Capital Raise	21 March 2016
Ex-entitlement date for the Open Offer	23 March 2016
Publication of this Document	23 March 2016
Posting of the Circular and Form of Proxy to Qualifying Shareholders and posting of Application Forms to Qualifying Non-CREST Shareholders	24 March 2016
Open Offer Entitlements credited to stock accounts in CREST for Qualifying CREST Shareholders	24 March 2016
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements from CREST (i.e. if your Open Offer Entitlements are in CREST and you wish to convert them into certificated form)	4.30 p.m. on 6 April 2016
Latest recommended time and date for depositing Open Offer Entitlements into CREST (i.e. if your Open Offer Entitlements are represented by an Application Form and you wish to convert them into uncertificated form)	3.00 p.m. on 7 April 2016
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 11 April 2016
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 13 April 2016
Latest times and date for receipt of Forms of Proxy or submission of proxy votes electronically	11.00 a.m. on 16 April 2016
Time and date of EGM	11.00 a.m. on 18 April 2016
Announcement of results of EGM	18 April 2016
Issue of the New Ordinary Shares pursuant to the Capital Raise and Admission and expected commencement of dealings in the New Ordinary Shares issued under the Capital Raise on the London Stock Exchange	8.00 a.m. on 19 April 2016
CREST stock accounts expected to be credited for the New Ordinary Shares in uncertificated form under the Capital	8.00 a.m. on 19 April 2016
Share certificates for New Ordinary Shares issued under the Capital Raise expected to be despatched	On or about 26 April 2016

Notes

1. All references to time in this Document are to Dublin time unless otherwise stated.
2. The times and dates set out in the expected timetable of principal events above and mentioned throughout this Document and in any other documents issued by the Company in connection with the Capital Raise or Admission may be adjusted by the Company, in which event details of the new times and dates will be notified to a Regulatory Information Service and, where appropriate, to Qualifying Shareholders. In particular, in the event that withdrawal rights arise under Regulation 52 of the Prospectus Regulations prior to Admission, the Company and the Joint Global Co-ordinators may agree to defer Admission until such time as such withdrawal rights no longer apply.
3. Different deadlines and procedures for return of forms may apply in certain cases.
4. Shareholders should note that any Existing Ordinary Shares sold prior to the close of business on 22 March 2016, the last day on which the Existing Ordinary Shares trade with entitlement will be sold to the purchaser with the right to receive Open Offer Entitlements.
5. If you have any queries on the procedure for acceptance and payment in respect of the Open Offer or on the procedure for splitting Application Forms, you should refer to Part XV (*Terms and Conditions of the Open Offer*) and Part XIV (*Questions and Answers about the Firm Placing and Placing and Open Offer*) of this Document which contains the terms and conditions of the Open Offer or alternatively you should contact the shareholder helpline on 01 447 5566 (from Ireland) or on +353 (1) 447 5566 (from outside Ireland). This shareholder helpline is available from 9.00 a.m. to 5.00 p.m. on any Business Day. For legal reasons, the Shareholder helpline will not be able to provide advice on the merits of the Capital Raise or provide personal, legal, business, financial, tax or investment advice. Calls may be recorded and monitored for security and training purposes.
6. The ability to participate in the Open Offer is subject to certain restrictions relating to Shareholders who have registered addresses, or who are resident or located, outside Ireland or the United Kingdom, details of which are set out in Part XV (*Terms and Conditions of the Open Offer*) of this Document.

PART IV

CAPITAL RAISE STATISTICS⁽¹⁾

Issue Price per New Ordinary Share	€1.12
Open Offer Entitlement	3 Open Offer Shares for every 14 Existing Ordinary Shares
Number of Existing Ordinary Shares in issue as at 21 March 2016 (being the Last Practicable Date prior to the publication of this Document)	516,663,977
Number of New Ordinary Shares to be issued pursuant to the Firm Placing	46,875,000
Number of New Ordinary Shares to be issued pursuant to the Capital Raise ⁽²⁾	157,588,709
Enlarged Issued Ordinary Share Capital upon completion of the Capital Raise ⁽³⁾	674,252,686
New Ordinary Shares to be issued under the Capital Raise as a percentage of the Enlarged Issued Ordinary Share Capital	23.4
Estimated gross proceeds of the Capital Raise	€176.5 million
Estimated Net Proceeds receivable by the Company ⁽⁴⁾	€168.9 million

Notes

- (1) All statistics and date references are as at 23 March 2016 unless otherwise specified.
- (2) Up to 110,713,709 New Ordinary Shares will be issued pursuant to the Placing and Open Offer. The final number issued under the Placing will depend on the number of New Ordinary Shares subscribed for by Qualifying Shareholders under the Open Offer.
- (3) The Enlarged Issued Ordinary Share Capital assumes that, other than the Capital Raise, no further Ordinary Shares are issued by the Company between the posting of this Document and the completion of the Capital Raise. No such additional share issuances are anticipated.
- (4) The Net Proceeds receivable by the Company are, after the deduction of commissions, fees and expenses of, or incidental to, the Capital Raise payable by the Company, estimated to be €168.9 million.

PART V

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	John Reynolds (<i>Independent Non-Executive Chairman</i>) Michael Stanley (<i>Chief Executive Officer, Co-Founder and Executive Director</i>) Alan McIntosh (<i>Executive Director and Co-Founder</i>) Eamonn O’Kennedy (<i>Group Finance Director</i>) Andrew Bernhardt (<i>Independent Non-Executive Director</i>) Gary Britton (<i>Independent Non-Executive Director</i>) Giles Davies (<i>Independent Non-Executive Director</i>) Aidan O’Hogan (<i>Independent Non-Executive Director</i>)
Registered Office	7 Grand Canal Grand Canal Street Lower Dublin 2 D02 KW81
Company Secretary	Andrew Donagher
Joint Global Co-ordinator and Joint Bookrunner	Goodbody Ballsbridge Park Ballsbridge Dublin 4 D04 YW83
Joint Global Co-ordinator and Joint Bookrunner	Merrill Lynch International 2 King Edward Street London EC1A 1HQ United Kingdom
Co-Bookrunner	J&E Davy Davy House 49 Dawson Street Dublin 2 D02 PY05
Reporting Accountants and Auditor	KPMG Ireland 1 Stokes Place St Stephen’s Green Dublin 2 D02 DE03
Lawyers to the Company as to Irish law	A&L Goodbody IFSC North Wall Quay Dublin 1 D01 HI04
Lawyers to the Company as to English law	Pinsent Masons LLP 30 Crown Place London EC2A 4ES United Kingdom

Lawyers to the Company as to U.S. law	Proskauer Rose LLP 110 Bishopsgate London EC2N 4AY United Kingdom
Lawyers to the Banks as to Irish law	McCann FitzGerald Riverside One Sir John Rogerson's Quay Dublin 2 D02 XS76
Lawyers to the Banks as to English and U.S. law	Allen & Overy LLP 1 Bishopsgate London E1 6AD United Kingdom
Registrars and Receiving Agent	Computershare Investor Services (Ireland) Limited Heron House Corrig Road Sandyford Industrial Estate Dublin 18 D18 Y2X6
Financial PR Adviser	Hume Brophy Communications 14 Herbert Street Dublin 2 D02 KD76

PART VI

PRESENTATION OF INFORMATION

1. NOTICE TO PROSPECTIVE INVESTORS

Prospective investors should rely only on the information in this Document when deciding whether to invest in the New Ordinary Shares. No person has been authorised to give any information or to make any representations other than those included in this Document in connection with the Capital Raise and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors or the Banks. No representation or warranty, express or implied, is made by the Banks or selling agent as to the accuracy or completeness of such information, and nothing included in this Document is, or shall be relied upon as, a promise or representation by the Banks or selling agent as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary Document, neither the delivery of this Document nor any subscription or sale made under this Document shall, under any circumstances, create any implication or be construed or relied on as a representation that there has been no change in the business or affairs of the Company or of the Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The Company will update the information provided in this Document by means of a supplement hereto if a significant new factor, material mistake or inaccuracy relating to this Document occurs or arises prior to Admission that may affect the ability of prospective investors to make an informed assessment of the Capital Raise. This Document has been approved, and any supplement hereto will be subject to approval, by the Central Bank and will be made public in accordance with the Prospectus Rules. If a supplement to this Document is published prior to Admission, investors shall, pursuant to regulation 52 of the Prospectus Directive Regulations, have the right to withdraw their subscriptions made prior to the publication of such supplement on the terms and subject to the conditions as more particularly set out in Part XV (*Terms and Conditions of the Open Offer*) of this Document. Such withdrawal must be done within the time limits set out in the supplement (if any) (which shall not be shorter than two clear Business Days after publication of such supplement).

The contents of this Document are not to be construed as legal, financial, business investment, accounting, business, tax or other professional advice. Each prospective investor should consult his or her own lawyer, independent financial adviser or tax adviser for legal, financial, business, investment or tax advice in relation to any purchase or proposed purchase of the New Ordinary Shares. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the New Ordinary Shares; (b) any foreign exchange or exchange control restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the New Ordinary Shares which they might encounter or which might apply within their own countries; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of the New Ordinary Shares. This Document is for your information only and nothing in this Document is intended to endorse or recommend a particular course of action. Investors should be aware that they may be required to bear the financial risks of any investment in New Ordinary Shares for an indefinite period of time.

This Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, the Banks or any of their respective representatives that any recipient of this Document should subscribe for or purchase the New Ordinary Shares.

Prior to making any decision whether to purchase any New Ordinary Shares, prospective investors should ensure that they have read this Document in its entirety and, in particular, Part II (*Risk Factors*), and not just rely on key information or information summarised in it. In making an investment decision, prospective investors must rely upon their own examination of the Company and the terms of this Document, including

the merits and risks involved. Any decision to purchase New Ordinary Shares should be based solely on this Document.

Investors who purchase New Ordinary Shares in the Capital Raise will be deemed to have acknowledged that: (i) they have not relied on the Banks or any person affiliated with any of them in connection with any investigation of the accuracy of any information included in this Document or their investment decision; (ii) they have relied solely on the information included in this Document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the New Ordinary Shares (other than as included in this Document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors or the Banks.

2. INTERPRETATION

Certain terms used in this Document, including all capitalised terms and certain technical and other items, are defined and explained in Part XVIII (*Definitions and Glossary*) of this Document.

References to the singular in this Document shall include the plural and *vice versa*, where the text requires.

3. PRESENTATION OF FINANCIAL INFORMATION

The financial statements included in this Document are prepared in accordance with IFRS as adopted by the EU and, unless otherwise indicated, the financial information in this Document has been prepared in accordance with IFRS as adopted by the EU. The Company intends to prepare its financial statements for future periods in accordance with IFRS as adopted by the EU. In making an investment decision, prospective investors must rely on their own examination of the Company from time to time, the terms of the Capital Raise and the financial information in this Document.

4. MARKET, ECONOMIC AND INDUSTRY DATA

This Document includes certain market, economic and industry data, which was obtained by the Company from industry publications, data and reports, compiled by professional organisations and analysts, data from other external sources conducted by or on behalf of the Company. The market, economic and industry data sourced from third parties used to prepare the disclosures in this Document have been accurately reproduced and, as far as the Company and the Directors are aware and are able to ascertain from the information provided to them by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Certain of the aforementioned third party sources may state that the information they contain has been obtained from sources believed to be reliable. However, such third-party sources may also state that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As the Company does not have access to the facts and assumptions underlying such market data, statistical information and economic indicators included in these third-party sources, the Company is unable to verify such information.

The Company confirms that all such data included in this Document has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. All third-party information is identified alongside where it is used.

5. PRESENTATION OF KEY FINANCIAL METRICS

Other companies operating in the homebuilding sector may use the terms, phrases and financial metrics referred to below differently when describing their own performance. As such these terms, phrases and unaudited financial metrics may not be directly comparable.

Gross Development Value (“GDV”) and Net Development Value (“NDV”)

GDV is an estimated operating metric the Company uses with respect to its short-term, medium-term and long-term land bank. GDV is the Company’s estimate of the development value of the land, being the

Directors' estimates of total revenue which could potentially be generated from that development and is based solely on assumptions of the Company. GDV is calculated by multiplying the number of homes the Company expects to sell on a given site by the average estimated sales price of each home inclusive of VAT at 13.5 per cent. NDV is the GDV, exclusive of VAT.

In respect of the short-term land bank, estimated GDV and NDV is determined as at a particular date on the assumption that the relevant development is constructed in accordance with the planning consent obtained, and that the homes in the development are sold at the average estimated sales values for the relevant geographic area and home type, taking account of any relevant affordable housing legislation.

In respect of the medium-to-long-term land bank, estimated GDV and NDV is determined as at a particular date on the assumption that the relevant development is constructed in accordance with the Company's development plans for the land (which could change as a response to the planning process or other factors as the Company will not yet have obtained planning consent or will be seeking amendments to the planning consent for the land) and the homes in the development are sold at the average estimated sales values for the relevant geographic area and home type taking account of any relevant affordable housing legislation. The Company is required to comply with Part V of the Planning and Development Act 2000, as amended, which has been amended by the Urban Regeneration and Housing Act 2015. The Company is required to make a contribution to the relevant local authority of a maximum of ten per cent. of the undeveloped land within an application site. There are three other options for compliance: the Company can (i) build the percentage of social and affordable housing required and then transfer it to either the planning authority or its nominated authority, (ii) transfer houses on other land to the planning authority or its nominated authority; or (iii) grant a lease to the planning authority of an agreed number and specification of houses, either within the application site or elsewhere within the planning authority's functional area. If one of the three alternative options is being used it must ensure that the planning authority gets an equivalent planning gain. It is no longer possible to make a financial contribution in lieu or to transfer undeveloped land outside an application site and the option for providing serviced sites has also been removed entirely.

In determining an average estimated sales value for development in both the short-term and the medium-to-long-term land bank, the Company will first use its own sales figures for the relevant geographic area. Where the Company has no pre-existing sales in an area, the Company will analyse regional second-hand and new home sales data, giving regard to factors like the age and size of the properties sold. The Company will then engage up to three estate agents to price the Company's development and will take those valuations into account when determining the average sales value. The Company intends to review the average sales price of homes at sites following the completion of sales of each individual phase of a site. Where average estimated sales prices achieved in a given phase are higher or lower than the average sales price anticipated and used for the purpose of calculating estimated GDV and NDV at the relevant site, the Company may adjust expected average sales prices up or down in subsequent phases of that site and subsequently revise its estimated GDVs and NDVs for the site accordingly.

In calculating estimated GDV and NDV, the Company makes a reasonable projection as to the period during which it expects to sell all of the homes on a given site. The estimated GDV and NDV figures used in this Document assume a conservative house price inflation rate of four per cent. per annum.

GDV and NDV are therefore only estimates as at a given date, reflecting what revenues the Company may be able to achieve as at the date of the estimate were all of its developments to be completed as planned and sold at the then assumed sales values per home. GDV and NDV for each development are solely estimates and may materially change in the future based on a number of factors, such as changes in demand and open market prices or changes in legislation governing affordable housing, changes in the design of the relevant development and the number of open market and affordable housing in it, the terms of the actual planning consents obtained and general economic conditions. The estimate may not be accurate and there is no certainty that it indicates actual future receipts from the developments. Estimated GDV and NDV are focused solely on the possible receipts from the development and does not include cost items such as estimated costs of sale and general Company expenses. As a result, estimated GDV and NDV should not be taken as an indication of actual future returns on development or the Company's financial prospects. All estimated GDV

and NDV figures used in this Document are estimated by the Directors as at 31 December 2015 unless otherwise specified or the context otherwise requires.

6. ROUNDING

Certain data in this Document, including financial, statistical, and operating information, has been rounded. As a result of the rounding, the totals of data presented in this Document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

In addition, certain percentages presented in the tables in this Document reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

7. CURRENCY PRESENTATION

Unless otherwise indicated, all references to the “Euro” or “€” or “c” are to the lawful single currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended. All references to “U.S. dollars” or “U.S.\$” are to the lawful currency of the United States. The Company prepares its financial statements in Euro.

Exchange rate considerations

The following tables show, for the periods indicated, the exchange rate between the U.S. dollar and the Euro.

The term “Noon Buying Rate” refers to the rate of exchange for Euro, expressed in U.S. dollars per Euro, in the City of New York for cable transfers payable in foreign currencies as certified by the Federal Reserve Bank of New York for customs purposes. The Noon Buying Rate for the Euro on 18 March 2016 was \$1.1292 = 1.00 Euro. The following tables describe, for the periods and dates indicated, information concerning the Noon Buying Rate for the Euro. Amounts are expressed in U.S. dollars per 1.00 Euro.

<u>Year</u>	<u>Period End</u>	<u>Average Rate⁽¹⁾</u>	<u>High</u>	<u>Low</u>
2011.....	1.2973	1.3931	1.4875	1.2926
2012.....	1.3186	1.2859	1.3463	1.2062
2013.....	1.3779	1.3281	1.3816	1.2774
2014.....	1.2101	1.3145	1.3927	1.2062
2015.....	1.0859	1.1096	1.2015	1.0524

(1) The average of the Noon Buying Rates for Euros on the last day reported of each month during the relevant period.

<u>Month</u>	<u>Period End</u>	<u>Average Rate⁽¹⁾</u>	<u>High</u>	<u>Low</u>
September 2015	1.1162	1.1229	1.1358	1.1104
October 2015	1.1042	1.1228	1.1437	1.0963
November 2015	1.0562	1.0727	1.1026	1.0562
December 2015	1.0859	1.0889	1.1025	1.0573
January 2016	1.0832	1.0855	1.0964	1.0743
February 2016	1.0932	1.1104	1.1362	1.0888

(1) The average of the Noon Buying Rates for Euros on the last day reported of each month during the relevant period.

8. INFORMATION REGARDING 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 the terms “believes”, “estimates”, “forecasts”, “plans”, “projects”, “anticipates”, “prepares”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking

statements include all matters that are not historical facts. They appear in a number of places throughout this Document and include, but are not limited to, statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial position, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Company's operations, financial position, and the development of the markets and the industries in which the Company operates, may differ materially from those described in, or suggested by, the forward-looking statements included in this Document. In addition, even if the results of operations, financial position and the development of the markets and the industries in which the Company operates are consistent with the forward-looking statements included in this Document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, the status of the Irish housing market, the availability of mortgage credit and the macroeconomic conditions of Ireland, the Eurozone and the global economy and other factors discussed in Part I (*Summary*), Part II (*Risk Factors*) and Part IX (*Information on the Group*) of this Document.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Document speak only as of their respective dates, reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy. Prospective investors should specifically consider the factors identified in this Document which could cause actual results to differ before making an investment decision. Subject to the requirements of the Prospectus Regulations, the Prospectus Rules, the Market Abuse Rules, the Transparency Regulations, the Transparency Rules, the Disclosure and Transparency Rules, the Listing Rules, the London Stock Exchange or applicable law or regulations, the Company explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this Document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this Document.

9. NO INCORPORATION OF WEBSITE INFORMATION

This Document will be made available to the public in Ireland and the United Kingdom at www.cairnhomes.com in accordance with the Prospectus Rules. Notwithstanding the foregoing, the contents of the Company's website, any website accessible from hyperlinks on the Company's website, and any other websites referred to in this Document are not incorporated in, and do not form part of, this Document.

10. TIME

References to time in this Document are to Dublin (Ireland) time unless otherwise stated or the context otherwise requires.

11. GENERAL CONDITIONS OF SALE

Contracts for the sale of property in Ireland are based on a standard form contract produced by the Law Society of Ireland (the "General Conditions of Sale"), qualified as appropriate by special conditions within the agreement. The General Conditions of Sale have been produced by the Law Society of Ireland to give a fair balance of rights between a vendor and a purchaser. They include a set of warranties in relation to matters such as: title; identity of the property; rights, liabilities and condition of the property; planning and development; and environmental law matters. The General Conditions of Sale, and the warranties contained therein, are qualified on a sale by sale basis by the use of special conditions within the agreement. In the absence of a particular warranty, it is usual for a purchaser to satisfy itself on some matters based on its own due diligence and/or the commercial approach being taken to the particular transaction. This is standard practice for the sale of properties in Ireland.

12. REFERENCES TO “HOMES” AND “UNITS”

References in this Document to “homes” and “units” (unless otherwise stated or the context otherwise requires) refers to homes, apartments and other residential dwellings constructed or to be constructed by the Group (as the case may be).

13. U.S. CONSIDERATIONS

Available information

The Company has agreed that, for so long as any of the New Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) under the U.S. Exchange Act, nor exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of an Ordinary Share, or to any prospective purchaser of an Ordinary Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act upon the written request of such holder, beneficial owner or prospective purchaser.

Enforceability of U.S. judgments

The Company is a holding company organised as a public limited company incorporated under the laws of Ireland. None of the Directors or officers of the Company are citizens or residents of the United States. In addition, all of the Group’s assets and all the assets of its Directors and officers are located outside the United States. As a result, it may not be possible for U.S. investors to effect service of process within the United States upon the Company or its Directors and officers or to enforce in the U.S. courts or outside the United States judgments obtained against them in U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the securities laws of any state or territory within the United States. There is also doubt as to the enforceability in Ireland, whether by original actions or by seeking to enforce judgments of U.S. courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in Ireland.

PART VII

LETTER FROM THE CHAIRMAN

The logo for CAIRN, consisting of the word "CAIRN" in white, bold, uppercase letters centered within a solid red rectangular background.

(Incorporated and registered in Ireland under the Companies Acts with registered number 552564)

Directors:

John Reynolds – *Independent Non-Executive Chairman*

Michael Stanley – *Chief Executive Officer, Co-Founder and Executive Director*

Alan McIntosh – *Executive Director and Co-Founder*

Eamonn O’Kennedy – *Group Finance Director*

Andrew Bernhardt – *Independent Non-Executive Director*

Gary Britton – *Independent Non-Executive Director*

Giles Davies – *Independent Non-Executive Director*

Aidan O’Hogan – *Independent Non-Executive Director*

Andrew Donagher – *Company Secretary*

7 Grand Canal
Grand Canal Street Lower
Dublin 2
D02 KW81

Proposed Firm Placing and Placing and Open Offer of in aggregate 157,588,709 New Ordinary Shares at €1.12 per New Ordinary Share to raise approximately €176.5 million

Dear Shareholder

1. INTRODUCTION

On 21 March 2016 the Company announced a proposed capital raise, by way of a Firm Placing and Placing and Open Offer, to raise approximately €176.5 million (approximately €168.9 million net of all Capital Raise commissions, fees and expenses).

This Document has been prepared in connection with the admission of the New Ordinary Shares to the Official List and to trading on the London Stock Exchange, and to provide you with the details of the reasons for, and procedures for participating in, the Capital Raise.

The Capital Raise is conditional upon, among other things, the passing by Shareholders of the Capital Resolutions proposed for consideration at the Extraordinary General Meeting, Admission occurring, and the Placing and Open Offer Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms.

A circular containing the Notice of the Extraordinary General Meeting and setting out, *inter alia*, the reasons why the Board considers that the Capital Raise is in the best interests of the Company and the Shareholders as a whole, and explaining why the Board recommends that the Shareholders vote in favour of the Capital Resolutions as, where eligible, they intend to do in respect of their own beneficial holdings, will be issued shortly to Shareholders.

You should read the whole of this Document and not rely only on any part of it. In particular, your attention is drawn to the risk factors set out in Part II (*Risk Factors*) of this Document, which you should read carefully.

2. BACKGROUND TO THE CAPITAL RAISE

At the time of the IPO, the Directors believed that there was a significant opportunity to capitalise on the recovery of the Irish residential property market by expanding the Company’s landbank, and by establishing the Company over the medium-term as a leading Irish homebuilder, constructing high quality new homes, with an emphasis on innovation, design and customer service. The Directors believed there was imbalance

between the demand for, and supply of, housing in Ireland, particularly in Dublin and surrounding areas, driven by a lack of capital, operational capacity and legacies of the financial crisis. In order to take advantage of these opportunities, the Group initially contracted to acquire five development sites in Ireland, identified a substantial pipeline of opportunities, and launched an IPO in June 2015, raising gross proceeds in excess of €440 million (before expenses and post the exercise of the over-allotment option). Since the Company's IPO, the Group has made substantial progress in acquiring further land for residential development and in particular has begun development of the Parkside Site and Killiney Site. Furthermore, on 6 December 2015, the Group was successful in the substantial and significant acquisition at a total cash consideration of €378 million (excluding €4.3 million of construction bonds) of approximately 75 per cent. of the Project Clear Loan Portfolio from Ulster Bank.

At IPO Admission, the Company directly acquired the Parkside Site, the Killiney Site, the Butterly Site, the Galway Site and, conditional on the receipt of the Navan Planning Approval, the Navan Site, for a total aggregate purchase price of €61.5 million.

- The Parkside Site is a 50 acre site located to the north of Dublin, approximately ten kilometres from Dublin city centre. Construction is well advanced at the Parkside Site where 110 three and four bedroom semi-detached family homes of the planned 433 family homes are completed or nearing completion. The Group launched Phase 1 of the Parkside Site in September 2015, with 59 homes sale agreed (of which 27 sales have closed) as at the Last Practicable Date.
- The Killiney Site is a two acre site located off Killiney Hill Road and within walking distance of Killiney beach, Killiney village and Killiney train station. Planning consent has been granted for the development of Albany House, its coach house and annex to provide for four apartments, as well as for 16 four and five bedroom houses around Albany House. The site is now advanced with a full scheme launch planned for later this year.
- The Navan Site is a 14.03 acre site located at Moathill, Navan, County Meath, approximately one kilometre west of Navan town centre. Completion of the acquisition of the Navan Site is subject to receipt of the Navan Planning Approval. The vendor of the Navan Site is currently in the process of obtaining planning consent for the development of the site and the Directors expect that this planning consent will be granted by the second quarter of 2016. If the vendor is unable to obtain planning consent to the Group's satisfaction, the site will not be acquired.
- The Butterly Site is a 7.9 acre site located in Artane, Dublin 5, which is approximately seven kilometres from Dublin city centre. The site has the benefit of a ten year planning consent granted in July 2012 for a mixed use development comprising approximately 24,000 square metres of non-residential floor space and a total of 178 homes. The Group has made an application to Dublin City Council in relation to the draft development plan to have the land rezoned to enable it to construct 255 homes at the site, with a consequential reduction in the size of the commercial space that the Group could develop on the site.
- The Galway Site is approximately 20.96 acres and is located approximately 4.1 kilometres outside Galway city centre. Ragoon is a development opportunity for the construction of 170 mixed residential homes, comprising three and four bedroom detached and semi-detached houses.

In June 2015, the Group acquired 9.1 acres of development land in Foxrock, South County Dublin, comprising two tranches of land, for a purchase price of €20.4 million. A third adjoining tranche of land on Brennanstown Road was acquired in November 2015 at a cost of €1.8 million. The Foxrock Sites are located within walking distance of both Foxrock and Cabinteely villages and are connected to Dublin city centre via a Quality Bus Corridor. The plots have existing planning consent for 158 homes. The Group intends to request an amendment to the current planning consent to enable it to construct 275 homes, which will include up to 25 townhouses.

In June 2015, the Group acquired the 8.11 acre Rathgar Site located in Marianella, Orwell Road, in Rathgar, South Dublin, for a purchase price of €43 million. The Rathgar Site has existing planning consent for 199 two and three-bedroom apartments, as well as 12 five-bedroom semi-detached houses. There is also the

provision for a crèche and 303 parking spaces. The Group intends to request an amendment to the current planning consent to enable it to construct an additional 27 houses thereby increasing the total development size of the site to 193 apartments and 45 houses. It is planned to commence construction in April 2016.

In August 2015, the Company acquired a two acre site at Ard na Glaise, Stillorgan for a purchase price €5.45 million. The Company has plans for a total of 23 one, two and three-bed units. The Stillorgan Site (Ard na Glaise) is zoned for residential development. The Group intends to seek planning consent to demolish the existing structure on the site and for the development of new homes.

On 30 November 2015, the Company announced that the Group had agreed senior debt facilities with Allied Irish Banks, consisting of a term loan facility of up to €100 million and a revolving credit facility of up to €50 million. This facility has now been amended and restated, following the accession of UBIL, to a €200 million senior debt facility (by way of the Amended Senior Debt Facility) with Allied Irish Banks and UBIL (the “Lenders”), consisting of a term loan facility of up to €150 million and a revolving credit facility of up to €50 million which has a four year term secured against a corporate level debenture. The Group entered into the Senior Debt Facilities on 30 November 2015, with UBIL joining the Senior Debt Facilities by way of an amendment and restatement on 3 March 2016. On 1 December, the Company also completed an equity fundraising and raised an additional €52.1 million of gross proceeds to further strengthen the Company’s balance sheet and provide it with the flexibility to fund future acquisitions and to finance the development of new and existing sites.

On 6 December 2015, the Company entered into a definitive agreement relating to the acquisition of the Project Clear Loan Portfolio from Ulster Bank in conjunction with Lone Star. The total par value of the loans acquired by the Group was approximately €1.7 billion, for which it paid cash consideration of €378 million (excluding €4.3 million of construction bonds) for approximately 75 per cent. of the portfolio. The proportion of the entire Project Clear Loan Portfolio acquired by the Company, the Group’s Loan Portfolio, consists of 120 loans secured against 1,200 acres of land, across 28 residential development sites, and across 21 borrower connections.

The sites underlying the Group’s Loan Portfolio present the Group with a number of opportunities and, where the Group can successfully execute its strategy in relation to these loan assets (further details of which are set out in paragraph 3.3 of Part IX (*Information on the Group*) of this Document), the Directors believe that it will leave the Group with a land-bank of exceptional quality. The acquisition of the Project Clear Loan Portfolio was structured as a participation arrangement between the Group, Lone Star and Ulster Bank. Under the terms of these arrangements, Ulster Bank and each of Cairn Homes Finance DAC and Lone Star respectively entered into sub-participation or declaration of trust arrangements in relation to the acquired mortgage assets. As at 19 February 2016, approximately 94 per cent. of the Group’s Loan Portfolio (calculated by reference to the total purchase price of €378 million (excluding €4.3 million of construction bonds)) have exited the sub-participation or declaration of trust arrangements, and the legal and beneficial interest in such loans have been formally transferred to the Group.

As set out in more detail in paragraph 3.1 of Part IX (*Information on the Group*) of this Document, the Group has now identified 25 Core Sites (made up of sites directly acquired and/or conditionally acquired by the Group, and sites which are collateral for Group’s Loan Portfolio), which it plans to develop out over the coming years. The Group has broken these sites down into three broad categories: (i) those near-term opportunities, in respect of which the Group anticipates commencing construction (or has already commenced construction) within 12 months, consisting of seven sites which have a total anticipated number of 2,945 homes over the life of the project with a projected average acquisition cost per home of €69,000; (ii) those sites in respect of which the Group anticipates commencing construction within a period of 12 to 36 months, consisting of 11 sites, which have a total anticipated number of 2,140 homes over the life of the project with a projected average acquisition cost per home of €63,000; and (iii) those sites in respect of which the Group anticipates commencing construction after 36 months, consisting of seven sites, which have a total anticipated number of 6,094 homes over the life of the project with a projected average acquisition cost per home of €21,000.

In January 2016, the Group announced that it had contracted to acquire a development site at Hanover Quay, Dublin 2 which is part of the South Dublin Docklands Strategic Development Zone (“SDZ”) from a sub-

fund of Targeted Investment Opportunities ICAV. The 1.05 acre site has existing planning consent for 100 homes, comprising one, two and three-bedroom apartments. It is hoped to commence construction during 2016 (subject to the grant of the revised planning permission), and following the recent changes to apartment building regulations under the Planning Guidelines on Design Standards for New Apartments, the Group intends to submit a revised planning application for the site targeting a further 20 to 40 homes on this site.

On 12 February 2016, the Group announced that it had acquired two plots in Cherrywood, Dublin 18 (10.5 acres in total) for a consideration of €21.5 million, from Hines Cherrywood Development ICAV acting on behalf of its sub-fund HCDF Land Development Fund. The entire site has the benefit of the Cherrywood SDZ. An integrated masterplan has been developed for this landmark development, which it is anticipated will include the construction of a new retail-led, mixed use town centre and up to 3,800 apartments and houses. The planning applications for the key initial infrastructure were lodged in late 2015 and work is underway to submit planning applications for the town centre in mid-2016. The Group also has an agreement to purchase the Cherrywood Option Site on receipt of the final grant of planning permission at a cost of €9.2 million. The Group expects to be able to develop in excess of 300 homes across the three sites.

As at the Last Practicable Date, the Group has deployed or committed capital of approximately €554 million. In addition, the Company has a strategic pipeline of potential site acquisitions.

The Group is pursuing the acquisition of a number of additional strategic and targeted sites (which are comprised of the Argentum Sites, the Cherrywood Option Site, the Maynooth Site, the South Dublin Site and the Dublin Commuter Belt Site (together the “Pipeline Sites”)) which are located in Dublin and the Dublin commuter belt. These include: (i) the Argentum Sites (where the Group has entered into an exclusivity agreement with the vendors relating to the potential acquisition of the Argentum Sites) (ii) the Cherrywood Option Site, and the Maynooth Site where the Group has entered into conditional contracts with vendors relating to the potential acquisition of the sites; and (iii) in relation to the South Dublin Site and the Dublin Commuter Belt Site, where the Group is aware of the possible disposal of the site. Although the Group has not entered into binding agreements to acquire any of these sites (other than the Maynooth Site Agreement (as more fully described at paragraph 14.17 of Part XVII (*Additional Information*) of this Document), the Directors anticipate that a proportion of these sites will be acquired by the Group within the next number of months, however there is no guarantee that any discussions will result in the acquisition of any particular site. Further details in relation to the Pipeline Sites are set out in paragraph 3.4 of Part IX (*Information on the Group*) of this Document.

3. REASONS FOR THE CAPITAL RAISE

The Directors believe the imbalance between the demand for housing and the supply of housing in Ireland persists, particularly in Dublin and surrounding areas, driven primarily by a lack of capital, operational capacity and legacies of the financial crisis. The Directors therefore believe that there is still a significant opportunity to capitalise on the recovery of the Irish residential property market especially given the progress the Group has achieved in (i) acquiring land, and loans secured over land for residential development; (ii) identifying the opportunities presented by the potential acquisitions of the strategic and targeted Pipeline Sites; and (iii) developing houses on two of the Acquired Sites (being the Parkside Site and the Killiney Site), with sales having commenced on the Parkside Site, and work is due to commence on the Rathgar Site in April 2016.

The Directors have therefore concluded, after due and careful consideration, that it is now an appropriate time to seek additional capital for the Company in order to take advantage of these opportunities. The Company’s principal use of the Net Proceeds will be to finance (i) the completion of the acquisition of some or all of the Pipeline Sites (including the Argentum Sites); (ii) the development of new and existing sites predominantly in the Dublin, the Dublin commuter belt, Cork and Galway regions, in addition to other major urban centres; (iii) the acquisition of development sites to the extent that some or all of the Pipeline Sites are not acquired; and (iv) in the day to day operations of the Group in line with its strategy. The majority of the Net Proceeds of the Capital Raise is anticipated to be used to expand the land bank through further acquisitions.

4. PRINCIPAL TERMS AND CONDITIONS OF THE CAPITAL RAISE

The Company intends to raise gross proceeds of approximately €176.5 million (approximately €168.9 million net of commissions, fees and expenses) through the issue of 157,588,709 New Ordinary Shares by way of the Firm Placing and the Placing and Open Offer at €1.12 per share. The Capital Raise is conditional, among other things, on Shareholder approval of the Capital Resolutions, which will be sought at the Extraordinary General Meeting.

4.1. Firm Placing

The Company is proposing to issue 46,875,000 New Ordinary Shares pursuant to the Firm Placing, the principal terms and conditions of which are summarised in paragraph 2 of Part XV (*Terms and Conditions of the Open Offer*) of this Document. The Firm Placed Shares will be issued at the Issue Price.

The Firm Placed Shares are not subject to clawback and do not form part of the Placing and Open Offer. The Firm Placing is expected to raise approximately €52.5 million (prior to deduction of commissions, fees and expenses). The Firm Placing is subject to the same conditions and termination rights which apply to the Placing and Open Offer (as set out in paragraph 5 of Part XV (*Terms and Conditions of the Open Offer*) of this Document).

Application will be made to (i) the FCA for the New Ordinary Shares to be admitted to listing on the standard listing segment of the Official List of the FCA and (ii) the FCA for the New Ordinary Shares to be admitted to trading on its main market for listed securities. Subject to the conditions below being satisfied, it is expected that Admission in respect of the Firm Placed Shares will become effective on 19 April 2016 and that dealings for normal settlement in the Firm Placed Shares will commence at 8.00 a.m. on the same day.

The Firm Placed Shares, when issued and fully paid, will be identical to, and rank *pari passu* with, the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or delivered after Admission.

The Firm Placees will not be entitled, by virtue of their subscription for Firm Placed Shares, to participate in the Open Offer (but this is without prejudice to any right that any Firm Placee may have to participate in the Open Offer to the extent that any such Firm Placee separately has any Open Offer Entitlements).

4.2. Placing and Open Offer

The Company intends to raise approximately €124 million (prior to deduction of commissions, fees and expenses) through the Placing and Open Offer of 110,713,709 New Ordinary Shares at the Issue Price.

The Issue Price represents a discount of €0.07 (5.9 per cent.) to the closing price of €1.19 per Existing Ordinary Share on the London Stock Exchange on 21 March 2016 (being the last trading day prior to the announcement of the Capital Raise).

The Banks have placed all of the Open Offer Shares at the Issue Price with institutional and other investors. The commitments of these Placees are subject to clawback in respect of valid applications for Open Offer Shares by Qualifying Shareholders pursuant to the Open Offer. Subject to waiver or satisfaction of the conditions and the Placing and Open Offer Agreement not being terminated in accordance with its terms, any Open Offer Shares that are not applied for in respect of the Open Offer will be issued to the Placees and/or other subscribers procured by the Banks, with the net proceeds of the Placing retained for the benefit of the Company.

Qualifying Shareholders are being given the opportunity to apply for the Open Offer Shares at the Issue Price, on and subject to the terms and conditions of the Open Offer, up to a maximum of their *pro rata* entitlement (on the Record Date) which shall be calculated on the basis of:

3 New Ordinary Shares for every 14 Existing Ordinary Shares

Fractions of New Ordinary Shares will not be allotted and each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements will be aggregated and will be placed pursuant to the Placing for the benefit of the Company.

Accordingly, Qualifying Shareholders with fewer than 14 Existing Ordinary Shares will not have the opportunity to participate in the Open Offer.

The New Ordinary Shares issued under the Placing and Open Offer, when issued and fully paid, will be identical to and rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after Admission.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares up to their maximum entitlement which, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Open Offer Entitlements.

No application in excess of a Qualifying Shareholder's Open Offer Entitlement will be met, and any Qualifying Shareholder so applying will be deemed to have applied for his Open Offer Entitlement only.

Application will be made for the Open Offer Entitlements to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 24 March 2016, and that the Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 24 March 2016.

The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's claims processing unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be subscribed for under the Placing with the net proceeds of the Placing retained for the benefit of the Company.

Further information on the Firm Placing and on the Placing and Open Offer and the terms and conditions on which they are made, including the procedure for application and payment in the Open Offer, are set out in Part XV (*Terms and Conditions of the Open Offer*) of this Document and, where relevant, in the Application Form.

The Firm Placing and Placing and Open Offer are conditional upon:

- (1) the passing of all of the Capital Resolutions;
- (2) Admission becoming effective by not later than 8.00 a.m. on 19 April 2016 (or such later time and/or date as the Company and Joint Global Co-ordinators may agree, not being later than 8.00 a.m. on 29 April 2016); and
- (3) the Placing and Open Offer Agreement having become unconditional in all respects and not having been terminated in accordance with its terms. For further information on the material terms of the Placing and Open Offer Agreement see paragraph 14.1 of Part XVII (*Additional Information*) of this Document.

Accordingly, if any such conditions are not satisfied the Firm Placing and Placing and Open Offer will not proceed, any Open Offer Entitlements admitted to CREST will thereafter be disabled and application monies received under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest, as soon as practicable thereafter.

5. EFFECTS OF THE CAPITAL RAISE

Upon Admission, the Enlarged Issued Ordinary Share Capital of the Company will be 674,252,686 Ordinary Shares (together with 100,000,000 Founder Shares and 19,980,000 Deferred Shares). This includes the Existing Issued Ordinary Share Capital (of 516,663,977 Ordinary Shares) together with 46,875,000 New Ordinary Shares to be issued pursuant to the Firm Placing and 110,713,709 New Ordinary Shares to be issued pursuant to the Placing and Open Offer. On this basis, the Firm Placed Shares will represent approximately 7 per cent. of the Enlarged Issued Ordinary Share Capital and the Open Offer Shares will represent approximately 16.4 per cent. of the Enlarged Issued Ordinary Share Capital.

A Qualifying Shareholder that takes up its Open Offer Entitlement in full will be diluted by 7 per cent. as a result of the Firm Placing and Placing and Open Offer. A Qualifying Shareholder that does not take up any Open Offer Shares under the Open Offer (or a Shareholder in the United States or an Excluded Territory who is not eligible to participate in the Open Offer) will experience a more substantial dilution of 23.4 per cent. as a result of the Firm Placing and Placing and Open Offer.

6. FINANCIAL EFFECTS OF THE CAPITAL RAISE

An unaudited pro forma net asset statement of the Group as at 31 December 2015, prepared for illustrative purposes only, together with a report thereon by KPMG, is included in Part XIII (*Unaudited Pro Forma Financial Information*) of this Document. This unaudited pro forma information illustrates the effect of (i) the Capital Raise; (ii) a further debt drawdown; (iii) the acquisition of the Hanover Quay Site; (iv) the acquisition of the Cherrywood Site; (v) the acquisition of the Maynooth Site; and (vi) the acquisition of the Argentum Sites, as if such transactions had occurred on 31 December 2015. Of the Pipeline Sites, the Maynooth Site and the Argentum Sites are reflected in the pro forma financial information. The Directors have stated that they intend to acquire the Argentum Sites on completion of the Capital Raise. The Cherrywood Option Site, the South Dublin Site and the Dublin Commuter Belt Site are not reflected in the pro forma financial information.

7. CURRENT TRADING AND PROSPECTS

7.1. *Current trading and prospects*

As at 31 December 2015, the Group had completed successful capital raisings comprised of:

- (i) in excess of €440 million (before expenses and post the exercise of the over-allotment option), by way of the IPO;
- (ii) €52.1 million of gross proceeds by way of an accelerated book build; and
- (iii) €150 million pursuant to the terms of the Senior Facility Agreement with Allied Irish Banks, consisting of a term loan facility of up to €100 million and a revolving credit facility of up to €50 million.

On 6 December 2015, the Company entered into a definitive agreement relating to the acquisition, by the Group, of approximately 75 per cent. of the Project Clear Loan Portfolio from Ulster Bank. The Group's Loan Portfolio is made up of:

- (i) non-performing loans, with an aggregate unpaid principal balance of approximately €1.7 billion; and
- (ii) 120 loans in total secured against 1,200 acres of land, across 28 residential development sites, and across 21 borrower connections.

Receivers have been appointed to over 64 per cent. of loans (calculated by reference to the par value of the loans) in the Group's Loan Portfolio.

In the short-term the Group's strategy in respect of the Group's Loan Portfolio is to gain control of the underlying sites, (representing collateral for the loan) that are deemed to be Core Sites either through agreement with the relevant borrower, or through the appointment of a receiver or other enforcement action in respect of the loan. The Group may sell those loans (or the underlying site) which it considers to be non-core.

In addition to the above, the Group has completed the acquisition of the Parkside Site, the Killiney Site, the Butterly Site, the Navan Site (conditional on the receipt of the Navan Planning Approval), the Galway Site, the Foxrock Site, the Rathgar Site, the Stillorgan Site (Ard na Glaise), the Hanover Quay Site and the Cherrywood Site. As a result of its activity to date, the Company now has a core land-bank portfolio consisting of 25 separate sites, with the potential to develop 11,229 homes, with 89 per cent. of those homes located in the Greater Dublin Area.

The Group launched Phase 1 of the Parkside Site in September 2015, with 59 homes sale agreed (of which 27 sales have closed) as at the Last Practicable Date, and has also commenced construction on the Killiney Site, and work is due to commence on the Rathgar Site in April 2016. In addition to the Parkside Site and the Killiney Site, the Group anticipates that it will be in a position to commence construction on a further five sites within the next 12 months being the Adamstown Site, the Charlesland Site, the Hanover Quay Site, the Rathgar Site and the Naas Site.

Furthermore, the Group has increased the Amended Senior Debt Facilities to €200 million following the accession of UBIL under the Amended Senior Debt Facilities.

The Group is encouraged by the macro-economic backdrop where Ireland is forecast to have one of the highest GDP growth rates in the European Union for 2016 and 2017 (*Source: European Commission, European Economic Forecast Winter 2016*); unemployment has declined significantly, with the Standardised Unemployment Rate down to 8.8 per cent. in February 2016 from a peak of 15.1 per cent. in February 2012 (*Source: CSO, Seasonally Adjusted Unemployment Rate, February 2016*); and the Group believes there is a structural demand for new housing in Ireland, due to an estimated formation of at least 5,000 new households each year (*Source: ESRI, Tax Breaks and the Residential Property Market, September 2015*). Nevertheless, the European Union as a whole continues to exhibit economic volatility, which may affect the Irish economy and ultimately, the demand for new homes in Ireland.

Key Financial Highlights

	2015
	€'000
Revenue	3,717
Gross Profit	702
Loss Before Tax (before exceptional items*)	(5,476)
Loss Before Tax (after exceptional items*)	(37,520)
Basic and Diluted Loss Per Share.....	15.9c

* Exceptional items principally reflect:

- (i) costs of €2.9 million related to the acquisition of Cairn Homes Holdings Limited, which was acquired as part of the IPO: and
- (ii) a €29.1 million non-cash fair value once-off charge relating to the Founder Share scheme, the full fair value cost of which must be recognised up front under the terms and conditions of the Founder Share scheme, regardless of whether or not the Founder Shares provide any value. No value has accrued to date to the Founders under the terms of the scheme and such value will only accrue on meeting the pre-agreed performance conditions attaching to the Founder Shares. This charge does not impact the net assets of the Company.

7.2. Outlook

The Board believes that the strengthening macroeconomic backdrop in Ireland and supportive property market conditions should lead to further growth opportunities. The continued availability of prime development sites continues to be a positive for the Company and the Board is confident in its pipeline to deliver quality homes in a market where there is an acute shortage of supply.

8. WORKING CAPITAL

The Company is of the opinion that, taking into account the Net Proceeds receivable by the Company, the working capital of the Group is sufficient for its present requirements, that is, for at least the period of 12 months from the date of this Document.

9. PERSONS WITH REGISTERED ADDRESSES OUTSIDE, OR WHO ARE CITIZENS OR RESIDENTS OF COUNTRIES OTHER THAN, IRELAND OR THE UNITED KINGDOM

The attention of Overseas Shareholders who have registered addresses outside Ireland or the United Kingdom, or who are citizens of, or residents or located in, countries other than Ireland or the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons (including, without limitation, nominees, custodians and trustees), or have a contractual or legal obligation to forward this Document, the Form of Proxy or the Application Form to such persons, is drawn to the information on the cover of this Document and which appears in paragraph 8 of Part XV (*Terms and Conditions of the Open Offer*) of this Document.

In particular, Qualifying Shareholders who have registered addresses outside Ireland or the United Kingdom, or who are citizens of, or resident or located in, countries other than Ireland or the United Kingdom (including, without limitation, the United States or any of the Excluded Territories) should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to take up their entitlements in the Open Offer.

10. IRISH, UK AND U.S. FEDERAL TAXATION

Certain information about Irish, UK and U.S. Federal taxation in relation to the Capital Raise is set out in Part XVI (*Taxation*) of this Document. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom, Ireland or the United States, you should consult your own independent tax adviser without delay.

11. ACTION TO BE TAKEN

11.1. *Qualifying Non-CREST Shareholders (i.e. holders of Existing Ordinary Shares who hold their Existing Ordinary Shares in certificated form)*

If you are a Qualifying Non-CREST Shareholder you will receive an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements set out in Box 2). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the Application Form in accordance with the procedure for application set out in paragraph 6 of Part XV (*Terms and Conditions of the Open Offer*) of this Document and on the Application Form itself. Your completed Application Form, accompanied by full payment in accordance with the instructions in paragraph 6 of Part XV (*Terms and Conditions of the Open Offer*) of this Document, should be returned by post in the accompanying pre-paid envelope or returned by post to Computershare Investor Services (Ireland) Limited, PO Box 954, Sandyford, Dublin 18, D18 Y2X6 or returned by hand (during normal business hours only, being 9.00 a.m. to 5.00 p.m.) to Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18 Y2X6 so as to arrive as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 13 April 2016. If you do not wish to apply for any New Ordinary Shares under the Open Offer, you should not complete or return the Application Form.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares held in certificated form before the Record Date, please forward this Document and any Application Form

received at once to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to the United States or any of the Excluded Territories.

If you sell or have sold or otherwise transferred only part of your holding of Existing Ordinary Shares held in certificated form before the Record Date, you should refer to the instruction regarding split applications in Part XV (*Terms and Conditions of the Open Offer*) of this Document and the Application Form.

11.2. **Qualifying CREST Shareholders**

If you are a Qualifying CREST Shareholder no Application Form will be sent to you and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your maximum entitlement under the Open Offer. You should refer to the procedure for application set out in paragraph 6.2 of Part XV (*Terms and Conditions of the Open Offer*) of this Document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 6.2 of Part XV (*Terms and Conditions of the Open Offer*) of this Document by no later than 11.00 a.m. on 13 April 2016.

The latest time and date for receipt of Application Forms and payment in full under the Open Offer and the settlement of relevant CREST Instructions (as appropriate) is expected to be 11.00 a.m. on 13 April 2016, unless otherwise announced by the Company. Details of the further terms and conditions of the Firm Placing and the Placing and Open Offer are set out in Part XV (*Terms and Conditions of the Open Offer*) of this Document and, where relevant, will also be set out in the Application Forms.

For Qualifying Non-CREST Shareholders, the Open Offer Shares will be issued in certificated form and will be represented by definitive share certificates, which are expected to be despatched on or about 26 April 2016 to the registered address of the person(s) entitled to them.

For Qualifying CREST Shareholders, the Receiving Agent will instruct Euroclear to credit the stock accounts of the Qualifying CREST Shareholders with their Open Offer Shares. It is expected that this will take place by no later than 19 April 2016.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with the Open Offer.

If you are in any doubt as to what action you should take, or the contents of this Document, you are recommended to consult immediately your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial advisor being, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3) 2007 or the Investment Intermediaries Act 1995 (as amended) or, if you are resident in the United Kingdom, a firm authorised under the FSMA, or otherwise from another appropriately authorised independent financial advisor if you are in a territory outside Ireland or the United Kingdom.

If you have any further queries regarding the Open Offer, please call the shareholder helpline (01) 447 5566 (from Ireland) or +353 (1) 447 5566 (from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Please note that, for legal reasons, the shareholder helpline will only be able to provide information included in this Document and information relating to the Company's register of members and will be unable to give advice on the merits of the Capital Raise or provide personal, legal, business, financial, tax or investment advice.

12. **RISK FACTORS**

Shareholders and prospective investors should be aware that an investment in the Company involves a high degree of risk. The Group's businesses, financial condition or results of operations could be

materially and adversely affected by a number of risks. Your attention is drawn to Part II (*Risk Factors*) on pages 34 to 58 of this Document.

13. FURTHER INFORMATION

Your attention is drawn to Part I (*Summary*), Part VI (*Presentation of Information*) and Part IX (*Information on the Group*) of this Document. In addition, your attention is drawn to Part II (*Risk Factors*) of this Document. You are advised to read the whole of this Document, and not to rely solely on the information contained in this letter.

14. DIRECTORS INTENTIONS

The Board considers the Capital Raise and the passing of each of the Capital Resolutions to be in the best interests of the Company and the Shareholders as a whole.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of each of the Capital Resolutions to be put to the General Meeting as they intend to do, or procure, in respect of their own beneficial holdings. Such beneficial holdings amount in aggregate to 20,385,482 Existing Ordinary Shares, representing approximately 3.94 per cent. of the Existing Ordinary Shares.

Yours sincerely

John Reynolds
Chairman

PART VIII

INDUSTRY OVERVIEW

1. THE IRISH RESIDENTIAL PROPERTY MARKET

1.1. *Background*

Irish residential property prices peaked in 2007 and fell by 51 per cent. from peak to trough (*Source: CSO, Residential Property Price Index, January 2016*), stabilising in the first quarter of 2013 and registering their first annual increase since 2007 in June 2013 (*Source: CSO, Residential Property Price Index, January 2016*). However, recent supply shortages and improving macroeconomic drivers have seen Irish property prices recover to 66.2 per cent. of 2007 peak levels as of December 2015 (*Source: CSO, Residential Property Price Index, January 2016*). As at January 2016, Dublin property prices are still down 36.8 per cent. from the 2007 level (*Source: CSO, Residential Property Price Index, January 2016*).

Mortgage approvals have also declined significantly since 2007 levels. There were approximately €24 billion of mortgages approved in 2007 (*Source: Banking and Payments Federation of Ireland; Mortgage Approvals, January 2016*). Approximately €4.9 billion of mortgages were approved in 2014, and approximately €5.5 billion of mortgages were approved in 2015 (*Source: Banking and Payments Federation of Ireland; Mortgage Approvals, January 2016*). Mortgage approvals have started to increase and in 2014 mortgage approvals by volume were 49 per cent. higher than in 2013 and in 2015 mortgage approvals by volume were seven per cent. higher than in 2014 (*Source: Banking and Payments Federation of Ireland; Mortgage Approvals, January 2016*).

1.2. *Housing demand and supply dynamics*

The Directors believe that there has been for a number of years, and will continue to be for a number of years to come, a structural imbalance between the demand for housing and the supply of housing in Ireland.

1.2.1. *Demand*

A recent report by the Economic and Social Research Institute (“ESRI”) has estimated that increases in population will result in the formation of an estimated 25,000 new households in Ireland each year for the next fifteen years (*Source: ESRI, Tax Breaks and the Residential Property Market, September 2015*). In addition, approximately 5,000 existing homes per annum are expected to disappear through obsolescence (*Source: ESRI, Tax Breaks and the Residential Property Market, September 2015*). This points to a need for approximately 30,000 new homes in Ireland each year for the next 15 years. There is an ongoing need for 8,000 new homes a year in Dublin (*Source: ESRI, Projected Population Change and Housing Demand, February 2014*). Against this backdrop there were 11,016 homes completed in 2014 (3,268 (30 per cent.) of which were in Dublin) (*Source: Department of Environment, House Building and Private Rented Statistics, December 2015*) and just 12,666 in 2015 (2,891 (23 per cent.) of which were in Dublin) (*Source: Department of Environment, House Building and Private Rented Statistics, December 2015*). Demand in the current property cycle is being underpinned by a number of positive factors. These factors include:

Economic factors

The Irish economy has recovered strongly since the global financial crisis that started in mid-2007. Ireland is forecast to have one of the highest GDP growth rates in the European Union for 2016 and 2017 (*Source: European Commission, European Economic Forecast, Winter 2016*). Unemployment has declined significantly in recent years, with the Standardised Unemployment Rate down to 8.8 per cent. in February 2016 from a peak of 15.1 per cent. in February 2012 (*Source: CSO, Seasonally Adjusted Unemployment Rate, February 2016*).

Likewise, Irish employment has climbed, increasing by 2.3 per cent. or 44,100 jobs in 2015 (Source: CSO, *Quarterly National Household Survey, Q4 2015*). According to analysis undertaken by Forfás, the construction sector contributed just 6.4 per cent. of GNP in 2012 (Source: *Construction 2020, A Strategy for a Renewed Construction Sector, May 2014*). According to Forfás, in comparison with other countries, taking account of long-term trends for Ireland, an economy of Ireland's size, with positive demographics and with remaining infrastructure deficits, could be capable of sustaining a construction industry equivalent to approximately 12 per cent. of GNP (Source: *Construction 2020, A Strategy for a Renewed Construction Sector, May 2014*).

Demographic factors

The Irish population is expected to grow at a compound annual rate of 0.7 per cent. from 2016 to 2031, causing an increase in the number of households (Source: CSO, *Regional Population Projections 2016-31*). As part of the trend of growth in the wider Irish population (such growth is projected to total 501,000 over the period from 2016 to 2031 (Source: CSO, *Regional Population Projections 2016-31*)), the Greater Dublin Area (which includes County Dublin, County Meath, County Kildare and County Wicklow) will see its population increase by just over 331,000 by 2031 (assuming that internal migration patterns return to the traditional pattern last observed in the mid-1990s). Furthermore, Ireland has one of the youngest populations and highest birth rates in the European Union with 28 per cent. of the population below the age of 19 as at December 2014 (Source: Eurostat).

1.2.2. *Supply*

In excess of 40,000 residential properties were sold in Ireland in 2014, a figure that represents approximately 2.2 per cent. of the total private housing stock (Source: Sherry Fitzgerald, *Irish Residential Market Winter Review 2014, January 2015*). In the first nine months of 2015 there were 32,100 residential properties sold in Ireland (Source: Sherry Fitzgerald, *Irish Residential Market Review, Outlook 2016*).

As of December 2015, there were approximately 22,608 residential properties available for sale in Ireland on one of Ireland's primary online listing sites, the MyHome.ie website (Source: *MyHome.ie Q4 2015 Property Report*). This figure represents just 1.3 per cent. of the total private housing stock in the country. Additionally, this represents an approximate 12 per cent. reduction in properties for sale from the same date in 2014 (Source: *MyHome.ie Q4 2015 Property Report*). As of December 2015, there was an approximate five per cent. uplift of properties listed for sale in Dublin on the same date in 2014 (Source: *MyHome.ie Q4 2015 Property Report*).

The low level of stock of property for sale can be partly attributed to an insufficient volume of new house completions. Between 2011 and 2013, completions averaged 9,090 per annum, compared to a long-run average between 1975 and 2013 of 34,385 completions per annum nationwide (Source: Department of the Environment, Community and Local Government, *House Building and Private Rented Statistics*). The number of completions in 2013 was equivalent to 1.8 per 1000 members of the population, among the lowest in western Europe (Source: Euroconstruct). There were less than 3,300 new build completions in Dublin in 2014 and 11,016 house completions nationwide in 2014. In 2015, there were 2,891 new build completions in Dublin and 12,666 completions nationwide (Sources: Department of Environment, *Housing Completion Stats* and CSO, *Statbank of Housing Statistics, number of housing completions by state and month, December 2015*).

The low volume of house completions in recent years can be explained by a number of issues in the Irish construction industry, including the following:

Scale of price decline relative to costs

In many cases, prices fell to such an extent that it became uneconomic to build. This coupled with the fact that costs did not fall to the same extent as house prices, led to un-economical margins for Irish building contractors. The 2015 Turner and Townsend International Construction Cost survey shows contractors in Dublin having the sixth lowest profit margin out of the 35 international cities analysed (*Source: Turner and Townsend, Global rebalancing: a changing landscape, International Construction Market Survey 2015*). The Directors believe that, given the scale of the house price recovery in Dublin and the surrounding areas, development has become economical again. This is evidenced by the early signs of a development rebound and a recovery in house prices. Nationwide completions in 2014 were up 33 per cent. from 2013, and completions in 2015 were up 15 per cent. from 2014 (*Source: Department of Environment, Housing Completion Stats and CSO, Statbank of Housing Statistics, number of housing completions by state and month, December 2015*). As of 31 December 2015, the average asking house price in Ireland was approximately €205,000 and approximately €285,900 in the Dublin area (*Source: MyHome.ie, Q4 2015 Property Report*). The average asking price for new builds was approximately €215,100 nationally and approximately €312,400 in Dublin (*Source: MyHome.ie, Q4 2015 Property Report*). As of 30 March 2013, the average asking house price in Ireland was approximately €197,000 and approximately €236,000 in the Dublin area (*Source: MyHome.ie, Property Barometer Q1 2013*).

Access to funding

The banking sector has been the traditional source of development funding in Ireland. Lending to the construction sector declined significantly as the Irish banking sector deleveraged during the period from 2009 to 2013. For example, there were approximately €1.2 billion of construction related loans to Irish resident private sector enterprises outstanding at the end of September 2015, compared with €10.2 billion outstanding at the end of December 2007 (*Source: www.centralbank.ie Table A.14, Credit Advanced to Irish Resident Private Sector Enterprises*).

Capacity in the construction sector

At the peak of the property market in 2007, over 275,000 persons were directly employed in the Irish construction sector. By 2012 this figure was below 100,000 (*Source: CSO, Seasonally Adjusted Employment in the Construction Sector, Q4 2015*). With the recent recovery in the Irish property market, employment in the construction sector has now risen to approximately 126,600 (*Source: CSO, Seasonally Adjusted Employment in the Construction Sector, Q4 2015*).

1.2.3. Rental Market

The rental market in Dublin is also going through a significant period of undersupply and price rises. The supply constraints are driven by limited residential development nationally and fewer buy-to-let mortgage drawdowns, down from the peak over the last ten years of 7,530 in Q3 2006 to 430 in Q4 2015 (*Source: BPFi Mortgage Drawdowns Q4 2015 report and Q4 2007 report*). As of February 1st 2016 there were fewer than 1,400 properties available to rent in Dublin, with 3,600 available nationally at the same date, the lowest total at any point since the start of the data series ten years ago (*Source: The Daft.ie Rental Report, 2015 Review*). In the period since 2012, average asking rents nationally have risen by nine per cent. year on year, while Q4 2015 was the 14th consecutive quarter of average rent increases (*Source: The Daft.ie Rental Report, 2015 Review*). These factors have been exacerbated by tighter Central Bank mortgage lending rules and a limited supply of new homes preventing first time buyers from purchasing a home and thus increasing demand in the rental market.

1.2.4. Conclusions

In conclusion, there is a structural imbalance between the demand for and the supply of housing in Ireland. The recovery in the residential market is not only the result of both a rapid growth in demand but also the result of a continued inadequate supply side response to the recovery in demand (*Source: Department of the Environment Community and Local Government, House Building and Private Rented Statistics, December 2015*).

1.3. **Mortgage market dynamics**

1.3.1. Mortgage availability

Mortgage lending remains low by historical standards. New mortgage lending in 2015 totalled approximately €4.8 billion (*Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q4 2015*), 88 per cent. below the peak level in 2006 of €39.9 billion (*Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q4 2006*). However, new mortgage lending has picked up, with the value of mortgage drawdowns for 2015 up by 26 per cent. on 2014 (*Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q4 2015*). Additionally, mortgage approvals by volume were 49 per cent. higher in 2014 than in 2013, and in 2015, mortgage approvals by volume were seven per cent. higher than in 2014 (*Source: Banking and Payments Federation of Ireland, Mortgage Approvals, December 2015*).

1.3.2. The Central Bank macro-prudential rules

On 27 January 2015, the Central Bank announced new macro-prudential rules to apply proportionate limits to mortgage lending by regulated financial service providers in the Irish market. These macro-prudential rules, known as the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) Regulations 2015, came into force on 9 February 2015.

The regulations apply to regulated financial service providers that provide housing loans secured or to be secured on residential property in Ireland. Different rules apply depending on whether or not the residential property on which the housing loan is or is to be secured is a 'principal home' (being one which a borrower occupies or intends to occupy as his or her principal residence). The regulations do not apply in certain limited circumstances, such as where the new housing loan is to refinance the full amount outstanding under an existing housing loan secured on the same residential property.

Where the property is a principal home, under the new rules:

- first time buyers are allowed to borrow at a maximum loan to value ratio of 90 per cent. on properties up to a value of €220,000. A maximum 80 per cent. loan to value ratio applies on the excess above €220,000;
- for mover-buyers, who already own a home, a cap of 80 per cent. applies regardless of property value except for those in negative equity, where this cap does not apply;
- in respect of both first time buyers and mover-buyers, lenders can issue an aggregate maximum of 15 per cent. of loans, by value, outside these restrictions in any one calendar year;
- a loan-to-income cap of 3.5 times a borrower's gross annual income (before tax or other deductions) also generally applies. Lenders can issue such loans with higher loan-to-income ratios up to a maximum of 20 per cent. (by value) of cases in any one calendar year.

Where the property is not a principal home, under the new rules:

- a lender must ensure that the loan-to-value ratio of the housing loan does not exceed 70 per cent. Lenders can issue a maximum of ten per cent. of loans, by value, outside of this limit in any one calendar year;
- unlike where the property is a principal home, there is no loan-to-income cap.

The regulations introduce new requirements concerning the valuation of residential property for the purposes of mortgage lending, including that the appraiser must undertake the valuation not earlier than a period of two months before the date on which the advance under the housing loan is made by the lender.

Prior to the introduction of these regulations there were no similar regulations in place and the Directors believe that banks have, in recent times, typically provided mortgages to first time and mover buyers on the basis of an 80 to 90 per cent. LTV.

The Governor of the Central Bank, Professor Philip Lane, has indicated that the Central Bank will release the results of a review of these rules towards the end of 2016 (*Source: The Irish Times 8 January 2016*). The Governor has stressed that this review could result in the rules being “adjusted up or downwards” or left unchanged. This proposed review will be conducted having regard to the data on the operation of the rules over the last year with the possibility of further assessments being made in future years when a new credit register is well established.

1.3.3. *Mortgage affordability*

A metric used to assess house affordability is the EBS/DKM Affordability Index. This index measures the proportion of net income that an average first time buyer working couple, each on average earnings, uses in mortgage repayments. On this measure, the percentage of net income being used to fund mortgages peaked in 2006 at approximately 26 per cent. nationally and approximately 33 per cent. in Dublin (*Source: EBS/DKM Irish Housing Affordability Index, May 2015*). In line with the trajectory of house prices, the ratio troughed in 2011 at approximately 12 per cent. nationally, and approximately 14 per cent. in Dublin, less than half the level seen at the peak in each of the geographical sectors (*Source: EBS/DKM Irish Housing Affordability Index May 2015*). Since the trough was reached in 2011, this ratio has been increasing and the most recent EBS/DKM Affordability Index figure for March 2015 shows that first time buyer couples nationally spend approximately 19.5 per cent. of their net income on mortgage payments while for those in Dublin it has risen to approximately 22.7 per cent. (*Source: EBS/DKM Irish Housing Affordability Index, May 2015*). However, it remains 25 per cent. below the levels seen at the peak nationally and 31 per cent. below peak levels in Dublin (*Source: EBS/DKM Irish Housing Affordability Index, May 2015*). According to the Household Finance and Consumption Survey January 2015 (which reported on debt levels as they were in 2013), on a national basis, the median debt of indebted households amounted to 100 per cent. of gross income as at the time of the survey. However, for those in the under-35 age cohort, this ratio was 72 per cent. On a regional basis, Dublin had the second lowest debt-to-gross income ratio at just 76 per cent. (*Source: CSO, Household Finance and Consumption Survey, January 2015*). Buyers under the age of 35, one of the Company’s target demographics, have amongst the lowest levels of debt in Ireland (*Source: CSO, Household Finance and Consumption Survey, January 2015*).

Additionally, mortgage affordability has been supported by a decline in lending rates for home loans. Following the financial crisis, the effective interest rate on new mortgages declined sharply primarily due to low policy rates prevailing in the Eurozone in the post-crisis period. Average lending rates for first time buyers has declined from 5.7 per cent. in Q3 2008 to 3.5 per cent. at the end of February 2016 (*Source: Bonkers.ie*). This, combined with a recovery in the housing market, has seen the demand for home loans increase since mid-2014 (*Source: Central Bank & Financial Services Authority of Ireland*).

1.4. *Land supply*

The Management Team has identified a number of potential development sites that it has been monitoring. There can be no certainty that these assets will turn into opportunities for the Group but the Management Team believes that such situations are representative of the type of opportunities that are likely to become available.

The Dublin area local authorities have estimated that there are 2,000 hectares of land zoned for housing in Dublin, with 1,000 hectares of these comprising large blocks of land in both brownfield and greenfield locations, well served by public transport and other essential infrastructure (*Source: Construction 2020, A Strategy for a Renewed Construction Sector, May 2014*). At conservative estimates these lands have the potential to accommodate upwards of 30,000 homes of accommodation in the Dublin region (*Source: Construction 2020, A Strategy for a Renewed Construction Sector, May 2014*).

The Directors believe that site acquisition opportunities for the Company will emerge mainly from the following sources:

1.4.1. NAMA

In April 2009, the Irish Government created NAMA, an asset management agency, to acquire loans linked to land and development from a number of key Irish financial institutions which had deficiencies in their regulatory capital as a result of making loans secured against properties that had significantly fallen in value relative to their original acquisition cost. Five institutions applied to join the NAMA scheme and were designated as participating institutions in February 2010. These participating institutions were: Allied Irish Banks; Bank of Ireland; IBRC (under its former name Anglo Irish Bank Corporation); Irish Nationwide Building Society; and EBS Building Society.

NAMA subsequently acquired loan assets with a nominal value of €74 billion (comprising approximately 12,000 loans secured against approximately 60,000 properties). Approximately two-thirds of the assets backing those loans were located in Ireland, of which approximately 68 per cent. were located in Dublin.

In exchange for these loans, NAMA issued Government-guaranteed securities to the five participating financial institutions. NAMA's primary objective is to obtain the best achievable financial return for the Irish State over the course of a projected 10-year wind down of the portfolio from 2009.

At 31 December 2014, NAMA had €8.6 billion in loans secured on property in Ireland. Approximately 69 per cent. of NAMA's Irish assets at 31 December 2014 were in the Dublin region (*Source: NAMA Annual Report and Financial Statements 2014*). In July 2014, an asset review by NAMA outlined expectations of an accelerated disposal process with the bulk of sale activity envisaged to take place between 2014 and 2016, as opposed to the previous plan which anticipated the bulk of activity occurring between 2017 and 2020 (*Source: National Asset Management Agency, Section 227 Review, July 2014*). In October 2015, in response to the growing housing shortage in Ireland, NAMA announced its intention to develop up to 20,000 homes over the next five years (*Source: NAMA Residential Funding Programme 2016-2020, October 2015*). Consequently, NAMA will retain a portion of its remaining loan portfolio to facilitate the development of these homes. A number of builders lodged a complaint (the Group is not a complainant) with the European Commission directorate general for competition in late 2015 arguing *inter alia* that NAMA enjoys a number of competitive advantages over housebuilders as its finance costs are lower than those of private sector operators. NAMA has also stated that it will look for joint venture partners interested in the co-funding and construction of these projects. Given the above, the Directors expect NAMA to make a significant volume of Irish property available for sale in the near term, whilst also continuing

to bring sites to the market for sale and offering the Company joint venture opportunities as part of NAMA's own residential delivery programme.

1.4.2. *Irish and International Banks*

During the period up to 2007, Ulster Bank was an active lender in the Irish property market, and unlike a number of other banks in the sector and region, its loan assets were not transferred to NAMA and consequently it held loan assets representing a significant land bank. Ulster Bank had stated that it intended to materially reduce its non-core assets (which refers to assets that it intends to run off or dispose) by 2016 (*Source: Ulster Bank Investor Round Table – 2 July 2013; Ulster Bank Group financial statements year ended December 2014*). At the time of the IPO, the Directors had identified these Ulster Bank loan assets as a significant strategic target of the Company. The Directors were pleased to announce in December 2015 that it had achieved its strategic goal through the acquisition by the Company of approximately 75 per cent. of the Project Clear Loan Portfolio. International banks have been very active in terms of both asset-backed loan sales and asset disposals. Lloyds Banking Group continues to wind down its Irish loan book, which is a legacy from when its subsidiary, Bank of Scotland (Ireland) Limited, operated in Ireland. Lloyds Banking Group reduced its gross exposure to Ireland by €1.2 billion, to €6.6 billion, during the first half of 2015 (*Source: Lloyds Banking Group 2015 Half-Year Results*). Danske Bank has a loan portfolio, which consists mainly of loans to Irish customers, that is no longer considered part of its core activities. In its most recent results, Danske Bank disclosed a reduction in its aggregate credit exposure to Ireland from €2.7 billion at 31 December 2014 to approximately €2.2 billion at 31 December 2015 (*Source: Danske Bank 2015 Annual Report*).

1.5. *Competitive Landscape*

As a consequence of the financial crisis, NAMA acquired the bank loans that had been made to a number of major homebuilding companies which operated in Ireland. The Directors believe that the majority of the major homebuilding companies operational in Ireland during the peak of Irish homebuilding period from 2005 to 2008 remain under NAMA control. The Directors believe that, since the acquisition of their loans by NAMA, the activities of the relevant homebuilders have primarily been limited to completing the development of the sites subject to loans, and to subsequently selling the relevant properties to realise the NAMA-owned debts, and that these homebuilders are not well placed to acquire further sites. As such (and despite recent NAMA announcements), the Group expects to compete with these NAMA-backed homebuilding companies primarily on sales of homes, rather than on the acquisition of new sites.

As part of the NAMA Residential Funding Programme 2016-2020, in October 2015, NAMA announced its intention to develop 14,000 homes over the next five years. In addition, NAMA may develop a further 6,000 homes if it becomes commercially viable to do so (*Source: NAMA Residential Funding Programme 2016-2020, October 2015*). A number of builders lodged a complaint (the Group is not a complainant) with the European Commission directorate general for competition in late 2015 arguing *inter alia* that NAMA enjoys a number of competitive advantages over housebuilders as its finance costs are lower than those of private sector operators. NAMA has stated it will look for joint venture partners interested in the co-funding and construction of projects for its residential delivery programme, which could potentially present the Group with an opportunity to partner with NAMA.

The Group's other competitors include property developers which operate in the Irish residential property market. The Group considers its principal competitors to be the O'Flynn Construction Group, New Generation Homes, Ballymore, Chartered Land, Castlethorn, Gannon Homes, Shannon Homes, Maplewood Developments, MKN Developments and Cosgrave Property Group.

Since the 2007 downturn, small and medium sized developers in Ireland have also been significantly hampered by a lack of access to and higher costs of debt financing, including debt finance secured against land and work in progress. The Directors believe that those factors have resulted in a decline in the proportion of the market served by smaller homebuilders.

It is possible that new entrants to the Irish residential property development market may be established in future, which would compete with the Group on the acquisition of sites and the sale of homes.

Other parties who may compete with the Group on the acquisition of development land include colleges and universities or private companies looking to acquire sites for use as student accommodation, healthcare providers, real estate investment trusts (“REITs”) (although legislation relating to REITs requires investment primarily in yielding assets, such as existing housing stock, retail and commercial units, rather than residential development land), speculative land acquirers and buyers of recreational sites. Although certain of these parties might compete with the Group on the acquisition of larger sites, the number of parties competing for those sites would be lower than for smaller sites.

2. THE IRISH ECONOMY

Irish output (GDP) declined by a cumulative 10.8 per cent. from its peak in Q4 2007 to its trough in Q3 2009 (*Source: CSO, Quarterly National Accounts, Q3 2015*). The extent of this decline was partly attributable to the imbalanced nature of the Irish economy in the period prior to the global financial crisis, which started in mid-2007. As the Irish economy moved towards its peak, the reliance on construction activity increased to very high levels versus the long-term average. Construction activity amounted to 19 per cent. of GDP and 22 per cent. of GNP at the peak in 2007, compared to a long-term GDP average of 12 per cent. and a long-term GNP average of 13 per cent. since 1970 (*Source: CSO, National Income and Expenditure 1995–2012, Historical National Income & Expenditure Tables 1970–1995*). This growth in construction activity was made possible by a large increase in credit outstanding (*Source: Central Bank of Ireland, Money and Banking Statistics*).

In the period between 1994 and 2000, growth in the Irish economy was largely driven by exports. In contrast, in the period between 2003 and 2007, economic growth was principally due to domestic economic factors (*Source: CSO, National Income and Expenditure 1995–2012, Historical National Income & Expenditure Tables 1970–1995*). Following the Irish economy reaching unprecedented levels, peaking in 2007 (*Source: CSO, by Sector, Statistical Indicator and Quarter*), the following negative trends began to emerge alongside the global financial crisis:

- (a) Fiscal: tax revenues attributable to construction activities declined significantly as activity in that industry waned (*Source: European Commission*);
- (b) Banking: the loan books of Irish banks became heavily concentrated with construction and property loans. Irish banks also became very reliant on wholesale funding (*Source: Report of the Commission of Investigation into the banking sector in Ireland, Nyberg*). As the global financial crisis took hold, credit markets became more difficult to access, creating a funding gap for Irish banks and leading to Government intervention; and
- (c) Competitiveness: Irish unit labour costs increased rapidly during the period between 2003 and 2007. This growth was well above the Eurozone average (4.4 per cent. per annum versus 1.2 per cent. in the Eurozone (*Source: Eurostat*)), indicating a substantial loss of competitiveness. This loss of competitiveness had a detrimental impact on Irish exports.

The strong recovery of the Irish economy post this difficult period is evidenced by the fact that GDP and GNP grew by 4.8 per cent. and 5.2 per cent. in 2013 and 2014 respectively (*Source: CSO, Quarterly National Accounts, Q3 2015*). GNP is forecast to grow by 4.1 per cent. and 3.5 per cent. in 2015 and 2016 respectively (*Source: Economic and Social Research Institute Quarterly Economic Commentary, Spring 2015*). Additionally, PMIs have demonstrated a broad based economic recovery. The services and manufacturing sectors have expanded since August 2012 and the construction sector has expanded since September 2013 (*Source: Bloomberg/Markit, February 2016*). The continuing improvement in the current account of the balance of payments and the rapid growth in employment has led to a continuation of the recovery in 2015.

After declining by 1.3 per cent. and 0.8 per cent. in 2008 and 2009 respectively, exports grew by, on average, four per cent. per annum over the four years to 2014 (*Source: CSO, Trade Statistics, May 2015*). This improvement has led to a return to a current account surplus (estimated as 4.5 per cent. of GDP in Q3 2015)

(Source: CSO, *Balance of International Payments, Q3 2015*). Growth in services has been instrumental to this return to growth, with services growing by an average of 8.5 per cent. in real terms over the five year period (2009-2014) (Source: CSO, *Trade Statistics*). Goods exports grew by an average of 1.2 per cent. over the five year period (Source: CSO, *Trade Statistics*).

Recent employment statistics show that the total number of people in employment is up approximately 2.3 per cent. in 2015 (Source: CSO, *Quarterly National Household Survey, Q4 2015*). The unemployment rate has fallen from a peak of 15.1 per cent. in February 2012 to its current rate of 8.8 per cent. as at February 2016 (Source: CSO, *Seasonally Adjusted Unemployment Rate, February 2016*). Furthermore, the unemployment rate is forecast to decline to 7.6 per cent. by 2019 (Source: *IHS economics, April 2015*). The services sector has become an important part of the Irish economy in recent years. As of Q3 2015, approximately 75 per cent. of those employed in Ireland worked in the services sector, relative to approximately 66 per cent. in 2003 (Source: CSO, *Quarterly National Household Survey, Q3 2015*). In Dublin, the services sector is even more important, representing 87 per cent. of the total in employment in Q4 2015 (versus an average of approximately 80 per cent. during 2003). This compares to just 70 per cent. in Q4 2015 outside of Dublin (Source: CSO, *Quarterly National Household Survey, Q3 2015*).

The Directors believe that factors such as a strong services sector, a recovering export sector, positive demographic factors, a well-educated, English-speaking workforce, continued strong foreign direct investment and a competitive corporation tax rate should underpin economic growth.

3. CONCLUSION

The Directors believe that the prevailing conditions in the Irish economy and in particular the Irish residential property market underpin the significant continuing opportunity for the Group. A recovery in Irish residential property prices, particularly in Dublin, is ongoing due to an inadequate supply-side response to a renewal of demand for residential properties. The Directors believe that the Group is ideally positioned, and equipped with the necessary expertise, to contribute to addressing this imbalance and help satisfy the demand for residential properties.

PART IX

INFORMATION ON THE GROUP

1. INTRODUCTION AND BACKGROUND

Cairn Homes p.l.c. is a homebuilder incorporated in Ireland that constructs high quality new homes, with an emphasis on innovation, design and customer service.

The Company was incorporated under the name Chancellor Hall Limited on 12 November 2014 as an Irish private limited company. It was renamed as Cairn Homes Limited on 2 February 2015 and was re-registered as a public limited company, Cairn Homes p.l.c., on 19 May 2015. The Company's Existing Ordinary Shares were admitted to the Official List of the FCA and to trading on the main market of the London Stock Exchange on 15 June 2015, at which time, the Company raised in excess of €440 million (before expenses and post the exercise of the over-allotment option), by way of the IPO.

The Company has a strong Board, chaired by John Reynolds, comprising Directors who have held senior positions in a number of public and private companies and an experienced Management Team, whose key members are: Michael Stanley, Alan McIntosh, Eamonn O'Kennedy, Jude Byrne, Liam O'Brien, Kevin Stanley and Brian Carey.

Historically, Ireland has had one of the highest rates of homeownership in Europe, at almost 70 per cent. in the most recent 2011 census and 75 per cent. in the 2006 census (*Source: CSO, Quarterly National Accounts Q2 2013*). In the view of the Directors, based upon their belief that the Irish housing market is undersupplied and that historic ownership rates suggest that the Irish population has a high propensity to own their own homes, this figure is likely to return to historic levels if additional housing stock becomes available and the Irish economy remains strong. Mortgage approvals by volume were 49 per cent. higher in 2014 than in 2013, and in 2015, mortgage approvals by volume were seven per cent. higher than in 2014 (*Source: Banking and Payments Federation of Ireland, Mortgage Approvals December 2015*). The Directors believe that a significant opportunity exists for the Group to capitalise on the increased demand, and as a result the Directors intend to: (i) acquire Argentum Property HoldCo Limited in respect of which it has made a €7.5 million exclusivity payment; (ii) develop the Core Sites; and (iii) acquire further land suitable for the development of homes. In particular, they believe significant value can be added to certain sites by reopening, obtaining or improving the planning consent in order to improve returns and provide the type of new family homes which are in significant demand.

Since IPO Admission, the Group has acquired ten sites in Ireland for development (the "Acquired Sites") (and, in the case of the Navan Site, has agreed to acquire the site conditional on receipt of the Navan Planning Approval), excluding sites held as collateral for the Group's Loan Portfolio. The construction of homes has commenced on two of the Acquired Sites (being the Parkside Site and the Killiney Site), with sales having commenced on the Parkside Site and work is due to commence on the Rathgar Site in April 2016. The Group launched Phase 1 of the Parkside Site in September 2015, with 59 homes sale agreed (of which 27 sales have closed) as at the Last Practicable Date.

The Company has sought to build upon its success in acquiring its land bank, and on 6 December 2015, the Group entered into a definitive agreement relating to the acquisition of the Project Clear Loan Portfolio from Ulster Bank in conjunction with Lone Star which has created an opportunity for the Group to acquire development land through the Group's loan to own strategy (further details of which are set out in paragraph 3.3 of this Part IX (*Information on the Group*)). The total par value of the loans acquired by the Group was approximately €1.7 billion, for which it paid cash consideration of €378 million (excluding €4.3 million of construction bonds) for approximately 75 per cent. of the portfolio. The proportion of the entire Project Clear Loan Portfolio acquired by the Group (the "Group's Loan Portfolio") consists of 120 loans secured against 1,200 acres of land, across 28 residential development sites, and across 21 borrower connections. Of the 28 residential development sites held as collateral for loans acquired by the Group as part of the Group's Loan Portfolio, 15 sites are deemed to be core to the business and the remaining non-core sites may be developed or sold by the Group.

The Group is pursuing the acquisition of the strategic and targeted Pipeline Sites, which are located in Dublin and the Dublin commuter belt. Further details in relation to the Pipeline Sites are set out in paragraph 3.4 of this Part IX (*Information on the Group*). In particular, the Group has made a €7.5 million exclusivity payment (as more fully explained at paragraph 14.7 of Part XVII (*Additional Information*) of this Document in relation to Argentum Property HoldCo Limited which holds six of those sites. Although the Group has not entered into binding agreements to acquire any of these Pipeline Sites (other than the Maynooth Site Acquisition Agreement), the Directors are hopeful that a proportion of these sites will be acquired by the Group within the next number of months, however there is no guarantee that any discussions will result in the acquisition of any particular site.

The Group intends to continue to build and sell homes on the Core Sites and to seek new opportunities to acquire targeted strategic sites suitable for residential development, with a view to generating value for Shareholders over the long-term.

In the vast majority of cases, the Group intends to acquire both greenfield and brownfield residential development sites in prime areas of Ireland, notably Dublin and the Dublin commuter belt, as well as Cork and Galway, and other major urban centres, where the Directors believe economic trends are supportive of housing demand and pricing. Where the Directors consider it appropriate, the Group may enter into joint ventures to develop sites in partnership with the site's landowner. As evidenced by the recent acquisition of Group's Loan Portfolio, the Group will also consider the acquisition of loan assets secured on development land from NAMA, financial institutions and/or investment funds, with a view to realising the security and obtaining the underlying development land.

The Group's developments at the Parkside Site, the Galway Site, the Killiney Site, and the Navan Site (if such site acquisition is completed) will consist principally of houses. The Group's primary focus is on building family houses, but the Group will also build apartments. Out of the 11,299 potential homes, the Group expects to build 8,309 houses and 2,920 apartments. Some sites may also include some commercial development, and the Group would normally seek to dispose of these commercial units following disposal of all or the majority of the homes at a site.

2. THE MANAGEMENT TEAM

The Management Team includes Michael Stanley, Alan McIntosh, Eamonn O'Kennedy, Jude Byrne, Liam O'Brien, Kevin Stanley and Brian Carey. Michael Stanley, Jude Byrne, Liam O'Brien and Kevin Stanley have a track record of residential property development in Ireland and the UK with, in aggregate, 93 years of experience in the Irish and UK homebuilding sector. Alan McIntosh has experience of financing structures and corporate transactions and has been a director of a number of public and private companies. Eamonn O'Kennedy, the Group Finance Director, is an experienced listed company finance director. The Directors believe that the Management Team possess the necessary experience to provide the Group with the services it requires to establish itself as a leading Irish homebuilder. For more information on the Management Team and its track record, see paragraph 1 of Part X (*Directors, Management Team and Corporate Governance*) of this Document.

3. CORE SITES, THE GROUP'S LOAN PORTFOLIO AND PIPELINE SITES

This paragraph 3 of this Part IX (*Information on the Group*) describes the Group's overall land bank. As at the Last Practicable Date, the cost of acquiring the Group's overall land bank (including the underlying sites which are collateral to the Group's Loan Portfolio, is set out below:

Overall portfolio summary	€'000
Core Sites	
Purchased (directly and conditionally acquired) ⁽¹⁾	184,316
Collateral underlying the Group's Loan Portfolio ⁽²⁾	282,872
	467,188
Non-strategic/Sites under review	68,600
Other	32,300
Total cost	568,088

⁽¹⁾ Includes the Navan Site and the Cherrywood Option Site which have been conditionally acquired by the Group.

⁽²⁾ The "Group's Loan Portfolio" refers to the portion of the Project Clear Loan Portfolio acquired by the Group (for more information see paragraph 3.3 of this Part IX (*Information on the Group*) and for the purposes of this table, this line item assumes that the Group will take ownership of the collateral underlying the Group's Loan Portfolio.

3.1. Core Sites

The Group has identified 25 sites as being core to the business. The Core Sites are those sites on which the Group is primarily focused, as the Group considers these sites to be those that best fit its strategy and on which the Group believes it can deliver superior returns. These Core Sites are comprised of: (i) the Parkside Site, the Killiney Site, the Butterly Site, the Galway Site, and the Navan Site (which is conditional on the receipt of the planning approval), the Stillorgan Site (Ard na Glaise), the Foxrock Site, the Rathgar Site, the Hanover Quay Site and the Cherrywood Site; and (ii) those sites in respect of which the Group has acquired the loans for which the loans are collateral as part of the Group's Loan Portfolio acquisition (the collateral that forms part of the Core Sites being the Adamstown Site; the Newcastle Manor Site, the Blessington Site, the Naas Site, the Newbridge Site, the Blackrock Site (now acquired outright by the Group), the Glenamuck Road Site, the Stillorgan Site (Blakes) (now acquired outright by the Group), the Saggart Site, the Clonburriss Site, the Moyglare Site (now acquired outright by the Group), the Charlesland Site, the Old Carrigaline Site, the Kilkenny Site and the Abbey Lane Site). This land bank (including sites which are collateral for loans acquired by the Group) consists of 11,229 potential homes on the 25 Core Sites.

The following table sets out a current breakdown of the Group's Core Sites by geographical location, total cost and expected average cost per home:

Geographical split of Core Sites to be developed	Cost €'000	Expected no. of Homes	Average site cost/Home €'000
Dublin North	48,800	691	71
Dublin South	164,077	1,197	137
Dublin City Centre	18,457	133	139
Dublin West	119,372	6,126	19
Dublin	350,706	8,147	43
Dublin commuter belt	82,560	1,799	46
Other	33,922	1,283	26
	467,188	11,229	42

The following table sets out an analysis of the Group's Core Sites, identifying the expected construction commencement timelines:

Core Sites	Cost €'000	No. of sites	Acres	Potential Homes	Average site cost / Home €'000
Commencement – within 12 months....	203,497	7	288	2,945	69
Commencement – 12 to 36 months.....	138,028	11	161	2,190	63
Commencement – 36 months plus	125,663	7	485	6,094	21
Total.....	467,188	25	934	11,229	42

3.2. *Description of the Core Sites*

There are 25 Core Sites and a description of each Core Site is set out below. In relation to each of the Core Sites below, an indication is made as to when construction is anticipated to commence, and sites which are collateral to loans acquired by the Group as part of the Project Clear Loan Portfolio are referenced as “collateral” where applicable.

3.2.1. *Core Sites where construction is anticipated to commence within 12 months:*

(i) Parkside Site (Dublin North)

The Parkside Site is located to the north of Dublin, approximately ten kilometres from Dublin city centre. To the north of Parkside lies an extensive designated greenzone, and a new public park, Father Collins Park, lies to the east of the site. There is a well-established residential area to the south and shops and leisure facilities to the west. The area benefits from multiple transport links to the city and beyond, with Clongriffin train station ten minutes’ walk away. The 50 acre site has planning consent for 147 houses, with a further 286 houses master-planned in accordance with the approved Dublin City Council local area plan for the scheme and area. Construction of new homes on the site is now well advanced. The Group intends to submit a planning application in respect of each phase of the 286 houses master-planned and has recently submitted a planning application for a further 49 houses. The Group launched Phase 1 of the Parkside Site in September 2015, with 59 homes sale agreed (of which 27 sales have closed) as at the Last Practicable Date.

(ii) Killiney Site (South County Dublin)

Albany House is a protected status Victorian residence on a two acre site located off Killiney Hill Road, South County Dublin and within walking distance of Killiney beach, Killiney village and Killiney train station. Planning consent has been granted for the development of Albany House, its coach house and annex to provide for four apartments, as well as for 16 four and five bedroom houses around Albany House. The site is now well advanced, with a full scheme launch planned for April 2016.

(iii) Rathgar Site (Dublin South)

The Rathgar Site Acquisition Agreement was entered into on 25 June 2015 between Scala (an unlimited liability company registered in Ireland) and Dan Baragry (as vendors) and the Company. The consideration paid by the Company in respect of the acquisition was €43 million. The completion of this acquisition occurred on 7 September 2015.

The Rathgar Site is located on Orwell Road, Rathgar, Dublin South, adjacent to Rathgar village and within walking distance of Milltown Luas stop. The 8.1 acre site has an existing planning consent for 199 two and three-bedroom apartments, as well as 12 five-bedroom semi-detached houses. There is also the provision for a crèche and 303 parking spaces. Construction is due to commence on the site in April 2016 and the Group intends to seek planning permission for an additional 27 homes/apartments to enable it to increase the total development size of the site to 193 apartments and 45 houses.

(iv) Adamstown Site (Dublin West) – collateral

Adamstown is a new community which was developed in early 2000 on the western edge of Dublin city and within the boundaries of the South Dublin County Council district. It is approximately 15 kilometres from Dublin city centre. The location gives ease of access to both the M50 and M4 motorways. The site has the benefit of Strategic Development Zone status, with the ability to masterplan and the benefit of an existing rail station, three schools, and retail space. The Group plans to build 1,295 houses and apartments on the site.

(v) Charlesland Site (Greater Dublin Area) – collateral

The subject property is located in a development known as Charlesland in Greystones, County Wicklow. Greystones, an established and affluent residential coastal commuter town, is located approximately 31 kilometres south of Dublin city. With a population of approximately 17,468 (*Source: Census 2011*), Greystones provides transportation facilities, both public and private, including the DART, Dublin Bus and the N11. The benefits of the loans are collateralised by a site that extends to 87 acres, which has an existing planning permission and the potential to build 483 homes. Construction on the site is expected to commence in the second quarter of 2016, with the Group's activities benefitting from previous Ballymore works carried out on the site.

(vi) Hanover Quay Site (Dublin City Centre)

The Hanover Quay Site Acquisition Agreement was entered into on 4 January 2016 between a sub-fund of Target Investment Opportunities ICAV, in which NAMA, Bennett Construction and Oaktree have an economic interest, (as vendors) and the Company (as purchaser). The consideration paid by the Group in respect of the acquisition was €18 million. The acquisition completed on 22 March 2016. Certain works are required to decontaminate soil on the site. It is anticipated that the cost of the decontamination works will be in the region of €4,000,000 and the period for completion of the works is anticipated to be approximately four months.

The Hanover Quay Site is located in the South Dublin Docklands SDZ, which is in close proximity to the Dublin 2 business and retail centres. The 1.05 acre site has an existing planning consent for 100 homes, comprising one, two and three-bedroom apartments. It is hoped to commence construction during 2016 (subject to the grant of the revised planning permission), but following the recent changes to apartment building regulations under the Planning Guidelines on Design Standards for New Apartments, the Company is targeting an increase in the number of homes on this site to between 120 and 140 homes.

(vii) Naas Site (Greater Dublin Area) – collateral

Naas is a satellite town situated approximately 28 kilometres south-west of Dublin city centre just off the N7/M7 national primary route (Dublin to Limerick road) and has a population of approximately 20,713 (*Source: Census 2011*). The town has access to Dublin via the N7 national primary route, numerous bus routes and the rail station at nearby Sallins. Naas experienced considerable development in the early 2000s in terms of residential and commercial uses and has the benefit of retail and service facilities in the town centre. The subject lands are situated on the north and southside of the Naas ring road, approximately one kilometre southwest of the town centre, and the potential to build 483 potential homes.

The benefit of the loan is collateralised by a site that extends to 71 acres, which has an existing planning permission which has recently been extended for a further five years.

3.2.2. Core Sites where construction is anticipated to commence within 12 to 36 months:

(i) Galway Site (Outside Galway City)

The Galway Site at Ragoon is approximately 4.02 kilometres outside Galway city centre. Ragoon is a development opportunity for the construction of 170 homes, comprising three and

four bedroom detached and semi-detached houses. The site is approximately 20.96 acres, 14.01 acres of which is designated as residential and the remainder of which, being approximately 6.95 acres, is designated as agricultural under the Galway City Development Plan 2011 to 2017. Galway City Council has recently proposed a new by-pass road designated the 'N6 Galway City Transport Project', involving the construction of a new ring-road which is expected to significantly improve Galway transport links and provide enhanced connectivity for the site. The Directors believe that an area in the western portion of the site may not be suitable for residential development if a road project as currently planned proceeds. In such circumstances, the portion of the site impacted would be compulsorily acquired by Galway City Council, should the project proceed through planning to development.

(ii) Navan Site (Greater Dublin Area)

The Navan Site is located at Moathill, Navan, County Meath, approximately one kilometre west of Navan town centre. Navan, with a population of approximately 28,559, is a commercial and services centre in the north-east region.

The site extends to approximately 14.03 acres, laid out in four separate lots along the N51 road from Navan to Athboy, which also provides a direct link to the M3 motorway. No planning consent has been obtained at the Navan Site to date and the acquisition of the Navan Site is conditional upon such consent being obtained. The vendor of the Navan Site is currently in the process of obtaining planning consent for the development of 100 homes and apartments on the site and the Directors expect that this planning consent will be granted by the second quarter of 2016. If the vendor is unable to obtain planning consent to the Group's satisfaction, the site will not be acquired.

(iii) Foxrock Site (South County Dublin)

The Foxrock Site comprises two tranches of residential development land in Carrickmines, South County Dublin, in addition to an adjacent plot. The tranches are located within walking distance of both Foxrock and Cabinteely villages and are connected to Dublin city centre via a Quality Bus Corridor ("QBC"). The tranches collectively comprise 9.1 acres and have an existing planning consent for 158 homes on a portion of the land, comprising one, two and three-bedroom apartments. The Group intends to request an amendment to the current planning consent to enable it to construct 225 homes, which will include up to 25 townhouses.

(iv) Newcastle Manor Site (Greater Dublin Area) – collateral

Newcastle is a village with a population of 3,785 (*Source: Census 2011*) which represents an increase of 70 per cent. over the five year period since the 2006 Census (*Source: Census 2006*). It is located two kilometres north-west of the N7 Dublin/Limerick national primary route and 19 kilometres south-west of Dublin city centre. The Red Cow M50 interchange is approximately 11.4 kilometres from the village. The subject plots are situated south of the village. The loan that the Group has acquired is collateralised by a site that extends to 67 acres, one part of which has the benefit of an existing planning permission.

(v) Blackrock Site (South County Dublin)

Cross Avenue, Blackrock, County Dublin is located on the south west coast of Dublin Bay, approximately 4.5 kilometres north-west of Dun Laoghaire and 8.1 kilometres from Dublin city centre. Blackrock has a population of approximately 29,337 (*Source: Census 2011*).

The site extends to eight acres and has the benefit of an existing planning permission. The Group is likely to seek a new planning permission for approximately 125 homes and apartments to replace the current planning consent. The site, which originally was collateral for a loan acquired as part of the Group's Loan Portfolio, was acquired outright on 14 March 2016.

(vi) Glenamuck Road, Carrickmines Site (South County Dublin) – collateral

Carrickmines is a residential suburb located approximately 15 kilometres south east of Dublin city centre. This area benefits from access to the M50 at Junction 15 and public transport via the LUAS Green Line and numerous bus routes. Amenities in the area include The Park, Carrickmines retail and office complex. The subject lands are situated on the north side of Glenamuck Road, almost midway between its intersections with Ballyogan Road and the M50 to the north and Enniskerry Road to the south. The surrounding area is mixed in character comprising one-off residences, agricultural land and Bective Rangers Rugby Football Club grounds.

The loan that the Group has acquired is collateralised by a site that extends to eight acres, which has the benefit of an existing planning permission.

(vii) Stillorgan Site (Blakes) (South County Dublin)

The subject property is located in Stillorgan, County Dublin at the intersection of the Stillorgan Road and the Lower Kilmacud Road. The land to the east of the site is predominantly residential while the land to the west of the site incorporates a mix of commercial and residential uses. The site is immediately adjacent to Stillorgan shopping centre. Transport in the area includes a Quality Bus Corridor (“QBC”) which links Stillorgan with Dublin city centre and Kilmacud LUAS station. University College Dublin is approximately 2.5 kilometres north of Stillorgan.

The site extends to 1.5 acres. A previous residential planning permission has expired and the Group will apply for a new planning permission. The site, which originally was collateral for a loan acquired as part of the Group’s Loan Portfolio, was acquired outright on 14 March 2016.

(viii) Moyglare Site (Greater Dublin Area)

Maynooth, which is situated in north County Kildare is a university town with a population of approximately 12,510 (*Source: Census 2011*) making it the fifth largest town in County Kildare. Maynooth is located approximately 26 kilometres west of Dublin and 33 kilometres south-west of Dublin Airport. To the south of the town is the M4 motorway, which connects Dublin and Galway city. Maynooth is also served by the Dublin to Sligo railway line and numerous commuter train services and regular bus services to Dublin city. The subject site is situated on the east side of Moyglare Road, approximately 0.4 kilometres north of Main Street, Maynooth. The site adjoins the Divine Word Missionaries site, while to the south of the property there is mainly terraced, residential housing and undeveloped land to the north and east. Directly opposite the property is Maynooth post-primary school, St Mary’s National School and Maynooth Boys National School. The Maynooth University Campus is located approximately 500 metres from the lands, giving the Group the opportunity for a student bed scheme. This site adjoins the Maynooth Site that the Group has recently contracted to acquire.

The site extends to six acres, which does not have the benefit of an existing planning permission. The site, which originally was collateral for a loan acquired as part of the Group’s Loan Portfolio, was acquired outright on 14 March 2016.

(ix) Abbey Lane Site (County Cork) – collateral

The site is located approximately one kilometre from Kinsale town, fronting Abbey Lane on the Bandon Road. Kinsale is situated approximately 26 kilometres south of Cork city and 22 kilometres from Cork Airport. Kinsale is a commuter town from Cork city and is also an important tourist and yachting destination. There is a local community centre with a range of services and amenities in the town. Kinsale has a population of approximately 4,893 (*Source: Census 2011*). The surrounding area to the north is dominated by agricultural holdings while Kinsale Hospital, GAA grounds and a series of low density residential schemes are all close by.

The loan that the Group has acquired is collateralised by a site that extends to 16 acres, which has the benefit of an existing planning permission.

(x) Stillorgan Site (Ard na Glaise) (South County Dublin)

In August 2015, the Company acquired a two acre site at Ard na Glaise, Stillorgan for a purchase price €5.45 million. The Company has plans for a total of 23 one, two and three-bedroom semi-detached and detached family homes. The Stillorgan Site (Ard na Glaise) is located on the Stillorgan Road, South County Dublin, within walking distance of Stillorgan village and the Stillorgan Luas stop. The site comprises two acres and is zoned for residential development. The Group intends to seek planning consent to demolish the existing structure on the site and for the development of new homes. The Directors believe that planning consent could be granted to construct up to 50 apartments or a mixture of up to 23 apartments and houses.

(xi) *Butterly Site (North County Dublin)*

Butterly Business Park is a mixed use commercial property site in Artane, Dublin 5. The site contains 77 commercial units (approximately 40,000 square metres) spread over a 7.9 acre site.

The anchor tenant at the site is retailer Lidl. The rest of the rent received by the Group from this site comes from a mix of tenants across the retail, office and industrial sectors, on long term and short term leases.

It is a 7.9 acre site located in Artane, Dublin 5, which is approximately seven kilometres from Dublin city centre. The site has the benefit of a ten year planning consent granted in July 2012 for a mixed use development comprising approximately 24,000 square metres of non-residential floor space and a total of 178 homes. The Group has made an application to Dublin City Council in relation to the draft development plan to have the land rezoned to enable it to construct 255 homes at the site, with a consequential reduction in the size of the commercial space that the Group could develop on the site.

3.2.3. Core Sites where construction is anticipated to commence after 36 months:

(i) Cherrywood Site (South County Dublin)

On 11 February 2016, the Group acquired two plots in Cherrywood (10.5 acres in total) for a consideration of €21.5 million, Dublin 18, from Hines Cherrywood Development ICAV acting on behalf of its sub-fund HCDF Land Development Fund. The entire site has the benefit of the Cherrywood SDZ. An integrated masterplan has been developed for this landmark development, which it is anticipated will include the construction of a new retail-led, mixed use town centre and up to 3,800 apartments and houses. The planning applications for the key initial infrastructure were lodged in late 2015 and work is underway to submit planning applications for the town centre in mid-2016. The Group also has an agreement to purchase the Cherrywood Option Site on receipt of the final grant of planning permission at a cost of €9.2 million. The Group expects to be able to develop in excess of 300 homes across the three plots.

(ii) Newbridge Site (Greater Dublin Area) – collateral

This site is located in Newbridge, County Kildare on the Athgarvan Road and adjoins a residential development known as Kilbelin Abbey. The site is located approximately two kilometres from Newbridge town centre. Newbridge has a population of approximately 10,125 (*Source: Census 2011*). Dublin is approximately 54 kilometres from Newbridge and is accessed via the N7. The town also benefits from a regular commuter train service to Dublin.

The loan that the Group has acquired is collateralised by a site that extends to eight acres, which has the benefit of an existing planning permission.

(iii) Blessington Site (Greater Dublin Area) – collateral

The commuter town of Blessington is located approximately 37 kilometres south west of Dublin city centre. The area is served by the N81 national primary route, which provides ease of access to Dublin and West Wicklow. Blessington has a population of 4,399 (*Source: Census 2011*) and is located on the Wicklow/Kildare border.

The loan was acquired at a cost to the Group of €13 million. The loan is collateralised by 145 acres of land which has an existing planning permission.

(iv) Saggart Site (Dublin West) – collateral

The site is located at Citywest Avenue and has frontage onto Fortunestown Lane. The lands, which form part of Cooldown Commons, are located immediately south of the Citywest Business Park approximately four kilometres west of Tallaght town centre and approximately one kilometre north east of Saggart village. The LUAS Red Line, which links Citywest to Dublin city centre and Citywest Shopping Centre, are immediately adjacent to the subject property.

The loan that the Group has acquired is collateralised by a site that extends to 20 acres, which does not have the benefit of an existing planning permission, but is zoned residential.

(v) Clonburris Site (Greater Dublin Area) – collateral

Clondalkin is a residential, retail and commercial suburb serviced by road and rail networks and public transport. The subject property is located approximately 11 kilometres west of Dublin city centre, approximately two kilometres north west of Clondalkin Village and approximately four kilometres west of the M50. The subject property is bounded by the Arrow Rail line to the north, Fonthill Road North to the east, the Grand Canal to the south and Lynches Lane to the west.

Clondalkin and the nearby Lucan area are extensive residential neighbourhoods with a number of established business parks nearby including Grange Castle Business Park, where Takeda Pharmaceuticals, Pfizer, Microsoft and Cuisine de France all have operations. Parkwest Business Park is also nearby.

The Group has acquired a 72 per cent. interest in the loan, which is collateralised by a site that extends to 177 acres. The site is a landbank with SDZ status and has the potential for approximately 4,000 homes.

(vi) Kilkenny Site (County Kilkenny) – collateral

Kilkenny is a provincial city located approximately 125 kilometres southwest of Dublin, 148 kilometres from Cork and 51 kilometres from Waterford with a population of approximately 24,423 (*Source: Census 2011*). The site is located approximately three kilometres southwest of Kilkenny city centre along Callan Road (N76) just south of the Callan roundabout. The surrounding area is predominantly residential in nature and the lands are surrounded by housing estates to the west, south and east. The subject lands are located adjacent to an existing residential development known as College Park on Callan Road.

The loan that the Group has acquired is collateralised by a site that extends to 67 acres. A portion of the site has an existing planning permission.

(vii) Old Carrigaline Road (County Cork) – collateral

The site is located approximately two kilometres south of Douglas village in the southern suburb of Cork city. Access to the lands is from the R611 regional road, which connects Douglas Village with the Carrigaline / Ringaskiddy Road (N28). A residential development

known as The Vicarage (Phase 1 of the lands) adjoins the subject lands and also provides access.

Cork is the principal city of both Cork county and the province of Munster with a population of approximately 198,582 (*Source: Census 2011*). It is the second largest city in Ireland.

The loan that the Group has acquired is collateralised by a site that extends to 52 acres, which does not have the benefit of an existing planning permission.

3.3. *The Group's Loan Portfolio*

On 6 December 2015, the Company entered into a definitive agreement relating to the acquisition of the Project Clear Loan Portfolio from Ulster Bank in conjunction with Lone Star, a global private equity firm. The total par value of the loans acquired by the Group in this transaction was approximately €1.7 billion, and was acquired for which it paid cash consideration of €378 million (excluding €4.3 million of construction bonds) for approximately 75 per cent. of the portfolio (the figure of 75 per cent. is calculated by reference to the consideration paid by the Group as a proportion of the total consideration paid between the Group and Lone Star to Ulster Bank, being €503 million). The Group's Loan Portfolio consists of 120 loans secured against 1,200 acres of land, across 28 residential development sites, and across 21 borrower connections. As at the Last Practicable Date, all of the loans are non-performing, with receivers already in place for 64 per cent. of loans (calculated by reference to the par value of the loans) in the Group's Loan Portfolio.

The acquisition was initially structured as a participation arrangement where the lender (Ulster Bank) entered into sub-participation or trust arrangements with the Group in which it sub-contracted its credit risk in the Group's Loan Portfolio to the Group. Further details of the sub-participation and declaration of trust agreements are set out in paragraphs 14.4 and 14.5 of Part XVII (*Additional Information*) of this Document. As at the Last Practicable Date, 94 per cent. (calculated by reference to the total purchase price of €378 million (excluding €4.3 million of construction bonds)) of the acquired Group's Loan Portfolio have now exited the participation and trust arrangements, and the legal and beneficial interest in such loans have been formally transferred to the Group.

The Group has engaged Hudson Advisors Ireland Limited ("Hudson") pursuant to the terms of the Hudson Loan Servicing Agreement, to provide all necessary asset management and loan administration services to the Group to enable the effective management of the Group's Loan Portfolio.

The following table sets out a breakdown of the Group's Loan Portfolio as at 31 December 2015:

	Number of connections	Number of sites	Unpaid principal balance (€'000s)	Consideration paid for loans (€'000s)
The Group's Loan Portfolio.....	21	28	1,672,394	378,033

The consideration paid by the Group for its approximate 75 per cent. share of the Project Clear Loan Portfolio represented 22.6 per cent. of the total outstanding loan principal. As further set out in paragraph 3.1 of this Part IX (*Information on the Group*), of the total cash consideration of €378 million paid by the Group for its portion of the Project Clear Loan Portfolio (excluding €4.3 million of construction bonds), the Group considers certain of the sites underlying the loans, with a related cost of €282.9 million, to be Core Sites.

In the short-term, the Group's strategy in respect of the Group's Loan Portfolio is to gain control of the underlying sites that are deemed to be Core Sites (as listed in paragraph 3.1 of this Part IX (*Information on the Group*)) above, either through agreement with the respective borrower or through the appointment of a receiver in respect of the loan. The Group expects to take control of approximately 90 per cent. (calculated by reference to the value of the loans) of the underlying assets in the Group's Loan Portfolio within ten months. As at the Last Practicable Date, the Group has

successfully pursued its loan to own strategy in respect of the Stillorgan Site (Blakes), the Moylare Site and the Blackrock Site which were transferred by the relevant borrowers to the Group on a consensual basis in March 2016. The Group may sell those loans (or the underlying site) which it considers to be non-core.

In relation to those loans where the underlying sites are deemed to be Core Sites (as listed in paragraph 3.1 of this Part IX (*Information on the Group*)) it is the Group's intention to acquire some or all of those sites. To achieve this, the Group intends to structure these acquisitions such that the Group can take ownership of the property from the owner or receiver directly on the balance sheet of one of its Group companies and thereafter develop the sites for residential housebuilding purposes. It is the Company's preference to achieve this through a consensual arrangement with the relevant borrower, but it will also pursue an enforcement strategy if required (please see the Risk Factors, and in particular the Risk Factor: "*The Group may be unable to obtain the development land underlying the Group's Loan Portfolio*" set out in Part II (*Risk Factors*) of this Document). As the loans are non-performing loans, and as the Group has acquired the loans at a significant discount to their par value (with the collateral rather than repayment as its primary focus), it has a significant advantage in seeking to obtain borrower consent to the transfer to the Group of the development land held as collateral. Furthermore, in some cases, it may be that the timing of a disposal of a non-core site may assist the Group in achieving an orderly transfer of a Core Site from a borrower, to the Group. The Directors anticipate that for the reasons set out above that a borrower may determine that it is preferable to seek a consensual resolution with the Group (in a manner that may not be as achievable with a financial institution or other acquirer of a loan, who may *inter alia* seek a better return on the unsecured shortfall of the loan) and it is anticipated that consensual arrangements with relevant borrowers may therefore be reached in a significant number of cases.

In relation to those loans where a consensual arrangement cannot be agreed with a borrower and where the loan is in default (and/or where a personal guarantee is in place with the borrower or another obligor), the Group will issue a demand letter to the borrower giving the borrower the necessary time period for repayment in full. If, following the expiry of the demand period, the loan has not been repaid in full, the Group will seek to appoint a receiver or otherwise effect an enforcement and sale of the relevant security underpinning the loan. It would be customary in such circumstances for the receiver to seek an independent valuation(s) for the site (in accordance with market practice) to ensure that a market valuation is achieved as the receiver has a statutory obligation to act in the best interests of the borrower and to achieve the best price. This is consistent with the process through which enforcement of security (including enforcement through the courts) would customarily occur in Ireland in comparable circumstances. For a description of the risks associated with the strategy of acquiring loans in order to obtain underlying development land, please see the Risk Factors, and in particular the Risk Factor: "*The Group may be unable to obtain the development land underlying the Group's Loan Portfolio.*" of Part II (*Risk Factors*) of this Document.

3.4. ***Pipeline Sites***

At the Last Practicable Date, the Group is pursuing the potential acquisition of some or all of the Pipeline Sites, all of which are located in Dublin and the Dublin commuter belt. Details of these sites are set out in the Table below. These include: (i) the Argentum Sites (where the Group has entered into an exclusivity agreement with the vendors relating to the potential acquisition of the Argentum Sites); (ii) the Cherrywood Option Site, and the Maynooth Site where the Group has entered into conditional contracts respectively with vendors relating to the potential acquisition of the sites; and (iii) the South Dublin Site and the Dublin Commuter Belt Site, where the Group is aware of the possible disposal of the site. Although the Group has not entered into binding agreements to acquire any of these sites (other than the Maynooth Site Acquisition Agreement), the Directors are hopeful that a proportion of these sites will be acquired by the Group within the next number of months, however there is no guarantee that any discussions will result in the acquisition of any particular site.

In relation to the Argentum Sites, the Group has made a €7.5 million exclusivity payment (as more fully explained at paragraph 14.7 of Part XVII (*Additional Information*) of this Document). The Argentum portfolio is comprised of six sites, five of which are currently zoned residential, with the sixth site (Swords) zoned metro-economic corridor. The Group has appraised the five residentially zoned sites on the basis of its plans for the sites (as per the pipeline below). In the case of the Swords site, the Group would pay a further consideration of €10 million in the event that the relevant lands are rezoned residential. In such circumstances, the Group would be able to deliver approximately 1,431 homes, with an NDV of €603.8 million and with an average cost per home of €85,000.

The Group contracted to acquire the Maynooth Site on 7 March 2016 and the contract is anticipated to complete on 20 April 2016. In relation to the Cherrywood Option Site, the Group has entered into a contract to acquire the site at a cost of €9.2 million subject to receipt of the grant of planning permission. The Group has also identified a fourth site located in South County Dublin, which it is proposing to enter into discussions to acquire for a consideration that is anticipated to be in the region of €12 million, and a fifth site located in the Dublin commuter belt which it is also proposing to enter into discussions to acquire for a consideration that is anticipated to be in the region of €31 million.

Further details on the Pipeline Sites are listed below:

Pipeline Sites	Anticipated site cost (incl. costs) €'000	Anticipated Homes	Anticipated cost as a % of NDV	Anticipated NDV
Argentum Sites (excluding Swords)	99,780	1,081	21	467,274
Swords ⁽¹⁾	12,216			
Argentum Sites (including Swords)	111,996	1,081	21	467,274
Maynooth Site	27,675	430	17.6	157,002
Cherrywood Option Site	9,738	97	22.4	43,377
South Dublin Site	12,300	133	21.8	56,489
Dublin Commuter Belt Site	30,996	336	24.6	125,815
Total	192,705	2,077	22.7	849,957

⁽¹⁾ The Swords Site is zoned metro-economic corridor. Consequently, the NDV, the number of homes, the cost per home, and cost as a percentage of NDV for the Argentum Sites has been presented for the five sites that are zoned residential and/or that have planning permission. The cost shown includes the initial payment for the Swords site. In the event that the Swords site is rezoned residential, the Group will pay a further consideration of €10 million to the vendors. In the event of such rezoning, the combined Argentum Sites will have an NDV of €601.3 million, 1,431 estimated homes and an average cost per estimated home of €85,000 and a cost to NDV of 20.3 per cent.

3.4.1. Argentum

The Group has entered into the Exclusivity Agreement for the purposes of acquiring the Argentum portfolio of sites and related businesses (the “Argentum Portfolio”) as more fully explained in paragraph 14.7 Part XVII (*Additional Information*) of this Document. The Exclusivity Agreement contemplates the purchase by the Group (with the consent of the Argentum Property HoldCo Limited shareholders) of Argentum Property Holdco Limited (a holding company with nine subsidiary companies). The nine Argentum subsidiaries consist of: (i) two dormant companies; (ii) one management company; and (iii) six land-holding companies (of which five currently hold sites and one has entered into a conditional contract to acquire a site in Greystones, subject to grant of planning permission which has now been obtained). Five of the sites have the potential to deliver an aggregate total of approximately 1,081 homes. The sixth site (Swords) is currently zoned metro-economic corridor. In the event

that it is re-zoned residential, the Group would pay a further €10 million and the site would have the potential to deliver up to approximately 350 homes.

The sites are located in:

1. Greystones
2. Ashbourne
3. Naas
4. Griffith Avenue
5. Clontarf
6. Swords

The Group believes that should the Argentum Portfolio be acquired, then this would accelerate the Group's achievement of significantly scaling its operations (in particular as construction has already commenced on one site (Ashbourne) and is due to commence on a second site shortly (Griffith Avenue)), and as a result of the Argentum site management teams transitioning over and becoming employees of the Group.

A summary of each of the Argentum Sites is set out below:

(i) *Greystones (Greater Dublin Area)*

This is a 60 acre site at Coolagad, Greystones, County Wicklow. Greystones is a coastal town located south of Dublin. It is serviced by transport links to Dublin city centre via the DART train service and bus services. It is approximately 35 minutes by car to Dublin city centre. The lands are zoned for residential development under the 2013 to 2019 Local Area Plan. The relevant Argentum subsidiary entered into a conditional contract to acquire this site on the grant of planning permission, which has now been obtained. The site has the potential to deliver up to 375 homes.

(ii) *Ashbourne (Greater Dublin Area)*

This is a 37 acre site at Churchfields, Ashbourne, County Meath. Ashbourne is a commuter town, located northwest of Dublin. The site has planning permission for 354 homes and a crèche. On 1 September 2015, a commencement notice was served on the site. As a result of works carried out by the current owner, approximately €3 million of infrastructure (including roads and drainage) is already in place. There are six houses which are at varying stages of construction on the scheme. The site has the potential to deliver up to 354 homes.

(iii) *Naas (Greater Dublin Area)*

This is a 30 acre site at Craddockstown, Naas, County Kildare. Naas is serviced by bus services and an intercity train service. It is approximately a 35 minute drive via the N7 motorway to Dublin city centre. The land is zoned for new residential development in the Naas Town Development Plan 2011 to 2017. The site has the potential to deliver up to 226 homes.

(iv) *Griffith Avenue (Dublin North)*

This is a 7.5 acre site at Griffith Avenue, Dublin 3. The site is approximately three kilometres from Dublin city centre in a residential location. The site has planning permission to build 101 homes. Roads and main drainage have been installed along the route of the main spine road within the site, and the Company will take over the building operations on the site.

(v) *Clontarf (North County Dublin)*

This is a two acre site at Dollymount Avenue, Dublin 3. The site is approximately 7.1 kilometres from Dublin city centre, in a residential location. The site has planning permission for 25 large family homes in addition to the reconfiguration of a house on Dollymount Avenue.

Given its small size relative to the Core Sites, it is likely to be a non-core site and the Group may therefore seek to sell the site, following its acquisition.

(vi) *Swords (North County Dublin)*

This is a 28 acre site at Hollybank, Swords, County Dublin. It is currently zoned as a metro-economic corridor to be serviced by a new metro rail line linking the airport to Dublin city centre. Under the current zoning, it is envisaged that the site will accommodate a mix of both commercial and residential development. In the event that it is rezoned to residential development only, the Group would pay an additional €10 million and in that event, the Group believes the site has the potential for up to 350 homes to be built.

The Exclusivity Agreement contemplates the Group executing an agreed form share purchase agreement to acquire the entire issued share capital of Argentum Property HoldCo Limited (the "Argentum SPA"), the principal terms of which are set out below:

The total purchase price payable by the Group under the terms of the Argentum SPA is €90.9 million (including the repayment of existing loan notes), of which €6.5 million is to be placed in an escrow account to cover potential future warranty claims. Under the terms of the Argentum SPA, the Group would take responsibility for a conditional contract (the conditionality of which has now been satisfied) to acquire a site in Greystones at an additional cost of €14.4 million. In addition and as outlined above, a further payment of €10 million would be paid in the event that the Swords Site is rezoned for residential development.

The Argentum SPA provides that warranties would be given by the sellers in relation to the transaction that are customary for a transaction of this nature including amongst others warranties relating to the properties and with respect to title to the relevant shares, capacity, authority, corporate information, financial information and accounting records, conduct of business, borrowings, benefits and obligations under business contracts, ownership of assets, employees and pensions, environmental liabilities, intellectual property, IT systems, health and safety, compliance with laws, regulation and permits and insurance.

Pursuant to the terms of the Argentum SPA, the liability of the sellers in respect of any breach of the warranties would be capped in terms of quantum and time. The liability of the sellers pursuant to the general warranties would expire after 24 months and pursuant to the tax warranties (and the tax deed) 48 months, in each case following the date of the Argentum SPA.

The terms of the Argentum SPA don't contemplate that any guarantees or indemnities would be given, entered into or incurred by or on behalf of the Company warranties. The Argentum SPA would be governed by the laws of Ireland. Although it is anticipated that should the acquisition of the Argentum Sites proceed, that it would be on the basis of the terms set out in the Argentum SPA, there can be no assurance that the terms of the Argentum SPA as set out above would reflect the final terms and conditions of any finalised transaction documentation in connection with the portfolio of Argentum Sites.

3.4.2. *Cherrywood Option Site*

The Group also has an agreement to purchase a further site of 5.8 acres at Cherrywood subject to the grant of final planning permission for that site. The site has an expected acquisition cost of approximately €9.2 million.

3.4.3. *Maynooth Site*

The Group executed a binding agreement to acquire the Maynooth Site on 7 March 2016, and the transaction is anticipated to complete on 20 April 2016. The Maynooth Site is situated within the townland of Mariaville, on the eastern side of Moyglare Road approximately 0.4 kilometres north of Main Street, Maynooth. The site adjoins the Moyglare Site and is therefore of strategic value to the Group, increasing the potential for both sites.

The site is of irregular shape currently laid out in greenfield undeveloped lands, which extend east from Moyglare Road to the Rye Water reservoir to the west. The subject lands are formed around the Lyreen River and the Divine Word Missionaries lands providing the eastern and southern boundaries respectively, with the residential estates of Castlepark, comprising mainly terraced, residential housing to the south and the estate of Mariaville to the north. Maynooth post-primary school, St Mary's National School is located directly opposite the property with Maynooth Boys National School also in proximity. The Maynooth University Campus is located in immediacy, approximately 500 metres from the subject lands.

3.4.4. *South Dublin Site*

The Group is also considering the acquisition of an additional site in South County Dublin for a consideration that is anticipated to be in the region of €12 million.

3.4.5. *Dublin Commuter Belt Site*

The Group is also considering the acquisition of an additional site in the Dublin commuter belt for a consideration that is anticipated to be in the region of €31 million.

4. BUSINESS STRENGTHS

The Directors believe that the Group has the following key business strengths:

4.1. *The Group has an experienced Management Team and an experienced Board*

The Company has an experienced Board, led by non-executive chairman John Reynolds. Board members have held senior positions in a number of public and private companies and bring a wealth of property and public company experience. The Management Team together have over 93 years of experience in the Irish and UK homebuilding sector. A number of members of the Management Team are also experienced in the homebuilding market and have long standing relationships with suppliers and sub-contractors to facilitate the day-to-day running of individual sites. A biography of each of the Directors and the Management Team is set out in paragraph 1 of Part X (*Directors, Management Team and Corporate Governance*) of this Document.

In addition to the Management Team, the Group has an experienced middle management structure and team including quantity surveyors, engineers, site managers, planning, marketing and finance employees.

As illustrated at paragraph 3.1 of this Part IX (Information on the Group) the Group has now identified 25 Core Sites (made up of sites directly acquired and/or conditionally acquired by the Group, and sites which are collateral for Group's Loan Portfolio), which it plans to develop out over the coming years. The Group has broken these sites down into three broad categories: (i) those near-term opportunities, in respect of which the Group anticipates commencing construction (or has already commenced construction) within 12 months, consisting of seven sites which have a total anticipated number of 2,945 homes over the life of the project with a projected average acquisition cost per home of €69,000; (ii) those sites in respect of which the Group anticipates commencing construction within a period of 12 to 36 months, consisting of 11 sites, which have a total anticipated number of 2,140 homes over the life of the project with a projected average acquisition cost per home of €63,000; and (iii) those sites in respect of which the Group anticipates commencing construction after 36 months, consisting of seven sites, which have a total anticipated number of 6,094 homes over the life of the project with a projected average acquisition cost per home of €21,000.

4.2. *Barriers to entry*

The Directors believe that there are a number of barriers to entry to the Irish homebuilding market, which support the Group's position in the market. Barriers to entry include the introduction in March 2014 of a new set of Irish building regulations (The Building Control (Amendment) Regulations 2014), which impose more stringent obligations on homebuilders than were previously in place. Compliance with these regulations, which require, among other things, an independent "assigned

certifier” to certify that a finished building complies with the requirements of the Building Control (Amendment) Regulations 2014, once completed, requires an in-depth knowledge of homebuilding and the industry more generally and represents a barrier to entry to the market where a homebuilder’s management team do not have the requisite experience in homebuilding. The regulations further require that homebuilders are competent for the purposes of the regulations and the builder is required to sign a “Certificate of Compliance on Completion” when a building is completed. Homebuilders which are registered with a new public register of building contractors (the Construction Industry Register Ireland (“CIRI”)) set up and maintained by the Construction Industry Federation (“CIF”) are deemed to be “competent” for these purposes. In particular, in order to register on the CIRI a better understanding of the planning process and site management is required than was previously the case; and health and safety compliance requirements are also increased. Further, in order to register, a homebuilder must demonstrate that members of its management team are able to provide a minimum of three examples of project experience in construction, commit to undertaking continued professional development, comply with health and safety regulations relating to the construction industry, demonstrate a knowledge and understanding of building standards and regulations and commit to adhering to them and undertake an induction course. There is also an overriding requirement for homebuilders registered with the CIRI to employ “competent persons” to oversee construction work. At present, registration with the CIRI is voluntary and not required in order to issue a “Certificate of Compliance on Completion”, but is anticipated to become mandatory by the end of 2016.

The Government indicated in the Construction 2020 Strategy its intention to place CIRI on a statutory footing and the Department of the Environment, Community and Local Government is currently preparing proposals in this regard. As a result registration with the CIRI is expected to become compulsory for homebuilders during 2016. In order to meet the certification requirements an in-depth knowledge of homebuilding is required. Cairn Homes Construction is registered with CIRI for these purposes.

As a result of these stringent requirements, the Directors believe that relatively few new entrants will be able to challenge the Group’s position.

In July 2015, Minister Paudie Coffey and Minister Alan Kelly announced arrangements designed to ease the application of the Building Control (Amendment) Regulations 2014 in respect of single dwellings on a single unit development and domestic extensions. The proposed amendments came into force on 1 September 2015. The effect of these amendments is to remove the mandatory requirement for the statutory certificates of compliance provided for in the Building Control (Amendment) Regulations 2014 in respect of a new single dwelling on a single unit development or an extension to a dwelling. Owners of such projects (which includes self-builders) are now given the choice to opt out of statutory certification and may instead demonstrate by alternative means that they have met the general obligation to build in accordance with the minimum requirements of the building regulations. The requirements for certificates of compliance on completion remain applicable to all multi-unit developments in the country.

The Directors also believe that banks are reluctant to lend on a highly leveraged basis to property development companies, making access to capital challenging for small homebuilders.

4.3. *The Group is well capitalised*

The Directors believe that the Company is a well-capitalised homebuilder in Ireland. The Company recently (i) completed an equity fundraising by way of an ‘accelerated book build’ on 1 December 2015 and raised an additional €52.1 million of gross proceeds; (ii) agreed the terms of the €150 million Senior Debt Facilities with Allied Irish Banks, consisting of a term loan facility of up to €100 million and a revolving credit facility of up to €50 million (of which as at the Last Practicable Date, the Group had a principal drawn balance of €115.5 million); and (iii) on 3 March 2016, the Company agreed an increase to its Amended Senior Debt Facilities to €200 million following the accession of UBIL.

The Group has a cash balance of €33.6 million (including restricted cash of €27 million under the terms of the Senior Debt Facilities) at 31 December 2015 in addition to undrawn banking facilities of €84.5 million as at the same date.

4.4. *The Group is well positioned to continue to implement its development strategy*

As a consequence of the Management Team's involvement in the residential property market and the number of sites it has acquired since its IPO, the Directors believe that the Group remains well placed to continue to implement its development strategy from land acquisitions, to planning, building, marketing and delivering homes in the targeted geographic areas. As at the Last Practicable Date, the Group is pursuing the potential acquisition of some or all of the Pipeline Sites, all of which are located in Dublin and the Dublin commuter belt. The opportunities presented by both the sites under active negotiation, and the wider potential pipeline, are expected to include off-market acquisitions and on-market acquisitions, including where the Management Team believes that a site would benefit from an amendment to the scope or nature of its planning consent or changes in the density of homes and/or mix of home types.

4.5. *The Group has a track record with local authorities in and around Dublin*

Members of the Management Team have experience working with many of the local authorities in and around Dublin (including the Dublin, Kildare, Meath and Wicklow local authorities in particular) and a track record of successful outcomes in the planning process. The Directors believe that the Group's scale, experience, track record and well capitalised position could improve the Group's ability to win potential development opportunities or joint ventures with local authorities. The Irish planning process and the appeal process overseen by An Bord Pleanála (the statutory body established to deal with appeals under the Irish Planning and Development Acts 2000 to 2014) is also well understood by members of the Management Team.

4.6. *The Group is focused on design and innovation and product mix*

The Group is focused on the construction of high quality homes and differentiates itself from its competitors through an emphasis on innovation, design and customer service. The Group aims to offer homes which allow for high specification finishes and extensive landscaping to both private gardens and streetscapes. The Group will continue to build energy efficient homes and the homes which the Group is currently building and intends to build have been designed to achieve an "A Rated" BER and include heat recovery ventilation ("HRV"), high quality roof and wall insulation, low energy lighting, boilers and appliances. Furthermore, the Group will continue to mix its product offering and it is anticipated that approximately 76 per cent. of its current Core Sites will be made up of houses, and it is anticipated that approximately 24 per cent. of its current Core Sites will be made up of apartments.

4.7. *The Group has established relationships with suppliers and specialist sub-contractors in the Irish market*

As part of its core activities, the Group will need to enter into third party contracts in connection with the development of sites, including contracts with civil engineering companies, sub-contractor companies, individual tradespeople and design team professionals including architects, landscaping architects, mechanical and electrical engineers, structural engineers and planning consultants. Such third party contracts have already been entered into with respect to the development of the Parkside Site and the Killiney Site. In most cases, sub-contractors engaged by the Group supply the labour and materials used to develop the sites as part of their obligations under the contracts with the Group. The Group believes it is well placed to procure these contracts, owing to the Management Team's experience and established relationships with third party sub-contractors and professionals in the homebuilding sector. In other instances, the Group intends to directly obtain supplies itself including, but not limited to, internal fittings, kitchens, wardrobes, lighting and sanitary ware for the fit out of homes.

4.8. *The Group has a significant land bank*

Due to the significant number of acquisitions that the Group has made since the IPO, including certain sites underlying the loans acquired as part of the Group's Loan Portfolio, the Directors believe that the Group now has an attractive land bank which could give rise to further significant near-term opportunities. The Management Team also believe that further strategic opportunities both in respect of sites under active negotiation, and the wider potential pipeline will arise; where, for example, a site would benefit from an amendment to the scope or nature of its planning consent or changes in the density of homes and/or mix of home types. Furthermore, a number of the loans (and related collateral) that the Group has acquired through the acquisition of the Group's Loan Portfolio are unlikely to fit the Group's longer term strategy and it is anticipated that these will be sold.

5. STRATEGY

5.1. *Strategic objectives and related matters*

The Group's strategy is to capitalise on the recovery of the Irish residential property market by establishing itself over the medium term as a leading Irish homebuilder, constructing high quality new homes, with an emphasis on innovation, design and customer service. The Group intends to achieve its strategy through site acquisitions in targeted regions with attractive supply/demand characteristics; the development of high quality sites that meet the needs of the local market; and prudent use of debt. The Group intends to retain an efficient workforce, which will manage the acquisition and development of sites, while engaging specialist sub-contractors for building and related work.

5.2. *Acquisition of sites*

The Management Team intends to seek to identify sites for acquisition by the Group which meet some or all of the following acquisition criteria:

- Regional focus on Dublin, the Dublin commuter belt, and Galway and Cork, although other large cities (e.g. Limerick and Kilkenny) will also be considered.
- Generally ready to commence construction immediately or within 18 months.
- Low/medium density sites.
- Suitable predominantly for the provision of family houses and apartments in well-located urban areas.
- Value opportunity through design, mix or density improvement.
- Minimum estimated GDV of €25 million (average €75 million to €100 million).
- Typical acquisition cost below 25 per cent. of projected estimated GDV.
- Individual site cost range of €15 million to €75 million.
- Minimum estimated unlevered pre-tax IRR of 15 per cent.

In considering the Acquired Sites, the Group's Loan Portfolio and future Pipeline Sites, the Directors and Management Team have applied the Group's stated acquisition criteria and will continue to do so when reviewing further sites. However, the Group, in order to retain flexibility will consider opportunities with other characteristics arise but which the Directors believe are consistent with the strategic growth of the Group. By way of example it may also consider acquiring larger sites (in excess of €75 million), including by way of tranches of land or loan assets secured by development land as collateral made available by NAMA, financial institutions or investment funds. Land without planning consent may be acquired by the Group, but only where it is in an area zoned for residential development.

The Directors believe that a unique situation still exists in Ireland where substantial amounts of land suitable for residential development (held either directly or as security for loan assets) are still owned

by certain financial institutions, NAMA and investment funds. The Directors believe that the Group is well positioned, particularly due to the Management Team's experience, to identify and acquire such development land and loan assets on suitable terms.

5.3. *Development of high quality and well-designed homes*

The Group intends to draw on the long track records of the Management Team to develop the Core Sites, Pipeline Sites and sites it may acquire in future and to ensure that development is carried out efficiently and that homes are built to a high standard while minimising construction defects and other risks. The Group deploys an efficient homebuilding model, which has been tried and tested through the extensive homebuilding experience of the Management Team. The first phase involves the installation of the civil infrastructure, services and drainage across the scheme, the cost of which represents approximately 20 per cent. of the total build cost. This brings the houses to superstructure level and takes approximately six to eight weeks. Depending on sales levels, the Group commits to its build timeline, which takes a further eleven to sixteen weeks, with six to eight weeks for work including superstructure and block work and roofing, first fix and carpentry, plumbing and electrics, three to five weeks for work including house finishes, internal fittings and second fix, and two to three weeks for external landscaping, final house decoration and snagging. The Directors believe that this flexible homebuilding model can be scaled to deliver over 1,000 homes per annum by 2019, in line with its stated target.

The Group's intended homebuilding model is flexible, and the Group may be able to adapt the types of homes it builds as the site is developed from phase to phase. For example, where the Group finds that a particular style of home is less popular with homebuyers than it anticipated in one phase, it may be able to adjust the numbers of that type of home which it builds in subsequent phases. This is a particular advantage of building houses rather than apartments, as the initial outlay prior to building houses is relatively small, being limited to planning and design costs and the implementation of basic ground work and infrastructure. In contrast, the initial outlay where the Group builds apartments is more significant, and could require a large portion of the overall development costs of a site to be spent at a relatively early stage and, in any event, before any revenue is received in order to put in place the basement, podium and super-structure. There would normally then be limited flexibility to adapt the number of home types within an apartment block in line with the performance of the development.

The Group further intends to continue to research and develop desirable products, which provide cost-effective solutions to frequently changing regulatory requirements, particularly in the area of energy rating and sustainability. The Group aims to play an active role in government planning and regulatory policy evolution as it relates to housing, including through its continued participation in industry associations. In this way, the Directors believe the Group will be able to establish and maintain industry leadership and anticipate and stay ahead of market and regulatory changes.

5.4. *Operational excellence*

A key part of the Group's strategy is to strive for excellence in all areas of its operations and to operate on a scale that allows continued Management Team involvement in the material decisions of the Group. The Group intends to operate in a responsible and ethical manner, focusing on the needs of the communities where it builds and operating within defined environmental limits. The Group intends to seek to deliver high quality homes and to maintain a culture focused on customer service which seeks to make the homebuying process as stress free as possible and which seeks to address any future service needs of customers in a timely and courteous manner. Where a third party agent is appointed, the Group will seek to ensure that the agent maintains this same high level of customer service through regular contact with the Group's customer relations executive and Chief Operating Officer.

5.5. *Prudent use of debt*

In December 2015, the Company announced that the Group had agreed the Senior Debt Facilities with Allied Irish Banks, consisting of a term loan facility of up to €100 million and a revolving credit facility of up to €50 million. This facility has now been amended and restated, following the accession of UBIL, to a €200 million senior debt facility with the Lenders, consisting of a term loan facility of up to €150 million and a revolving credit facility of up to €50 million which has a four year term secured against a corporate level debenture. UBIL joined the Senior Debt Facilities by way of an amendment and restatement on 3 March 2016.

The Group's policy is to use debt with a view to enhancing value for Shareholders whilst maintaining prudent levels of interest cover. The Directors intend to use debt prudently, in compliance with the Group's medium-term target that total borrowings should not exceed approximately 25 per cent. of the Group's consolidated net asset value.

Bank finance will be utilised to finance the development of the Core Sites, Pipeline Sites (if acquired) and to finance the acquisition and development of further sites. The Directors believe that the Group has put in place an efficient and flexible form of bank financing, by way of the Senior Debt Facilities. In circumstances where a site does not have planning consent, the Directors believe that bank finance would not currently be available for that site. Developments are completed in phases, and as completed homes are sold to customers, the Group expects to be able to fund further development on a site from internally generated cash flow.

6. OPERATIONS

In line with the typical operational model of large homebuilding companies, the Group employs four to ten employees per site to act together as an on-site construction management team (usually consisting of a site manager, quantity surveyor, engineer, finishing foreman and general operatives). At present, all other construction activities are sub-contracted to tradespeople, including ground workers, bricklayers, plumbers, joiners and electricians. Supplies are typically supplied by the sub-contractors or, if not, are purchased directly by the Group from suppliers.

6.1. *Land acquisition process*

In line with its strategy, the Group seeks to acquire sites which meet some or all of its stated acquisition criteria. All acquisitions of development land are subject to the Group's established guidelines and approval process led by the Chief Executive Officer in conjunction with the Management Team and overseen by the Directors. An acquisition team, including members of the Management Team, review the proposed development, including the underlying assumptions related to values, costs and sales rates, as well as the overall design, quality, location and scale of the project and consider the site against the Group's stated acquisition criteria prior to the Group entering into a contract in respect of the site. When considering a site, the Group interact with external design team professionals and planning consultants at an early stage to test the Management Team's plans for development of a site. The Group also seeks external advice from estate agents with local knowledge of the site to provide guidance on sales prices in the local area. The Group performs pre-contract legal and technical due diligence to ensure that the proposed site has the necessary title and rights to allow access, servicing, development and sale free of onerous or unknown legal or environmental obligations. The outcome of this advice and investigation normally form part of a full site appraisal report to be considered by the Management Team when deciding whether to approve an acquisition and by the Board as appropriate. Any proposed acquisition is subject to final approval by the Management Team (including the Chief Executive Officer and the Group Finance Director). Board approval is required for all acquisitions with a purchase price of over €15 million (excluding taxes, fees and expenses).

The Group intends, where appropriate, to acquire development land (including groups of sites sold in tranches) directly from the owner(s) of the sites. In certain circumstances, it may also acquire loans secured by development land, with a view to realising the security and obtaining the underlying

development land through a legal process to enforce the security. This includes where a loan is secured directly against development land and where the borrower is already in default under the loan, where complex loan and security arrangements are in place and where the Group believes that there is a strong likelihood of recovering the underlying development land.

The Group may enter into joint ventures, including with local authorities through a public/private partnership arrangement (PPP) and with investment funds. Joint ventures may involve development contracts, with the joint venture partner holding the land and the Group being engaged to develop and construct homes on the site, or the parties might establish a joint venture entity to acquire and hold the land, with each party holding shares in the entity.

6.2. *Short-term, medium-term and long-term land bank*

The Group has established both a short-term land bank (where construction is anticipated to commence within 12 months), a medium-term land bank (where development is anticipated to commence within 12 to 36 months) and a long-term land bank (where development is anticipated to occur over a period longer than 36 months).

The Group's short-term land bank consists of sites that the Group owns and which have the benefit of a viable planning consent and are therefore ready for construction to commence, or where it has already commenced. The Group's short-term land bank currently consists of the Parkside Site, Killiney Site, Rathgar Site, the Hanover Quay Site, the Adamstown Site, the Naas Site and the Charlesland Site. The medium-to-long-term land bank includes sites that may have planning consent but in the Group's opinion require changes to the consent to improve the site's development potential, including as to the scope or nature of its planning consent or changes in the density of homes and/or mix of home types.

The medium-to-long-term land bank will also include sites that are zoned for development in the relevant local authority's local area plan but do not have current planning consent and sites that are collateral for the Group's Loan Portfolio. If a new planning application is required the Group will appoint a design team of professionals to work with the Group in the overall scheme and individual home design and to interact with the local planning authority throughout the application process. The Group's development plans for land in its medium-to-long-term land bank could change as a response to the planning process or other factors, as the Group will not yet have obtained planning consent or will be seeking amendment to the planning consent.

In certain circumstances, the Group may also acquire land from third parties where the completion of the purchase contract is subject to the Group achieving satisfactory planning consent. The purchase price for these sites is typically lower than the price of a comparable property with the appropriate planning consent already in place, and the achievable margin would be improved by the value added through the scheme design and obtaining planning consent or improvements to the consent in place. On the other hand, the achievable margin would typically be lower for sites that are purchased with a viable planning consent already in place.

Once the desired planning consent is obtained and the Group acquires ownership or control of a site, it becomes part of the Group's short-term land bank, which the Directors believe will help provide a regular supply of construction-ready sites for the group.

6.3. *Development and planning process*

The Group may acquire sites which already benefit from live planning consent and develop such sites in line with the planning consent which is in place. The Group may also acquire sites where the Directors consider that the current planning consent is not suitable, or where the homes to be built on the site would be more marketable under alternative planning consent. In some circumstances, the Group may acquire land which is zoned for residential development, but where planning consent has lapsed or no planning consent has been obtained. Planning considerations play a fundamental part in the development process and the process is led by the Group's Chief Commercial Officer, who is involved throughout. The Group engages architects, civil and structural engineers and planning

consultants at an early stage, normally prior to acquisition of a site, to work closely with the Management Team on shaping the design of the proposed development. Members of this group normally attend pre-planning meetings with local officials prior to submission of any planning application. Before any submission is made, members of the Management Team are expected to have significant input on the design and construction aspects, as do the Group's internal quantity surveyors, to ensure that the proposed design is viable from a build cost perspective. The Group is required to comply with Part V of the Planning and Development Act 2000, as amended, which has been amended by the Urban Regeneration and Housing Act 2015. The Group is required to make a contribution to the relevant local authority of a maximum of ten per cent. of the undeveloped land within an application site. There are three other options for compliance: the Group can (i) build the percentage of social and affordable housing required and then transfer it to either the planning authority or its nominated authority, (ii) transfer houses on other land to the planning authority or its nominated authority; or (iii) grant a lease to the planning authority of an agreed number and specification of houses, either within the application site or elsewhere within the planning authority's functional area. If one of the three alternative options is being used it must ensure that the planning authority gets an equivalent planning gain. It is no longer possible to make a financial contribution in lieu or to transfer undeveloped land outside an application site and the option for providing serviced sites has also been removed entirely. The Group intends to take into consideration affordable housing requirements from the early stages of the development and planning processes.

The design, planning and regulatory constraints within which Irish homebuilders operate are complex and require an in-depth knowledge and understanding of the relevant regulations. Due to the significantly reduced activity in the homebuilding sector in Ireland since 2008, the Directors believe that a considerable proportion of land available for development with planning consent in place would benefit from a change to its current planning consent (whether as to the scope or nature of its planning consent or changes in the density of homes and/or mix of home types) to ensure market appropriate development takes place. In addition, the Group may acquire land which does not have planning consent in place, but which is zoned for residential development. The Group engages architects and designers on each of its sites, ranging from some of the country's leading urban designers to local architect firms. In the case of the Parkside Site, members of the Management Team were involved in a 12-month consultative process with the local authority which resulted in the Local Area Plan ("LAP") being rewritten (DCC Clongriffin Local Area Plan 2012–2018) to allow the Group to successfully obtain the planning consent it was seeking on the Parkside Site to enable it to establish a low density housing development. Members of the Management Team also previously submitted a successful proposal to the Department of Education for the provision of a large primary school within the Parkside Site. The construction of this new 32 classroom school is expected to commence in 2016. The school is allocated to the Irish Department for Education for future development.

The Directors believe that given the knowledge and skills of the Management Team, including in gaining planning consent, the Group remains well placed to successfully achieve the changes to planning consents (whether as to the scope or nature of its planning consent or the density of homes and/or mix of homes) or the granting of the new planning consents that it requires. In relation to the Acquired Sites, in line with the Group's usual process of engaging planning consultants at an early stage, members of the Management Team, together with external planning experts, have carefully considered the Group's proposed plans for the Acquired Sites and the Directors do not expect any material obstacles with regard to the consents sought. Through its own experience and local knowledge, the Management Team will seek to mitigate the risk of failure to achieve the desired planning consents by considering planning consent at an early stage and by focusing on sites which are zoned for residential purposes and therefore where residential development is permitted. Where the desired planning consents are not obtained, the Group expects to re-apply for planning. If unsuccessful on this second application, the Group will look at alternative ways of realising value on the site, which is likely to involve either the sale of the site or developing the site in line with the planning consent which is granted.

6.4. *Construction and design*

Cairn Homes Construction Limited is the entity undertaking construction activities for the whole Group, and has registered with the CIRI for these purposes. The Group aims to employ an on-site construction Management Team at each site, usually comprising a site manager, quantity surveyor, engineer, finishing foreman and general operatives, to manage the sub-contracted tradespeople and supplies purchased directly by the Group. The Group engages sub-contracted tradespeople on a site by site basis and operates a “panel” of approved tradespeople, with around three possible sub-contractors or tradespeople for each trade. The Group engages members of these panels as its core long-term ground workers, bricklayers, plumbers, joiners and electricians. Separately, the Group engages consultants, architects, product designers and technical designers. To assist the Group to control its costs, sub-contractors are required by the Group to provide fee quotes on a fixed-price basis and may be requested to confirm pricing based on the full number of homes to be developed on a site, rather than on the basis of individual phases.

The Group undertakes on-site materials testing as a quality control measure to seek to minimise the risk to the Group of building materials causing construction defects in future. This is in addition to materials testing, which suppliers of building materials are required to undertake under Irish law.

6.5. *Sales and Marketing*

The Group uses a range of marketing channels, including its show homes, website, and local and national offline and online advertising. Tried and tested marketing strategies are allied with newer initiatives including property portal advertising campaigns and social media initiatives. External specialist agencies have been employed for some specific campaigns. The Group launched a comprehensive new web site and associated digital communications strategy during 2015.

The Group works with leading sales agents and appoints one or two agent(s) most suited to a particular development based on local knowledge, experience and track record. In consultation with the appointed sales agent(s), the Group’s marketing department prepares and manages advertising campaigns and the design of the marketing materials and online content for each development. All materials are designed in a consistent visual style to reinforce the brand’s key strengths.

The Group’s dedicated customer relations executive works with the appointed sales agent(s) throughout the sales process and ensures that the customer is kept fully up to date on the progress of his or her new home.

The Group constructs show homes at each development as early as possible in the development cycle to provide potential customers with an example of a fully finished product. This allows the Group to market sales for a site prior to the completion of construction at that site, allowing sales to be achieved ahead of homes being fully constructed. In the case of the Parkside Site, the Group is offering five different house styles and separate show homes have been fitted out to showcase the options available to customers. In all cases, the Group provides each buyer with a detailed homeowner’s manual, which includes specific information about the construction of the home, the materials and finishes employed, energy ratings and tips on energy conservation, information on caring for appliances and other material which will help customers successfully transition to their new home. Show-home interior design is handled by external experts, who develop creative designs to meet the requirements of the target market and specific product mix at each development. The Management Team have developed good working relationships with many of the leading design companies in Ireland.

The Group takes reservations for properties, also referred to as forward bookings, whereby potential purchasers typically pay a booking deposit of €5,000 to €10,000 in order to reserve a property ahead of legal completion. The Group seeks to exchange contracts with a purchaser within six to eight weeks after taking the reservation, at which time the transaction is binding. At that time, the purchaser will also be required to provide a further deposit, bringing the total deposit to typically approximately ten per cent. of the purchase price. The purchaser is required to pay the remainder of the purchase price

of the home upon legal completion. Legal work, including in connection with the acquisition of sites as well as completion of the sale of homes, is outsourced by the Group to external law firms.

The Group keeps abreast of developments in the mortgage market and liaises with institutions to assist its customers in obtaining mortgage advice. In some cases the Group supplies purchasers with details of mortgage providers and/or brokers or it may on certain sites have a third party mortgage specialist based at its show homes to assist homebuyers in this process.

6.6. *Employees*

As at the Last Practicable Date, the Group had 27 employees. The Group will continue to increase its number of employees across the relevant functional areas of the Group, as the Group grows. All employees are based in Dublin. Employees are not unionised.

The Group recognises that the calibre of its employees is one of its key strengths and is therefore committed to their development and training. As Cairn Homes Construction Limited, the entity undertaking the Group's construction activities, is registered with the CIRI, certain employees are required to attend regular continuing professional development courses hosted by the Construction Industry Federation. In addition, the Group sponsors external courses for certain employees hosted by The Institute of Engineers of Ireland, The Society of Chartered Surveyors Ireland, The Royal Institute of the Architects of Ireland and other bodies, as appropriate. Related initiatives include regular reviews with staff; training programmes in sales, management, systems and IT, leadership development and anti-bribery regulation; and succession planning.

6.7. *Insurance*

The Group maintains insurance coverage for employer's liability, public and products liability and contractor's all risks and, to the extent required, engineering cover. The Group also has in place a "homebond" policy, to cover homebuyers for a ten year period in respect of structural defects, and for smoke transfer and water ingress, the policy covers a period of five years.

The Directors believe that the scope of insurance coverage taken out by the Group is in line with the practices of other companies operating in the homebuilding industry. The Directors consider the Group's insurance coverage to be adequate both as to risks and amounts for the business the Group conducts.

6.8. *Intellectual property*

The Group trades under the name "Cairn", or "Cairn Homes", with the tagline "Designed for Living". The Group owns a number of domain names for itself and its developments. The Group will strive to establish a 'best in class' name for high quality new homes and all marketing materials will be developed to build recognition of the Group's brand and strengthen the Group's corporate identity.

7. **COMPETITIVE LANDSCAPE**

Currently, there is limited competition from homebuilders of scale in the Irish residential development market.

As a consequence of the financial crisis, NAMA acquired the bank loans made to a number of major homebuilding companies which operated in Ireland. The Directors believe that the majority of the major homebuilding companies operational in Ireland during the peak of Irish homebuilding period from 2000 to 2008 remain under NAMA control. The Directors believe that, since the acquisition of their loans by NAMA, the activities of the relevant homebuilders have primarily been limited to completing the development of the sites subject to loans, and to subsequently selling the relevant properties to realise the NAMA-owned debts, and that these homebuilders are not well placed to acquire further sites. As such (and despite recent NAMA announcements), the Group expects to compete with these NAMA-backed homebuilding companies primarily on sales of homes, rather than on the acquisition of new sites.

As part of the NAMA Residential Funding Programme 2016-2020, in October 2015, NAMA announced its intention to develop 14,000 homes over the next five years. In addition, NAMA may develop a further 6,000 homes if it becomes commercially viable to do so (*Source: NAMA Residential Funding Programme 2016-2020, October 2015*). NAMA has stated it will look for joint venture partners interested in the co-funding and construction of projects for its residential delivery programme, which could potentially present the Group with an opportunity to partner with NAMA.

The Group's other competitors include property developers which operate in the Irish residential property market. The Group considers its principal competitors to be the O'Flynn Construction Group, New Generation Homes, Ballymore, Chartered Land, Castlethorn, Gannon Homes, Shannon Homes, Maplewood Developments, MKN Developments and Cosgrave Property Group.

Since the 2007 downturn, small and medium sized developers in Ireland have also been significantly hampered by a lack of access to and higher costs of debt financing, including debt finance secured against land and work in progress. The Directors believe that those factors have resulted in a decline in the proportion of the market served by smaller homebuilders.

It is possible that new entrants to the Irish residential property development market may be established in future, which would compete with the Group on the acquisition of sites and the sale of homes.

Other parties who may compete with the Group on the acquisition of development land include colleges and universities or private companies looking to acquire sites for use as student accommodation, healthcare providers, real estate investment trusts (REITs) (although legislation relating to REITs requires investment primarily in yielding assets, such as existing housing stock, retail and commercial units, rather than residential development land), speculative land acquirers and buyers of recreational sites. Although certain of these parties might compete with the Group on the acquisition of larger sites, the number of parties competing for those sites would be lower than for smaller sites.

8. LAND SUPPLY

The Company has identified a number of potential development sites that it has been monitoring. There can be no certainty that these assets will turn into opportunities for the Group but the Management Team believes that the sites are representative of the type of opportunities that are likely to become available.

The Dublin area local authorities have estimated that there are already 2,000 hectares of land zoned for housing in Dublin, with 1,000 of these hectares comprising large blocks of land in both brownfield and greenfield locations, well served by public transport and other essential infrastructure (*Source: Construction 2020: A Strategy for a Renewed Construction Sector, May 2014*). At conservative estimates this land has the potential to accommodate upwards of 30,000 homes in the Dublin region (*Source: Construction 2020: A Strategy for a Renewed Construction Sector, May 2014*).

The Directors believe that site acquisition opportunities for the Group will continue to emerge over the coming months, as has been the case since the IPO. For more information on land supply, see Part VIII (*Industry Overview*) of this Document.

9. REGULATORY

9.1. Regulatory matters in Ireland

Irish planning regulation is set out in the Irish Planning and Development Acts 2000 to 2014. The planning process in Ireland is governed by the Irish National Development Plan, and each local authority approves developments in accordance with local requirements, subject to the overarching National Development Plan. Appeals under the Irish Planning and Development Acts 2000 to 2014 are overseen by An Bord Pleanála.

In March 2014, the Department of Environment issued a new set of building regulations (the Building Control (Amendment) Regulations 2014) which place more stringent obligations on homebuilders than those which were previously in force. In particular, homebuilders are now required to adhere to a more stringent set of certification requirements and it is now compulsory for homebuilders to obtain

certification and sign-off on-site by qualified and registered architects, engineers, property consultants and the relevant local authority. Further, homebuilders are required to be “competent” to build and supervise works. This competency can be established through registration with a new public register of building contractors (the CIRI) established and maintained by the Construction Industry Federation. This registration is expected to become compulsory for homebuilders during 2015. In order to meet the certification requirements an in-depth knowledge of homebuilding is required. Cairn Homes Construction is registered with the CIRI for these purposes.

In May 2014, the Irish Government launched “*Construction 2020 – a strategy for a renewed construction sector*”. The strategy commits to a detailed, time-bound set of actions to support the return of the construction sector to sustainable levels. Seventy-five actions aim to identify and remove unnecessary obstacles to appropriate development, while ensuring robust and sustainable planning for the future. The Group broadly welcomes the initiatives set out in ‘Construction 2020’ but particularly the creation of a Working Group chaired by the Department of Finance to explore the issue of sustainable bank financing for the construction sector.

On 10 November 2015, the Minister for Environment, Community and Local Government Alan Kelly announced new proposals to provide for increased certainty in the rental market. The proposals came into force in through the enactment of the Residential Tenancies (Amendment) Act 2015 on 4 December 2015. The Residential Tenancies (Amendment) Act 2015 has increased both the period of time between each rent review and the notice periods to be given in respect of such rent reviews. The increase in the period of time between rent reviews means that anyone who has faced a rent increase in 2015 will not be subject to a further rent review until 2017. The Group believes that the rent certainty afforded to tenants will assist potential buyers in saving for mortgage deposits.

On 21 December 2015, the Minister for the Environment, Community and Local Government Alan Kelly published the “Sustainable Urban Housing: Design Standards for New Apartments” updated guidelines on apartment standards (the “Planning Guidelines on Design Standards for New Apartments “). The Guidelines were issued by Minister under Section 28 of the Planning and Development Act 2000 (as amended by the Planning and Development (Amendment) Act 2015).

The Guidelines reduce the minimum size of all types of apartments which can be built in Dublin. The Dublin City Development Plan sets the minimum size of one-bed apartments at 55 square metres, two bed apartments at 80-90 square metres and three-bed apartments at 100 square metres. The Planning Guidelines on Design Standards for New Apartments reduce the minimum size of one bed apartments to 45 square metres, two bed apartments to 73 square metres and three bed apartments to 90 square metres. In addition, the Planning Guidelines on Design Standards for New Apartments also provide for the development of studio apartments of 40 square metres which are 27 per cent. smaller than the current minimum apartment size to form part of an apartment scheme subject to the limitation that such apartments can account for no more than ten per cent. of a particular apartment scheme. The Planning Guidelines on Design Standards for New Apartments also provide for the first time that the majority of apartments in all schemes must at least ten per cent. larger than the national minimum standard.

In addition, as part of the Construction 2020 initiative, the implementation of a new national planning framework, along with a new policy statement on planning and the establishment of an independent planning regulator, is expected to result in a more streamlined planning process and create greater certainty and flexibility in planning. It is proposed there will be more flexibility around densities, changes to existing planning consent and a simplified planning process for certain types of applications – ‘repeat’ or ‘change of house type’– and also for appeals. The Urban Regeneration and Housing Act 2015 amends Part V of the Planning and Development Act 2000, which governs the provision of affordable housing within new developments. The previous options whereby residential property developers could make a contribution in cash, land, fully or partly serviced sites and/or homes or a combination of them to comply with the Part V obligations under the Planning and Development Act 2000 have been changed. The allocation requirement has been reduced from 20 per cent. to ten per cent. of the undeveloped land within an application site. It is no longer possible to

make a financial contribution in lieu of a Part V obligation or to transfer undeveloped land outside an application site. The option for providing serviced sites has also been removed entirely.

The Department of Finance launched a public consultation in February 2015 to assess the extent to which the Irish taxation system can be utilised to encourage the development of zoned and serviced land. Arising out of the consultation process, the Department of Finance accepted that the amount of zoned land currently being actively developed for residential use is insufficient to meet growing demand, however no new tax incentives are currently anticipated.

Finally, also as part of the initiative the establishment of a 'Housing Supply Coordination Task Force for Dublin', involving the four Dublin local authorities, will focus on monitoring trends in the supply of viable and market-ready approved developments and act on those trends where supply is believed to be below what is required. It will work closely with industry and other parties to identify and address any obstacles to viable and appropriate development.

The Group considers the measures contained within 'Construction 2020' will have a positive impact on the Group's activities from both an operational and strategic perspective.

The Urban Regeneration and Housing Act 2015, which is primarily focused on addressing housing supply-related issues with a view to facilitating increased activity in the housing construction sector, particularly in urban areas where the housing supply shortage is particularly acute, indicates that from 1 January 2019, planning authorities will be empowered to apply an annual vacant site levy of three per cent. of the market value of vacant sites exceeding 0.1 hectares. It is proposed that the levy can be imposed on sites which, in the planning authority's opinion, were vacant in the preceding year, in areas identified by the planning authority in its development plan or local area plan for residential development or regeneration development. This legislation is seen as a potentially positive measure by the Group as it has the potential to make more development land available to the market.

9.2. *Environmental risks and sustainability*

A consideration of environmental risks forms part of the planning process and the Group is required to submit to the local authority reviewing a planning application an environmental impact study and flood assessment in a prescribed format. These reports are reviewed and signed off by the Group's external consultant.

Part L of the Irish Building Regulations (Conservation of Fuel and Energy) was amended in December 2011 and now requires "*buildings to be designed and constructed so as to ensure that the energy performance is such to limit the amount of energy required for the operation of the building and the amount of carbon dioxide (CO₂) emissions associated with this energy use insofar as is reasonably practicable*". For new homes, the requirements of Part L need to be met by energy consumption and carbon dioxide (CO₂) emissions calculated using the Dwelling Energy Assessment Procedure (DEAP) published by the Sustainable Energy Authority of Ireland.

Generally, to meet Part L of the Irish Building Regulations (Conservation of Fuel and Energy), a home is required to achieve an "A" rating, which requires high levels of insulation, airtightness and reductions in thermal bridging. The Group understands the repercussions the amendments to the regulations have had on how the design of a home is approached, how it is detailed and how it is built. A thorough understanding of DEAP and the stages at which it is used is now important to homebuilders to ensure a home complies throughout all stages of design and construction. Working with architects and energy assessors with DEAP experience is also crucial to the Group.

The Management Team recently underwent a comprehensive review of the processes for the implementation of these regulations at the Parkside Site, where construction is underway and the homes are being designed to achieve an "A rating". The Directors believe that energy considerations will become an increasingly important factor to customers when choosing to buy a home, particularly with first time buyers, and that the Group is well placed to offer energy efficient homes in compliance with the new legislation.

The Group takes environmental risks very seriously and environmental considerations are key in assessing any site for acquisition. When reviewing a proposed site, the Group expects to carry out a ground condition survey and planning history search to assess environmental risks, including in relation to soil and other contamination (this survey and planning history search may not be possible in circumstances where, for example, the Group is acquiring development land, sites, loans and/or collateral in an auction process (such as the Group's Loan Portfolio) or where the Group is acquiring development land, sites, loans and/or collateral from a receiver).

9.3. *Health and safety*

The Group aims to maintain high standards of health and safety performance, focusing on hazard elimination, risk reduction, regular monitoring, individual behaviour, training and auditing. The Group will continue to promote a culture in which occupational health and safety is an integral part of every business discipline. While this will be led by the Company's Board and Management Team, it will be applied on a day- to-day basis by the Group's health & safety manager, who is a qualified and experienced health and safety manager. As part of this policy, a dedicated health and safety officer deployed by the Group will attend all Group sites on a regular basis, supervised by the Group's health and safety manager.

10. CAPITAL AND RETURNS MANAGEMENT

Upon IPO Admission on June 2015, the Company raised in excess of €440 million (before expenses and post the exercise of the over-allotment option), by way of the IPO. On 1 December 2015, the Company completed an equity fundraising and raised an additional €52.1 million of gross proceeds. The Company intends to raise a further €176.5 million from the Capital Raise, by way of a Firm Placing and a Placing and Open Offer.

On 30 November 2015, the Company announced that the Group had agreed senior debt facilities with Allied Irish Banks, consisting of a term loan facility of up to €100 million and a revolving credit facility of up to €50 million. This facility has now been amended and restated, following the accession of UBIL, to a €200 million senior debt facility with the Lenders, consisting of a term loan facility of up to €150 million and a revolving credit facility of up to €50 million which has a four year term secured against a corporate level debenture on 3 March 2016.

11. DIVIDEND POLICY

The Company is primarily seeking to achieve capital growth for its Shareholders. Accordingly, the Directors do not anticipate paying a dividend in the short to medium term. However, in the long-term the Directors intend to follow a progressive dividend policy and pay dividends to Shareholders, as and when the Directors consider appropriate.

PART X

DIRECTORS, MANAGEMENT TEAM AND CORPORATE GOVERNANCE

1. DIRECTORS AND MANAGEMENT TEAM

Directors

The business of the Company is managed by the Directors, each of whose business address is 7 Grand Canal, Grand Canal Street Lower, Dublin 2, D02 KW81 (Tel: +353 (1) 696 4600).

The Directors, their ages and positions and dates of appointment are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of Appointment</u>
John Reynolds	57	Non-Executive Chairman	28 April 2015
Michael Stanley	50	Chief Executive Officer and Co-Founder	12 November 2014
Alan McIntosh	48	Executive Director and Co-Founder	12 November 2014
Eamonn O’Kennedy	43	Group Finance Director	28 April 2015
Andrew Bernhardt.....	55	Non-Executive Director	28 April 2015
Gary Britton	61	Non-Executive Director	28 April 2015
Giles Davies	47	Non-Executive Director	28 April 2015
Aidan O’Hogan.....	64	Non-Executive Director	18 May 2015

John Reynolds (Age: 57): Non-Executive Chairman

John Reynolds is currently a non-executive director of Computershare Investor Services (Ireland) Limited and a director of Business in the Community Limited. He was previously chief executive officer of KBC Bank Ireland plc from 2009 to 2013 and President of the Irish Banking Federation from 2012 to 2013, during which time he was also a board member of the European Banking Federation.

Michael Stanley (Age: 50): Chief Executive Officer and Co-Founder

Michael Stanley was appointed chief executive officer of Stanley Holdings, following his lead role in the demerger of Shannon Homes between 2003 and 2005. The Stanley family formed Shannon Homes in 1970 and it became a top ten Irish housebuilder with a peak turnover of in excess of €200 million. As part of the Shannon Homes demerger, the assets of Shannon Homes (including sites for development) were equally split between Stanley Holdings and its partner. Stanley Holdings subsequently completed a further 450 homes between 2005 and 2007 and, in mid-2007 took the decision to reduce its exposure to the Irish residential property market by realising value from a third party for a major portion of its land bank. Stanley Holdings ceased its homebuilding activities in 2007. Michael restarted the company in 2013 following the first signs of recovery in the sector. Together with Kevin Stanley, Michael formed Coastland Partnership, a partnership focusing on property development in Dublin and London, which operated between 2001 and 2009. Over the past 15 years, Michael Stanley has been involved in other successful property ventures in Ireland and the UK, including residential and commercial projects in London and Belfast.

In recent years, during the downturn in the homebuilding sector, Michael Stanley has been involved in a number of different ventures, including as non-executive director of Oneview Healthcare, from 2011 until 2016. In 2012, Michael Stanley established Lead Asset Management Limited, a property development company. In 2012 Lead Asset Management Limited completed the planning and redevelopment of a commercial scheme in Dublin and in 2013 completed the acquisition of a residential apartment and retail scheme (also in Dublin).

Michael Stanley and Kevin Stanley are brothers.

Alan McIntosh (Age: 48): Executive Director and Co-Founder

Alan McIntosh has been a principal investor and part of successful investor groups for over 17 years. During this time he has had operational management roles and been part of management teams that have successfully grown a number of different businesses. Alan McIntosh was a co-founder of each of Pearl Group (now listed as Phoenix Group Plc), Punch Taverns Plc, Spirit (Faith) Limited and Wellington Pub Company Ltd. He was also an investor in, and a non-executive director of, Topps Tiles Plc from 1997 to 2008. In 2012 he established Emerald Investment Partners, a private investment vehicle with interests in real estate, healthcare, biotech and technology in the European Union and North America. He qualified as a chartered accountant with Deloitte & Touche in 1992.

Eamonn O’Kennedy (Age: 43): Group Finance Director

Eamonn O’Kennedy is Group Finance Director. He was previously Chief Financial Officer of Independent News and Media PLC (“INM”), a company with a dual listing in Dublin and London with over 1,000 members of staff and a peak market cap of €2,967 million, from October 2012 until December 2014. During his tenure as Finance Director of INM, Eamonn O’Kennedy oversaw an extensive financial and balance sheet restructuring as well as a subsidiary disposal, a €142.0 million debt write off, a €111.4 million pension fund liability reduction and an equity raise of more than €40 million.

Prior to his role as Chief Financial Officer, Eamonn O’Kennedy held a number of management roles with INM between 1999 and 2012, including Finance Director (Ireland) and Group Finance Manager. Eamonn O’Kennedy is a fellow of the Institute of Chartered Accountants, having qualified with PwC in 1996. He has also previously worked as an accountant with Deutsche Bank AG in Sydney from 1997 to 1998.

Gary Britton (Age: 61) Non-Executive Director

Gary Britton is currently a member of the Board of the Irish Stock Exchange and has been a non-executive director of KBC Bank Ireland plc since January 2012. He was previously a partner in KPMG from 1989 to 2011 where he served in a number of senior positions, including the firm’s Board and Risk Committee and as head of its Audit Practice, until his retirement from KPMG in 2011.

Gary Britton is a member of the Institute of Chartered Accountants, the Institute of Directors and the Institute of Banking. He is also a Certified Bank Director as designated by the Institute of Banking.

Andrew Bernhardt (Age: 55) Non-Executive Director

Andrew Bernhardt has considerable experience in managing a widely diversified portfolio of assets, over the last seven years at ALMC (a large successfully restructured Icelandic financial services company) as CEO and more recently as a non-executive director. Currently on the board of ALMC and the former Chairman of H and B Foods (a UK wholesale speciality food distributor), Andrew Bernhardt was also on the board of P4 Sp.z.o.o. trading as “Play”, one of the fastest growing mobile telecoms companies in Europe, for four years until August 2014.

Prior to joining ALMC, Andrew Bernhardt had a 29 year career in commercial banking at Barclays Bank and GE Capital. He was heavily involved in supporting the growth of a number of well-known property companies (including Canary Wharf, Hammerson, Slough Estates and Howard de Walden Estates) during his time at Barclays Bank.

Giles Davies (Age: 47) Non-Executive Director

Giles Davies qualified as a chartered accountant with PwC in London before spending five years with the firm’s management consultancy in both London and New York. He then went on to found Conservation Capital which is a leading practice in the emerging field of conservation finance and enterprise. He is currently a non-executive director of the Algeco Scotsman group – a leading global provider of modular space, secure portable storage solutions and remote workforce accommodation management with operations in 37 countries, a modular fleet of approximately 300,000 units and revenues in excess of US\$1.5 billion. He is also non-executive chairman of Capital Management & Investment plc and non-executive chairman of Wilderness Scotland (a subsidiary of which is Wilderness Ireland).

Aidan O’Hogan (Age: 64) Non-Executive Director

Aidan O’Hogan is a fellow of the Society of Chartered Surveyors Ireland and past president of the Irish Auctioneers and Valuers Institute. In 2009, he retired as chairman of Savills Ireland after 40 years as a real estate professional. Mr O’Hogan is currently Managing Director of Property Byte Limited, a company through which he provides property consultancy and advisory services to various vendors and acquirers of Irish property including members of the Rabobank Group, and is also chairman of Property Industry Ireland (Pii) Limited, a not for profit body which provides representation for the property industry in Ireland. Additionally, Aidan O’Hogan is a non-executive director of Irish Residential Properties REIT plc. Mr O’Hogan was previously managing director and chairman of Hamilton Osborne King Financial Services Limited, with almost 20 years’ experience there.

Management Team (in addition to Michael Stanley, Alan McIntosh and Eamonn O’Kennedy)

The Management Team (other than Michael Stanley, Alan McIntosh and Eamonn O’Kennedy), their ages, positions and dates of appointment are as follows:

Name	Age	Position	Date of Appointment
Jude Byrne	50	Chief Operating Officer	11 November 2015
Liam O’Brien	49	Head of Construction	12 November 2014
Kevin Stanley	44	Chief Commercial Officer	9 June 2015
Brian Carey	41	Senior Acquisition Manager	27 July 2015

The Management Team are not subject to contract expiration dates or benefits upon termination.

Jude Byrne (Age 50): Chief Operating Officer

Jude Byrne is Chief Operating Officer of the Company. Jude is an award winning Chartered Engineer with over 25 years’ experience in property development and large scale infrastructure development. Prior to his appointment as Chief Operating Officer of the Company, Jude Byrne was the Director of Asset Development for Coillte from 2011 to 2015. As Director of Asset Development, he played a key role in the project development and project execution strands of Coillte’s business. He oversaw the development of Coillte’s renewable energy asset base and he had primary responsibility for the development of a €500 million wind farm Capital Development Programme from its early stages to completion.

Jude Byrne was Development Manager of Castlethorn Construction from 2000 to 2010 and was responsible for the development of over 5,000 mixed use residential units across the various landbanks held by the Company throughout the Greater Dublin Area. He held the position of Building Projects Officer in Trinity College Dublin from 1999 to 2000.

Between 1994 and 1999, Jude Byrne was Senior Construction Manager for McNamara Building Company. In this role, he had responsibility for delivering city centre building projects including office developments. Prior to this, he was Assistant Project Manager for Jacobs International and a Project Planning and Cost Control Engineer for PM Group from 1991 to 1994. He previously worked as a Project Engineer with Jacobs Sverdrup & Parcel in the Structural Engineering Division from 1987 to 1991.

Liam O’Brien (Age: 49): Head of Construction

Liam O’Brien is Head of Construction of the Company. Liam O’Brien was the Director of Development and Construction at Menolly Homes Dublin from 2002 to 2009. At its peak, Menolly achieved up to 1,500 completions per year, and during Liam O’Brien’s time with the company Menolly built over 10,000 homes in Ireland. Since 2009 he has operated his own quantity surveying and project management firm. Previously Liam O’Brien was a Senior Quantity Surveyor for Ascon, a leading civil engineering and contracting firm in Ireland.

Kevin Stanley (Age: 44): Chief Commercial Officer

Kevin Stanley was Sales & Marketing Director for Hooke & MacDonald, one of Ireland’s largest sales agents, from 1999 until 2001. He advised many of Ireland’s leading homebuilders and sold over 2,000 homes

in a six-year period with the firm. Together with Michael Stanley, he formed Coastland Partnership, a partnership focusing on property development in Dublin and London, which operated between 2001 and 2009, and led the acquisition, planning process and profitable disposal of a number of development sites in Ireland and the UK.

Between 2005 and 2009, Kevin Stanley acquired, secured planning for and led the development of two significant Belfast city centre residential projects totalling 309 apartments and commercial space, with an estimated GDV of £77 million, namely, 'Victoria Place' and 'The Bakery', Ormeau Road. The Bakery was awarded 'Best Commercial Development' at the 2014 Royal Institution of Chartered Surveyors Northern Ireland annual awards.

Kevin Stanley has also been a director of Stanley Holdings since 2006.

Between 2009 and June 2015, Kevin Stanley was involved in a number of personal interests, including as a director (with a mainly non-executive function) of Keystreet Property Management, a property management company, between 2004 and 2014 and a director of Sonbrook Property Holdings Limited, a company which acquired land in County Meath.

Brian Carey (Age: 41): Senior Acquisition Manager

Brian Carey joined the Group in July 2015, having previously worked at NAMA. Brian has extensive experience in dealing with development land, loan portfolios and related security packages. Brian qualified as a chartered accountant in 2011. Brian was, from October 2012 to April 2015, a senior asset recovery manager within NAMA's residential division. During his time at NAMA, Brian was involved in restructuring complex and high profile asset sales, including a €100 million debt and land restructure and a €365 million syndicated loan sale secured by UK and Irish assets. Prior to joining NAMA in 2012, Brian was an assistant manager at MKO Chartered Accountants from January 2009 to October 2012, where he completed a secondment to the corporate finance banking division of Ulster Bank and provided audit, accounting and tax advisory services to a portfolio of clients. Between 2002 and 2008, Brian was a senior negotiator and team leader at Hooke & MacDonald, one of Ireland's largest new home sales agents.

2. CORPORATE GOVERNANCE

Corporate Governance

The Company is wholly committed to attaining the highest standards of corporate governance. To this end, the Board has established audit and risk, remuneration and nomination committees comprised of non-executive Directors. The non-executive Directors are independent of the Founders and the Management Team.

The UK Corporate Governance Code sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with Shareholders. The Company reports on how it has applied the main principles of the UK Corporate Governance Code, either to confirm that it has complied with the UK Corporate Governance Code's provisions or, where it has not, to provide an explanation as to why not. The Company complies with the UK Corporate Governance Code. The Founders Relationship Agreements also include provisions to ensure that the Company is capable of carrying on its business and making decisions independently of the Founders and that transactions and other arrangements between the Company and Founders are at arm's length and on normal commercial terms.

The Company is an Irish public limited company, however as the Ordinary Shares are not traded on the Irish Stock Exchange, the Company is not required to comply with Ireland's corporate governance regime for entities listed in Ireland.

Board of Directors

The Company has a strong Board comprising Directors who have held senior positions in a number of public and private companies, bringing a wealth of property and public company experience, with a majority of independent directors (including the Chairman) in compliance with the UK Corporate Governance Code. The Board is responsible for providing governance and stewardship to the Company and its business. This includes establishing goals for management and monitoring the achievement of these goals.

The Board oversees the performance of the Company's activities.

All Directors are furnished with information necessary to assist them in the performance of their duties. The Board meets at least eight times each calendar year. Prior to such meetings taking place, an agenda and board papers are circulated to the Directors so that they are adequately prepared for the meetings. The Company Secretary is responsible for the procedural aspects of the Board meetings. Directors are, where appropriate, entitled to have access to independent professional advice at the expense of the Company.

Any Director appointed to the Board by the Directors is subject to election by the Shareholders at the first AGM after his/her appointment. Furthermore, under the Articles, one third of all Directors must retire by rotation at each AGM and may seek re-election. However, in keeping with best corporate governance practice, all Directors intend to seek re-election each year at the AGM.

The Board communicates with Shareholders on a frequent basis and considers their views. Members of the Management Team provide presentations on the release of the Company's annual and interim results and will provide presentations on the release of the Company's annual results.

The composition of the Board is reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience. The Articles provide that the number of Directors that may be appointed cannot be fewer than two or greater than ten. Two Directors present at a Directors' meeting constitutes a quorum.

The Management Team refers all acquisitions with a value of over €15 million (excluding taxes, fees and expenses) to the Board for final approval. Significant site disposals and borrowings are also subject to final approval by the Board.

Audit and Risk Committee

The Board has established an Audit and Risk Committee with formally delegated duties and responsibilities. The Audit and Risk Committee is chaired by Gary Britton and its other members are Andrew Bernhardt and Giles Davies. The Audit and Risk Committee meets at least four times a year and is responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Company's risk assessment and internal control processes.

Remuneration Committee

The Remuneration Committee is chaired by Giles Davies and its other members are Andrew Bernhardt and Aidan O'Hogan. The Remuneration Committee meets not less than two times a year. The Remuneration Committee has responsibility for determining, within agreed terms of reference, the Group's policy on the remuneration of senior executives and specific remuneration packages for executive directors and the non-executive chairman, including pension rights and compensation payments. It is also responsible for making recommendations for grants of options under share-based schemes for Group employees. The remuneration of non-executive directors is a matter for the Board. No director may be involved in any discussions as to their own remuneration.

Nomination Committee

The Nomination Committee is chaired by John Reynolds and its other members are Gary Britton and Aidan O'Hogan. The Nomination Committee meets at least once per year. The Nomination Committee is responsible for reviewing, within the agreed terms of reference, the structure, size and composition of the Board, undertaking succession planning, leading the process for new Board appointments and making recommendations to the Board on all new appointments and re-appointments of existing directors.

3. CONFLICTS OF INTEREST

The Companies Act 2014 requires each Director who is in any way, either directly or indirectly, interested in a contract or proposed contract with the Company to declare the nature of his interest at a meeting of the

Directors. The Company keeps a record of all such declarations which may be inspected by any Director, secretary, auditor or member of the Company at the registered office of the Company.

Subject to certain exceptions, the Articles generally prohibit Directors from voting at Board meetings or meetings of committees of the Board on any resolution concerning a matter in which they have a direct or indirect interest which is material or a duty which conflicts or may conflict with the interests of the Company. Directors may not be counted in the quorum in relation to resolutions on which they are not entitled to vote. For a summary of the Articles and details of the exceptions to the prohibition referred to above, see paragraph 8 of Part XVII (*Additional Information*) of this Document.

Under the Articles, one third of the Directors must retire by rotation each year and may seek re-election by the Shareholders. Notwithstanding the arrangements under the Articles, in keeping with the UK Corporate Governance Code and best practice in corporate governance, all Directors intend to seek re-election at every annual general meeting of the Company.

The Company has the benefit of certain non-compete and non-solicit undertakings from the Founders pursuant to the Founders Relationship Agreements, as set out at paragraph 14.11 of Part XVII (*Additional Information*) of this Document.

Furthermore, in addition to the terms of the Companies Act 2014 and the terms of the Articles dealing with conflicts of interests, the Founders Relationship Agreements provide that, where any conflict of interest arises in relation to any Founder, the matter is determined (insofar as the Company is concerned) by the Non-Executive Directors and otherwise in accordance with the Articles.

The shareholding interests of the Directors and Management Team as at the Last Practicable Date and as they are expected to be on Admission, are set out in paragraph 6 of Part XVII (*Additional Information*) of this Document.

Michael Stanley and Kevin Stanley are brothers and as such a family relationship exists between them.

Other than as stated below, or in paragraph 6 of Part XVII (*Additional Information*) of this Document, there is no potential conflict of interest between the duties of the Directors and the Management Team to the Company and their other interests, including their private interests, that is material to the Company or the Capital Raise:

- (a) The Founder Shares held by Michael Stanley, New Emerald LP and Kevin Stanley give them rights to convert Founder Shares into Ordinary Shares in future if the Performance Condition is satisfied.
- (b) John Reynolds, the Independent Non-Executive Chairman of the Company, is a director of Computershare Investor Services (Ireland) Limited, the Company's registrars.
- (c) Aidan O'Hogan is Managing Director of Property Byte Limited, a company through which he provides property consultancy and advisory services to various vendors and acquirers of Irish property including (and also in its capacity as a secured lender) ACC Loan Management Limited (a member of the Rabobank Group). He also provides advice to clients on existing property holdings and potential purchases on a personal basis. Mr O'Hogan is a director of Irish Residential Properties REIT plc, a company which holds some assets for development and may from time to time be interested in acquiring properties which may be suitable for development or refurbishment into homes. Each of these business interests could potentially result in a situation where the interests of the Company and/or those of Mr O'Hogan or the third parties being advised by him may conflict.

The nature and terms of the above interests and transactions have been considered by the Non-Executive Directors and approved by those Non-Executive Directors eligible to vote on such interests and transactions.

Should any conflict of interest arise, the Directors believe that the provisions of the Articles and the Company's general corporate governance policies (including those set out in paragraph 2 of this Part X (*Directors, Management Team and Corporate Governance*)) shall be sufficient to address it. To the extent any matter arises that is unforeseen at this point, it is anticipated that additional procedures or provisions that may be required shall be put in place.

4. INTERESTS OF THE DIRECTORS AND MANAGEMENT TEAM IN SHARE CAPITAL

The interests of the Directors and Management Team in the share capital of the Company (i) as at the Last Practicable Date; and (ii) as they are expected to be on Admission, are set out in paragraph 6 of Part XVII (*Additional Information*) of this Document.

5. LOCK-UP ARRANGEMENTS

Pursuant to the Placing and Open Offer Agreement, the Company has agreed that, subject to certain customary exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Joint Global Co-ordinators (not to be unreasonably withheld or delayed), issue, offer, lend, mortgage, assign, charge, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any interest in Ordinary Shares or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or any interest in Ordinary Shares or enter into any transaction with the same economic effect as any of the foregoing. This undertaking shall not apply to the operation of any employee share scheme which is in existence at the date of Admission and is described in this Document.

Pursuant to the Lock-up Agreements, each of the Founders and Kevin Stanley have agreed that, subject to certain customary exceptions, during the period of 365 days from the date of IPO Admission (i.e. until 14 June 2016), they will not, without the prior written consent of Goodbody and Credit Suisse, offer, sell or contract to sell, or otherwise dispose of such Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. The customary exceptions to the Lock-up Agreements include any actions that were contemplated by the capital raise at the time of the IPO, any actions taken with the consent of Goodbody and Credit Suisse, any disposal made in accordance with the Irish Takeover Rules, any disposal by way of gift to family members of family trusts, any disposals to or by personal representatives and any disposal pursuant to a scheme of reconstruction or in connection with a compromise arrangement. For the purposes of the Lock-up Agreements, only 40.5 per cent. of the Ordinary Shares held by Stanbro at the date of the IPO shall be affected, representing the Ordinary Shares in which Michael Stanley and Kevin Stanley are interested. Each of the Founders and Kevin Stanley has further agreed that, subject to certain customary exceptions, during the period of 365 days from conversion of any of his Founder Shares into Ordinary Shares, neither he nor any member of the Founder Group will, without the prior written consent of the Board, offer, sell or contract to sell, or otherwise dispose of such Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. Following the period of 365 days from conversion of Founder Shares, each of the Founders and Kevin Stanley will be permitted to offer, sell or contract to sell, or otherwise dispose of 50 per cent. of such Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same effect as any of the foregoing but the lock-up restriction described above will continue to apply to the remaining 50 per cent. of such Ordinary Shares for a further period of 365 days.

6. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Each of the Executive Directors has entered into a service agreement and each of the Non-Executive Directors has entered into a letter of appointment. Each Director has the same general legal responsibilities to the Company as any other Director and the Board as a whole is collectively responsible for the overall success of the Company.

The Executive Directors, Michael Stanley, Alan McIntosh and Eamonn O'Kennedy, were appointed on 9 June 2015. In respect of the Non-Executive Directors, John Reynolds, Gary Britton, Giles Davies and Andrew Bernhardt were appointed for an initial term of three years, commencing on 28 April 2015 and Aidan O'Hogan was appointed for an initial term of three years commencing on 18 May 2015. The Company may lawfully terminate a Director's appointment with immediate effect in certain circumstances, including where a Director has materially breached the terms of his service agreement or letter of appointment and no compensation would be payable to such Director in such event. In addition to their general legal responsibilities, the Directors shall have responsibility for the Company's strategy, performance, financial and risk control and personnel.

7. MODEL CODE

The Company must comply with the Model Code which imposes restrictions on share dealings for the purposes of preventing the abuse, or suspicion of abuse, of inside information by Directors and other persons discharging managerial responsibilities within the Company. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors and others to whom the Model Code is applicable.

8. FOUNDER SHARES

The Company has issued the Founder Shares to New Emerald LP, Michael Stanley and Kevin Stanley. New Emerald LP is a limited partnership, the sole limited partner and economic beneficiary of which is the Emerald QIAIF. The Emerald QIAIF is a Central Bank regulated fund in which Prime Developments, a company in which the economic interest is indirectly held by Alan McIntosh and his spouse, is the sole investor. The Founder Shares held by New Emerald LP, Michael Stanley and Kevin Stanley enable them to receive 20 per cent. of the Total Shareholder Return (“TSR”) over the seven years following the IPO, subject to the satisfaction of the Performance Condition, being the achievement of a compound rate of return of 12.5 per cent. per annum in the Company’s share price. Further details of the rights attaching to the Founder Shares are set out in paragraph 4 of Part XVII (*Additional Information*) of this Document.

9. LONG-TERM INCENTIVE PLAN

The Company intends to introduce arrangements under which employees would be able to participate in a long-term incentive plan, through which employees (excluding the Founders) would be offered an opportunity to acquire shares in the Company on beneficial terms. Further details are set out in paragraph 9.5 of Part XVII (*Additional Information*) of this Document.

10. OPTIONS

Eamonn O’Kennedy has been awarded 500,000 options over Ordinary Shares in the Company at an exercise price of €1 per Ordinary Share. 50 per cent. of the options will vest on the third anniversary of the IPO and the remaining 50 per cent. will vest on the fourth anniversary of the IPO.

PART XI

OPERATING AND FINANCIAL REVIEW

The following review contains forward-looking statements that are based on assumptions about future business developments and that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Document, particularly under the headings "Risk Factors" and "Information regarding forward-looking statements".

1. OVERVIEW

The Group was formed in November 2014 and subsequently raised in excess of €440 million in gross proceeds in June 2015, by way of the IPO, pursuant to which the Company's Existing Ordinary Shares were admitted to the Official List of the FCA and to trading on the main market of the London Stock Exchange on 15 June 2015.

The Group's strategy is to capitalise on the recovery of the Irish residential property market by establishing itself over the medium term as a leading Irish homebuilder, constructing high quality new homes with an emphasis on innovation, design and customer service. The Group intends to achieve its strategy through site acquisitions in targeted regions with attractive supply/demand characteristics and the development of high quality sites that meet the needs of the local market.

As at the Last Practicable Date, the Group has acquired or entered into binding agreements to acquire ten sites in Ireland for development (the "Acquired Sites") (and, in the case of the Navan Site, has agreed to acquire the site conditional on receipt of the Navan Planning Approval). The construction of homes has commenced on two of the Acquired Sites (the Parkside Site and the Killiney Site), with sales having commenced on the Parkside Site, and work is due to commence on the Rathgar Site in April 2016. The Group launched Phase 1 of the Parkside Site in September 2015, with 59 homes sale agreed (of which 27 sales have closed) as at the Last Practicable Date.

On 6 December 2015, the Company entered into a definitive agreement relating to the acquisition of the Project Clear Loan Portfolio from Ulster Bank in conjunction with Lone Star. The total par value of the loans acquired by the Group and Lone Star in the competitive auction process was approximately €1.7 billion. The Group acquired approximately 75 per cent. of the Project Clear Loan Portfolio for a cash consideration of €378 million. The Group's share of the Project Clear Loan Portfolio consists of 120 loans secured against 1,200 acres of land, across 28 residential development sites.

In respect of the financial period ended 31 December 2015, the Group completed the sale of 11 homes and had revenue of €3.7 million, and a gross profit of €0.7 million. The Group made an operating loss (before exceptional items) of €3.8 million. As at the Last Practicable Date, the Group's Core Sites have the potential to yield 11,229 potential homes.

2. RECENT DEVELOPMENTS

On 4 January 2016, the Group contracted to acquire the Hanover Quay Site in Central Dublin for €18 million. The Group completed the acquisition on 22 March 2016.

On 11 February 2016, the Group acquired two lots in Cherrywood in South County Dublin (10.5 acres in total) for €21.5 million. The Group also has an agreement to purchase the Cherrywood Option Site on receipt of the final grant of planning permission at a cost of €9.2 million. The Group expects to be able to develop in excess of 300 homes across the entire site.

In addition, the Group is seeking to acquire a portfolio of six sites owned by Argentum Property in Dublin and the Dublin commuter belt, and has made a total exclusivity payment of €7.5 million in two instalments on 23 December 2015 and 16 February 2016 respectively. The exclusivity period expires on 21 April 2016 unless further extended, and the deposit paid will be offset against the total purchase price of the acquisition.

Should the transaction proceed, the Company would acquire net current assets of circa €1 million and a site portfolio at a cost of €110 million. The Group will also incur stamp duty and other costs of circa €2 million. Five of the sites, which are currently zoned as residential sites, have the potential to deliver an aggregate total of 1,081 homes. The sixth site is currently zoned metro-economic corridor. In the event that it is re-zoned as a residential site, the Group would pay a further €10 million, and the Group would expect to develop 1,450 homes across the six sites. The Argentum Exclusivity Agreement is more fully described at paragraph 14.7 of Part XVII (*Additional Information*) of this Document.

The Group has contracted to acquire the Maynooth Site on 7 March 2016 and the contract is anticipated to complete on 20 April 2016. The Group has also identified a fourth site located in South County Dublin, which it is proposing to enter into discussions to acquire for a consideration that is anticipated to be in the region of €12 million, and a fifth site located in the Dublin commuter belt, which it is proposing to enter into discussions to acquire for a consideration that is anticipated to be in the region of €31 million. The Group has also successfully pursued its loan to own strategy in respect of the Stillorgan Site (Blakes), the Moylare Site and the Blackrock Site which were transferred by the relevant borrowers to the Group on a consensual basis in March 2016. Furthermore, the Group completed a further debt drawdown of €8 million on 11 March 2016 under the Amended Senior Debt Facilities.

3. KEY FACTORS AFFECTING THE GROUP'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The Group was recently formed and consequently has a limited track record. The following factors have, and are likely to continue to affect the Group's results of operations and financial condition:

3.1. *Macroeconomic conditions in Ireland and the European Union*

Macroeconomic conditions in Ireland and more generally in the European Union affect the overall condition of the housing market in Ireland. The Group's business as a homebuilder is highly dependent on the level of Irish house prices, which in turn are significantly influenced by economic factors, including employment levels, interest rates and consumer confidence. Ireland was one of several European countries to be affected by the sovereign debt crisis resulting from the global financial crisis in mid-2007 and the prolonged economic slowdown, which had a major economic and social impact in Ireland, leading to increased unemployment and reduced access to capital for corporations and individuals. These factors, together with other domestic factors, precipitated a sharp decline in the Irish housing market, and residential property prices fell by 51 per cent. from their 2007 peak to the trough before stabilising in the third quarter of 2012 and registering their first annual increase since 2007 in June 2013 (*Source: CSO Residential Property Price Index November 2015*).

Ireland is forecast to have the highest GDP growth in the European Union for 2016 and 2017 (*Source: European Commission, European Economic Forecast Winter 2016*). Unemployment has declined significantly, with the Standardised Unemployment Rate down to 8.8 per cent. in February 2016 from a peak of 15.1 per cent. in February 2012 (*Source: CSO, Seasonally Adjusted Unemployment Rate, February 2016*). Likewise, Irish employment has climbed, increasing by 2.3 per cent. or 56,100 jobs in the 12 months to December 2015 (*Source: CSO, Quarterly National Household Survey, Q4 2015*). This improvement in macroeconomic conditions in Ireland is forecast to result in a continued recovery in the level of Irish house prices. In addition, there is a structural demand for new housing in Ireland, due to an estimated formation of at least 5,000 new households each year (*Source: ESRI, Tax Breaks and the Residential Property Market, September 2015*), resulting from organic population growth and immigration. Nevertheless, the European Union as a whole continues to exhibit economic volatility, which may affect the Irish economy and ultimately, the demand for new homes in Ireland. Part XI (*Operating and Financial Review*) and paragraph 14.8 of Part XVII (*Additional Information*) of this Document. For further information see Risk Factor '*Housing market conditions and the macroeconomic climate in Ireland may deteriorate*' set out in Part II (*Risk Factors*) of this Document.

3.2. *Number of sites, rates of sale and site and product mix*

The Group's profitability is driven by the number of house sales that reach legal completion and the margin it earns on those sales. The total number of sales is influenced by the number of active sites

from which the Group is operating and the rate of sales on each site.

The margins that the Group earns can vary significantly and depend on the cost of the land, the type of home sold and the location of the site. Site mix is the geographic mix of sites between locations within Ireland and product mix is the type and size of homes built, including apartments and different house types, such as detached, semi-detached or terraced houses. Both site and product mix have a significant effect on the Group's results of operations.

While the Group chooses the development land it acquires and decides what type of homes to build on each site, thus controlling both site and product mix, they can be affected by external factors, in particular the size and location of development land available for acquisition, the availability of planning consents (including the ability to change existing planning consents since the Group believes that it has the capacity to obtain the most suitable planning consent for its purposes) and government policy for example with respect to zoning or environmental legislation.

3.3. *Availability and cost of mortgage financing in Ireland*

The Group's ability to sell residential property in Ireland depends on the availability of mortgage financing for its customers, which remains constrained by historical standards. New mortgage lending in 2015 was estimated to have totalled approximately €4.8 billion (*Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q4 2015*), 90 per cent. below the peak level in 2006 of €39.9 billion (*Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q4 2006*). However, new mortgage lending has picked up, with the value of mortgage drawdowns for 2015 up by 26 per cent. compared to 2014 (*Source: Banking and Payments Federation of Ireland, Mortgage Market Profile, Q4 2015*).

However, in 2015 mortgage approvals by volume were seven per cent. higher than in 2014 (*Source: Banking and Payments Federation of Ireland; Mortgage Approvals – December 2015*), compared to 2014, when mortgage approvals by volume were 49 per cent. higher than in 2013. This slowdown correlated to the introduction of new regulations to apply proportionate limits to mortgage lending by regulated financial service providers in the Irish market, which came into force on 9 February 2015. The key objective of these regulations is to increase the resilience of the banking and household sectors to the property market and to reduce the risk of bank credit and house price spirals from developing in the future. See Part VIII (*Industry Overview*) for further detail. These regulations could continue to make it difficult for the Group's potential customers to obtain the level of mortgage financing they require in order to purchase homes from the Group. In addition, the spread between official European Central Bank interest rates and standard variable mortgage rates in Ireland is relatively high by historical standards or compared to other European countries, meaning that it is relatively more expensive for the Group's potential customers to obtain financing to purchase homes today, or compared to their counterparts elsewhere in Europe. (*Source: Influences on Standard Variable Mortgage Pricing in Ireland, Central Bank of Ireland, May 2015*).

3.4. *The Group's inventory (including land banks) and their carrying value*

The Group's inventory consists of its development land, homes under development and completed but unsold homes on its development sites. Its business and financial returns are highly dependent on its ability to acquire land suitable for development on appropriate commercial terms, which in turn depends on the availability of land meeting the Group's acquisition criteria and the level of competition for such sites. The Group has started constructing homes on the Parkside Site and the Killiney Site, and expects to commence construction on five additional sites within the next 12 months.

The carrying value of the Group's inventory is the lower of cost and net realisable value, which is the value the Group would be able to obtain upon disposal of the inventory. A drop in the net realisable value below the initial cost of the land, completed homes or work in progress will result in a write down in the carrying value of the inventory. The Group intends to review the carrying value of its inventory on a semi-annual basis.

3.5. *The Group's Loan Portfolio*

In addition to its inventory the Group also holds loan receivables representing the portion of the Project Clear Loan Portfolio it acquired from Ulster Bank, which is secured against 28 residential development sites over 1,200 acres. The Group's strategy with respect to this loan portfolio is to gain control of the underlying sites that it deems to be core assets suitable for its residential construction projects and to sell the loans that are non-core. The Group will seek to gain control of the Core Sites through a consensual arrangement with the relevant borrower, but may also pursue an enforcement policy if required. As the loans are non-performing loans, and as the Group has acquired the loans at a significant discount to their par value (with the collateral rather than repayment as its primary focus), it has a significant advantage in seeking to obtain borrower consent to the transfer to the Group of the development land collateral. The Group intends to structure these acquisitions such that the Group can take ownership of the development land from the owner or receiver to hold it directly on the balance sheet of one of its Group companies, at which point the development land would become part of the Group's inventory.

3.6. *Regulation*

The Group is required to comply with the applicable affordable housing requirements. Notably, the Group is required to comply with Part V of the Planning and Development Act 2000, as amended, which has been amended by the Urban Regeneration and Housing Act 2015. The Group is required to make a contribution to the relevant local authority of a maximum of ten per cent. of the undeveloped land within an application site. There are three other options for compliance: the Group can (i) build the percentage of social and affordable housing required and then transfer it to either the planning authority or its nominated authority; (ii) transfer houses on other land to the planning authority or its nominated authority; or (iii) grant a lease to the planning authority of an agreed number and specification of houses, either within the application site or elsewhere within the planning authority's functional area. If one of the three other options is used the Group must ensure that the planning authority gets an equivalent planning gain.

Regulations in the building sector, including the Building Control (Amendment) Regulations 2014, which place more stringent obligations on homebuilders, are also likely to affect the Group's construction costs. To the extent that the trend of increasing regulation continues, this could increase the Group's costs.

3.7. *Construction Costs*

A significant portion of the Group's costs relate to the cost of building its residential projects, including the costs of raw materials, labour costs and professional services fees. The Group aims to employ an on-site construction Management Team at each site, usually comprising a site manager, quantity surveyor, engineer, finishing foreman and general operatives, to manage the sub-contracted tradespeople and supplies purchased directly by the Group. The Group also enters into third-party contracts with civil engineering companies, sub-contractor companies, individual tradespeople and design team professionals, including architects, landscaping architects, mechanical and electrical engineers, structural engineers and planning consultants. In most cases, sub-contractors engaged by the Group supply the labour and materials used to develop the sites as part of their obligations under the contracts with the Group. In other instances, the Group intends to obtain directly supplies including, but not limited to, internal fittings, kitchens, wardrobes, lighting and sanitary wares. The cost of construction varies based on factors within the Group's control, such as the types of homes it builds (which determines the composition of the materials required and, potentially, the timing of when the majority of the materials would be required) and factors outside the Group's control, such as the cost of raw materials and labour, which may in turn be affected by broader macro-economic factors, and regulatory factors.

In addition, as the Group's business grows, it incurs certain investments in operations and administrative overheads before the associated revenues are generated, affecting the Group's margin during periods when such investments are made.

3.8. *The Group's financing arrangements*

As a consequence of its receipt of the net proceeds of the IPO, the Accelerated Book Build Placing and the Capital Raise, as well as its €200 million Senior Debt Facilities with the Lenders, the Group is well-capitalised. The Directors intend to use debt in compliance with the Group's medium-term target that total borrowings should not exceed approximately 25 per cent. of the Group's consolidated net asset value. This allows the Group to borrow at relatively low interest rates.

The Group also intends to look to adopt the most efficient capital structure, which may involve funding through cashflow from operations rather than debt when the Group considers it appropriate.

4. SEASONALITY

The Group's revenues and levels of working capital vary during the year as a result of variations in construction activity and a concentration of legal completions between April and December. Therefore, factors that affect these peak selling seasons can have a disproportionate effect on the Group's performance in a particular period.

5. RESULTS OF OPERATIONS

The Company was incorporated on 12 November 2014 and acquired its first sites in June 2015 following the IPO. The financial statements for the period from incorporation to 31 December 2015 are the Company's first audited financial statements.

The Company's statement of comprehensive income includes certain items that are material in size or unusual or infrequent, for example charges in connection with the pre-IPO restructuring and the Founder Shares (which entitle the holders to participate in the return to Shareholders over the seven years following IPO Admission, subject to satisfaction of a Performance Condition, as described in paragraph 4 of Part XVII (*Additional Information*) of this Document), which are presented as exceptional items. The Directors believe that the separate presentation of exceptional items provides helpful information about the Group's underlying business performance since these items are not expected to affect the results of operations in periods going forward.

5.1. *Revenue*

The Group principally derives revenue from home sales. Home sales are by far the largest contributors to revenue, and revenue from this source is expected to increase in future periods as the Group starts to develop additional sites and additional homes are sold on the sites currently under development. In addition, the Group generates rental income from the short-term school rental at the Parkside Site and rental income from commercial units at the Butterly Site. In the period ended 31 December 2015, revenue was €3.7 million, consisting of €3.4 million from the sale of homes and €0.3 million from rental income. All revenue was generated in Ireland.

Revenue of €3.4 million received by the Group during the period represents income derived from the 11 completed sales in the Parkside Site. The rental income of €0.3 million received by the Group from the Parkside Site and the Butterly Site was for the period from 10 June 2015 to 31 December 2015, since the Group did not own any of the sites at the start of the financial period under review. This rental income is ancillary to the sale of homes on the Parkside Site, and the Group will seek to dispose of these commercial units following the sale of all or the majority of the homes at the sites in the case of the Parkside Site and the redevelopment of the site in the case of the Butterly Site.

5.2. *Cost of sales*

Cost of sales largely comprise land costs, the costs of construction incurred in connection with building out the Group's sites (including raw materials, stamp duty, direct labour, development costs and costs of subcontractors), marketing costs and other fees and levies relating to construction activities.

In the period ended 31 December 2015, cost of sales amounted to €3.0 million. This comprised €1 million for land acquisitions in respect of the 11 homes for which sales were completed within the period under review and €2 million for other costs (principally construction costs).

5.3. *Administration expenses*

Administration expenses consist of salaries, directors' fees, share-based charges and other costs. In addition, in 2015 administrative expenses include an exceptional item relating to the acquisition of Cairn Homes Holdings (formerly Emerley Holdings), through which the Group acquired the Parkside Site.

In the period ended 31 December 2015, administration expenses (before exceptional items) amounted to €4.5 million, of which €3.0 million consisted of employee benefits expenses and €1.5 million comprised other expenses. The exceptional charge of €1.1 million consisted of €0.9 million relating to the pre-IPO restructuring of Cairn Homes Holdings (formerly Emerley Holdings) prior to its acquisition by the Group as part of the IPO and €0.2 million in administration expenses incurred prior to the IPO.

5.4. *Founder Share fair value charge*

A valuation exercise was undertaken to determine the fair value of the Founder Shares, which resulted in a once-off non-cash accounting charge in the financial period to 31 December 2015 of €29.1 million, with a corresponding increase in the share-based payment reserve in equity, such that there is no overall effect on total equity. This non-cash charge to the income statement for the period is for the full fair value of the award relating to the founder shares. No charge is expected to be recognised in subsequent years.

5.5. *Operating gains/(losses)*

As a result of the factors described above, in the period ended 31 December 2015, the Group had an operating loss before exceptional items of €3.8 million and an exceptional loss of €30.2 million, comprised of the founder share fair-value charge of €29.1 million and the €1.1 million charge under administrative expenses, resulting in a total loss operating loss after exceptional items of €34 million.

5.6. *Finance income*

Finance income consists of interest received on the Group's cash and cash equivalents. In the period ended 31 December 2015, finance income amounted to €114,000, representing interest on short term deposits. The Group during the period raised gross proceeds of in excess of €440 million in the IPO and €52.1 million in the Accelerated Book Build during the period ended 31 December 2015, the majority of which was deployed in the acquisition of sites and the Group's Loan Portfolio.

5.7. *Finance costs*

Finance costs consist of interest income paid on the Group's borrowings, which during the period under review primarily consisted of interest payments in connection with the Emerley Properties Loan. In the period ended 31 December 2015, finance costs amounted to €3.7 million, of which €3.6 million is attributable to the Emerley Properties Loan, which was acquired as part of the acquisition of Cairn Homes Properties (formerly Emerley Properties) on 15 June 2015. Of this amount, €1.9 million, representing the pre-existing interest costs of Emerley Holdings Limited prior to the acquisition by the Group, is treated as an exceptional amount. The Group repaid the Emerley Properties Loan in full in December 2015.

As at 31 December 2015, the Group had drawn down €65.5 million under its Senior Debt Facilities. The remaining €0.1 million interest charge relates to interest on the Senior Debt Facilities.

5.8. *Taxation*

In the period ended 31 December 2015, the Group recognised an income tax credit of €0.3 million. This is a non-cash item.

5.9. *Gain (loss) for the year*

As a result of the factors described above, in the period ended 31 December 2015, the Group's loss after tax was €37.2 million.

6. LIQUIDITY AND CAPITAL RESOURCES

6.1. *Sources and use of funds*

The Group's principal sources of liquidity to date have been the gross proceeds of the IPO (in excess of €440 million), the Accelerated Book Build Placing (gross proceeds of €52.1 million); the Senior Debt Facilities with the Lenders, consisting of a term loan facility of up to €150 million (under which the Group had borrowed €50 million as of 31 December 2015) and a revolving credit facility of up to €50 million (under which the Group had borrowed €15.5 million as of 31 December 2015); and cashflows generated from the Group's operations. The Group also generates limited rental income from commercial premises located on the Butterly Site and from the short-term school rental on the Parkside Site, and may generate such income on future sites, although any commercial units would likely be ancillary to the sale of homes on a site, and the Group would normally seek to dispose of these commercial units following the sale of all or the majority of the homes at a site. The Group also generates limited income from some of the collateral assets underlying loans purchased by the Group as part of a portfolio on 11 December 2015, and expects that a limited number of these loans will be repaid by recourse to the original borrower and that some of the collateral assets may be sold to redeem loans, providing additional sources of liquidity. As the Group continues to grow its business, it expects to fund its operations through multiple sources, possibly including the expected proceeds from this Capital Raise, future earnings, and future debt or equity offerings or commercial borrowings.

For the duration of the Group's Senior Debt Facilities, the Group is required to maintain €27 million in an interest-bearing blocked deposit as part of the collateral for such facilities. In addition, under the Senior Debt Facilities, the Group has an obligation to enter into an agreement to hedge a portion of the amount available to be borrowed under the facilities.

The Group expects that its working capital requirements typically are limited. On sites where the Group will solely or primarily build houses rather than apartments, due to its efficient and flexible housebuilding model. On those sites where the Group builds apartments, it has a greater working capital requirement, due to the need to construct basements, podiums and super-structures. The initial working capital outlay prior to building houses is relatively small: consisting of planning and design costs and the implementation of basic ground work and infrastructure. Once this basic infrastructure is in place, the Group is able to start building and selling houses in phases, meaning that it can incur the costs of building houses in a managed way over the time it takes to develop fully a site and can start to generate cashflow from the sale of homes while the site's development is ongoing. This also provides the Group with the flexibility to set the pace of construction and adapt the types of houses it builds to be commensurate with the demand for the houses.

6.2. *Cash flows*

For the period to 31 December 2015, the Group's net cash inflows and outflows were as follows:

- Net cash outflow from operating activities was €491.1 million, reflecting acquisition costs in respect of the Parkside Site, the Killiney Site, the Butterly Site, the Galway Site, the Stillorgan Site (Ard na Glaise), the Foxrock Site and the Rathgar Site for a total of €132 million and the Group's Loan Portfolio for €378 million and the revenue of €3.7 million received in respect of the sale of homes and rental income.

- Net cash outflow from investing activities was €25.1 million, which consisted principally of cash acquired upon the acquisition of Cairn Homes Holdings, less the impact of transferring €27 million in cash to a restricted account under the terms of the Amended Senior Debt Facilities.
- Net cash inflow from financing activities was €522.8 million, reflecting principally the net proceeds of the issuance of shares in the IPO in June 2015 and the Accelerated Book Build in December 2015 and €65.5 million in borrowings under the Senior Debt Facilities, which was partially offset by the repayment of the Emerley Properties Loan, consisting of €18.1 million principal and €3.6 million in interest, in December 2015.

6.3. *Contractual obligations*

The following table sets forth the Group's total outstanding contractual commitments as at 31 December 2015:

Millions of Euros	Carrying Amount	Total	6 months or less	6-12 months	1-2 years	2-5 years
Non-derivative financial liabilities						
Trade and other payables	11.2	(11.2)	(11.2)			
Loans and borrowings	63.5(1)	(73.9)	(1.0)	(1.0)	(2.2)	(69.7)
Total	74.7	(85.1)	(12.2)	(1.0)	(2.2)	(69.7)
Derivative financial liabilities						
Embedded interest-rate floor	0.5	(0.5)	(0.05)	(0.07)	(0.1)	(0.3)

(1) Gross borrowings of €65.5 million less debt issue costs and a derivative liability.

In addition to the contractual obligations disclosed above, the Group has contracted to acquire the Navan Site conditional on the receipt of the Navan Planning Approval, at a total cost estimated at €2.5 million, assuming that the Navan Planning Approval is obtained.

7. OFF-BALANCE SHEET ARRANGEMENTS

The Group has no off-balance sheet arrangement.

8. MARKET RISK AND RISK MANAGEMENT

The Group is exposed to a variety of market risks but is principally exposed to liquidity risk, interest rate risk and credit risk. Additional information about the Group's exposure to risk and risk management policies is set forth in note 27 of the Group's audited financial information as at and for the period ended 31 December 2015 as set out in Part XII (*Historical Financial Information*) of this Document.

8.1. *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loan assets, trade and other receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

The Group's main financial assets are loan receivables, construction bonds and cash and cash equivalents, (including restricted cash).

Loan receivables, which totalled €378.7 million at 31 December 2015, were acquired in connection with the Group's Loan Portfolio. The underlying loans are secured on real estate collateral in Ireland,

and are expected to either be recovered by the direct acquisition of the properties by the Group or through the sale of collateral properties and the receipt of income from these properties. As at 31 December 2015, the Directors estimate that the value of real estate collateral less costs incurred in acquiring underlying properties approximates to the carrying value of loan receivables.

Construction bonds, which total €4.3 million at 31 December 2015, relating to the underlying real estate collateral, will either be recovered on completion of the site development or expiration of the related planning permission.

Group management in conjunction with the Board manage risk associated with cash and cash equivalents by depositing funds with a number of Irish financial institutions and AAA rated international institutions. At 31 December 2015, the Group's deposits were held in two Irish financial institutions with a minimum credit rating of BBB-.

8.2. *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors the level of expected cash inflows on trade and other receivables and expected house sales together with expected cash outflows on borrowings, trade and other payables, commitments and site acquisition costs. All trade and other payables (€11.2 million) at 31 December 2015 are considered current with the expected cash outflow equivalent to their carrying value.

Management monitors the adequacy of the Group's liquidity reserves (comprising undrawn borrowing facilities and cash and cash equivalents) against rolling cash flow forecasts. In addition, the Group's liquidity risk management policy involves monitoring balance sheet liquidity ratios against internal requirements and maintaining debt financing plans.

8.3. *Interest rate risk*

The Group is exposed to interest rate risk in connection with its borrowings at floating rates. The Group will decide whether or to what extent to hedge against this risk depending on the level of exposure and market conditions. At 31 December 2015 the Group has the Senior Debt Facilities with AIB that had a principal drawn balance of €65.5 million and an overall interest rate of EURIBOR (subject to a 0 per cent. floor) plus margin that ranges from 2.5 per cent. to 3 per cent.

The loan facilities have an embedded interest rate floor derivative, whereby if the EURIBOR benchmark is negative at the commencement of an interest period the benchmark rate is set to zero. The fair value of this embedded derivative at 31 December 2015 was €0.5 million.

8.4. *Risk management framework*

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee keeps under review the adequacy and effectiveness of the Group's internal financial controls and the internal control and risk management systems.

9. CRITICAL ACCOUNTING POLICIES

The Group's audited historical financial information as at and for the period ended 31 December 2015 included in Part XII (*Historical Financial Information*) of this Document has been prepared in accordance with IFRS. A summary of the Group's key judgements and estimates and its significant accounting policies are set forth in notes 2 and 3 respectively of the Group's audited financial information as at and for the period ended 31 December 2015 included in Part XII (*Historical Financial Information*) of this Document.

The preparation of the Group's consolidated financial statements in conformity with IFRS, requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that had the most significant effect on amounts recognised in the consolidated financial statements of the Company in the period ended 31 December 2015 are set out below.

9.1. *Revenue recognition*

Revenue comprises the fair value of consideration received or receivable, net of value-added tax, rebates and discounts.

Revenue is recognised once the value of the transaction can be reliably measured and the significant risks and rewards of ownership have been transferred. Revenue is recognised on house sales at legal completion.

Booking and contract deposits on homes sold by the Group are held by the Group's legal advisors, on behalf of the Group, until legal completion of the sale, at which point all such deposits are paid to the Group and recognised as revenue. Where a contract, on which a booking deposit has been paid, is not completed, the Group will recognise the forfeited deposit (arising in accordance with the contract's terms) as revenue.

Rental income is recognised on a straight line basis over the life of the lease. Any lease incentives are recognised as an integral part of the total rental income.

9.2. *Inventories*

Homes in the course of development and completed homes are valued at the lower of cost and net realisable value. Cost includes the cost of land, raw materials, stamp duty, direct labour and development costs, but excludes indirect overheads. Land purchased for development, including land in the course of development, is initially recorded at cost. For development property acquired through business combination, cost is the sum of the fair value at acquisition plus subsequent development costs. The Group's developments can take place over several reporting periods and the Group has to allocate site-wide development costs between homes built in the current year and in future years. It also has to estimate the costs to completion of such developments. In making these assessments there is a degree of inherent uncertainty. Inventories are carried at the lower of cost and net realisable value, such that provision is made, where appropriate, to reduce the value of inventories and work in progress to their net realisable value.

Where a site purchased for redevelopment includes existing rental properties that will be demolished as part of the planned redevelopment of the site, the full cost of the site is classified within inventory.

9.3. *Share-based payments*

The Company issues equity-settled share based payments to certain employees (share options) and founders (founder shares).

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity over the vesting period of the awards. The amounts recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions, where applicable at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

9.4. *Impairment*

Where a site has commenced selling homes, the Group compares the margin recognised on the site in the year to the forecast margin on the site over the life of the development, taking account of updated sales prices and cost estimates. Where a site has not yet commenced selling, the Group compares the most recent forecast to prior forecasts for that site. The Group assesses whether any such updated margin forecasts indicate a risk of impairment in the inventory balance.

The Group assesses the potential impairment of loan assets in a similar manner to its assessment of impairment to the inventory balance. With respect to the loan receivables acquired as part of the Project Clear acquisition, the Directors do not believe that further impairment allowances are required against these loans as they expect that the loans will be resolved at least at their carrying value due to the value of the collateral on which they are secured.

PART XII

HISTORICAL FINANCIAL INFORMATION

Section A: Accountant's report on historical financial information



KPMG

Chartered Accountants

Stokes Place
St. Stephen's Green
Dublin 2

The Directors
Cairn Homes p.l.c.
7 Grand Canal
Grand Canal Street Lower
Dublin 2
D02 KW81

Dear Sir or Madam:

Cairn Homes p.l.c.

We report on the financial information of Cairn Homes p.l.c. (the "Company") set out in Section B of Part XII (*Historical Financial Information*) of the prospectus relating to the Company dated 23 March 2016 (the "Document") for the period from incorporation to December 2015. This financial information has been prepared for inclusion in the Document on the basis of the accounting policies set out in Note 1. This report is required by paragraph 20.1 of Annex I of Commission Regulation (EC) No. 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with IFRS as adopted by the EU.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph 2(2)(f) of Schedule 1 to the Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005) (the "Prospectus Regulations") to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board of the United Kingdom and Ireland. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Document dated 23 March 2016, a true and fair view of the state of affairs of Cairn Homes p.l.c. as at the date stated and of its profits/losses, cash flows and recognised gains and losses, changes in equity for the periods then ended in accordance with the basis of preparation set out in Note 1 and in accordance with IFRS as adopted by the EU as described in Note 1.

Declaration

For the purposes of paragraph 2(2)(f) of Schedule 1 to the Prospectus Regulations we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG
Chartered Accountants
Dublin, Ireland

Section B: Financial information of the Company for the period from incorporation to 31 December 2015

The financial information set out below in respect of Cairn Homes p.l.c. (the “Company”) for the period from incorporation to 31 December 2015 has been prepared by the Directors on the basis set out in Note 1.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the period from incorporation on 12 November 2014 to 31 December 2015**

	Note	Before Exceptional Items €'000	Exceptional Items €'000	Total €'000
Continuing operations				
Revenue	6	3,717	–	3,717
Cost of sales.....		(3,015)	–	(3,015)
Gross profit		702	–	702
Administrative expenses	7	(4,492)	(1,086)	(5,578)
Fair value charge relating to Founder Shares	18	–	(29,100)	(29,100)
Operating loss		(3,790)	(30,186)	(33,976)
Finance income	8	114	–	114
Finance costs	8	(1,800)	(1,858)	(3,658)
Loss before taxation		(5,476)	(32,044)	(37,520)
Income tax credit	10			312
Loss for the period attributable to owners of the Company				(37,208)
Other comprehensive income				–
Total comprehensive loss for the period attributable to owners of the Company				(37,208)
Basic loss per share	24			15.9 cents
Diluted loss per share	24			15.9 cents

Consolidated Statement of Financial Position
At 31 December 2015

	Note	€'000
Assets		
Non-current assets		
Property, plant and equipment	11	130
Intangible assets		130
Restricted cash	16	27,000
		27,260
Current assets		
Loan assets	12	382,951
Inventories	13	149,331
Deposits paid	14	5,000
Trade and other receivables	15	2,962
Cash and cash equivalents	16	6,551
		546,795
Total Assets		574,055
Equity		
Share capital	17	637
Share premium	17	521,390
Share-based payment reserve	18	29,118
Retained earnings		(53,155)
Total equity		497,990
Liabilities		
Non-current liabilities		
Loans and borrowings	19	63,543
Derivative liability	26	514
Deferred taxation	10	815
		64,872
Current liabilities		
Trade and other payables	20	11,193
Total liabilities		76,065
Total equity and liabilities		574,055

On behalf of the Board:

Mr John Reynolds
Chairman

Mr Gary Britton
Director

Consolidated Statement of Changes in Equity
For the period from incorporation on 12 November 2014 to 31 December 2015

	Share Capital					Share-based payment reserve €'000	Retained earnings €'000	Total €'000
	Ordinary Shares €'000	“A” Ordinary Shares €'000	Deferred shares €'000	Founder Shares €'000	Share premium €'000			
As at 12 November 2014	–	–	–	–	–	–	–	–
Total comprehensive loss for the period								
Loss for the period	–	–	–	–	–	–	(37,208)	(37,208)
Other comprehensive income	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	(37,208)	(37,208)
Transactions with owners of the Company								
Issue of ordinary shares								
for cash	490	–	–	–	494,660	–	–	495,150
Share issue costs	–	–	–	–	–	–	(15,947)	(15,947)
Issue of Founder Shares								
for cash	–	–	–	100	100	–	–	200
Issue of Ordinary Shares for business combination..	27	–	–	–	26,630	–	–	26,657
Issue of “A” Ordinary Shares for cash	–	20	–	–	–	–	–	20
Conversion of “A” Ordinary Shares to Deferred Shares	–	(20)	20	–	–	–	–	–
Equity-settled share-based payments	–	–	–	–	–	29,118	–	29,118
	<u>517</u>	<u>–</u>	<u>20</u>	<u>100</u>	<u>521,390</u>	<u>29,118</u>	<u>(15,947)</u>	<u>535,198</u>
At 31 December 2015	<u>517</u>	<u>–</u>	<u>20</u>	<u>100</u>	<u>521,390</u>	<u>29,118</u>	<u>(53,155)</u>	<u>497,990</u>

Consolidated Statement of Cash Flows
For the period from incorporation on 12 November 2014 to 31 December 2015

	Note	€'000
Cash flows from operating activities		
Loss for the period		(37,208)
Adjustments for:		
Share-based payments expense	18	29,118
Non-cash expense in relation to the acquisition of Cairn Homes Holdings Limited	25	2,944
Other finance costs	8	1,800
Finance income		(114)
Taxation		(312)
		(3,772)
Increase in inventories		(105,521)
Increase in loan assets		(382,951)
Increase in deposits paid		(5,000)
Increase in trade and other receivables		(2,048)
Increase in trade and other payables		8,186
Net cash used in operating activities		(491,106)
Cash flows from investing activities		
Cash acquired on acquisition of Cairn Homes Holdings Limited	25	1,963
Purchases of property, plant and equipment		(130)
Purchases of intangible assets		(83)
Interest received		114
Transfer to restricted cash	16	(27,000)
Net cash used in investing activities		(25,136)
Cash flows from financing activities		
Proceeds from issue of share capital, net of issue costs paid		480,174
Proceeds from borrowings		64,375
Repayment of loans	19	(18,130)
Interest paid	19	(3,626)
Net cash from financing activities		522,793
Net increase in cash and cash equivalents in the period		6,551
Cash and cash equivalents at incorporation.....		–
Cash and cash equivalents at 31 December 2015	16	6,551

Notes to the Consolidated Financial Statements
For the period from incorporation on 12 November 2014 to 31 December 2015

1. BASIS OF PREPARATION

1.1. Reporting entity

The Company is a company domiciled in Ireland. The Company's registered office is 7 Grand Canal, Grand Canal Street Lower, Dublin 2, D02 KW81. The consolidated financial statements cover the period from incorporation on 12 November 2014 to 31 December 2015 for the Company and its subsidiaries. The Group is predominantly involved in the development of residential property for sale.

1.2. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations approved by the International Accounting Standards Board (IASB), as adopted by the European Union (EU), and those parts of the Companies Act 2014 applicable to companies reporting under IFRS and Article 4 of the IAS Regulation.

1.3. New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for financial periods beginning on various dates after 12 November 2014, and have not been applied in preparing these financial statements. The Group does not plan to adopt these standards early; instead it intends to apply them from their effective dates as determined by their dates of EU endorsement.

Having considered the upcoming endorsed and unendorsed standards and amendments, the Directors have determined that the following may have an effect on the consolidated financial statements of the Group and the potential impact of these statements on the Group is under review.

	EU effective date (periods beginning)	IASB effective date (periods beginning)
Amendments to IAS 1: Disclosure Initiative	1 January 2016 (early adoption permitted)	1 January 2016
IFRS 15: <i>Revenue from contracts with customers (May 2014) including amendments to IFRS 15: Effective date of IFRS 15 (September 2015)</i>	Not endorsed, expected to be endorsed Q2 2016.	1 January 2018
IFRS 9 <i>Financial Instruments (July 2014)</i>	Not endorsed, expected to be endorsed H1 2016.	1 January 2018
IFRS 16 <i>Leases (January 2016)</i>	Not endorsed, no indicative endorsement date provided.	1 January 2019

1.4. Functional and presentation currency

The consolidated financial statements are presented in Euro, which is the functional currency of the Company and presentation currency of the Group, rounded to the nearest thousand.

1.5. Basis of accounting

The Directors consider that it is appropriate that the financial statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The significant accounting policies applied in the preparation of the financial statements are set out in Note 3.

2. KEY JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements requires the Management Team to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results could differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key judgements and estimates impacting the financial statements are:

- accounting for share-based payments (Note 18)
- carrying value of inventories and allocations from inventories to cost of sales (See Notes 3(f) and 13)
- carrying value of loan assets (Note 12)
- accounting for acquisitions, including allocation of fair value of consideration (Note 25)
- presentation of exceptional items (Note 25)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied in the financial statements.

3.1. *Basis of consolidation*

The consolidated financial statements include the results of the Company and all its subsidiary undertakings for the period to 31 December 2015. The financial statements of the subsidiary undertakings are consolidated from the date when control passes to the Group using the purchase method of accounting and up to the date control ceases.

3.1.1. *Business combinations*

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Goodwill arising on consolidation represents the excess of the fair value of the consideration over the fair value of the separately identifiable net assets and liabilities acquired. Any goodwill that arises is capitalised and tested annually for impairment. Impairment arises when the carrying value of the Group's cash generating unit (residential property development) is greater than its fair value. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3.1.2. *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3. *Transactions eliminated on consolidation*

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated.

3.2. *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost. Depreciation is provided using the straight line method to write off the cost less any residual value over the estimated useful life of the asset on the following basis:

- Computers & Equipment 3-7 years
- Leasehold Improvements seven years

The assets' useful economic lives and residual values are reviewed and adjusted, if appropriate, at each financial reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

3.3. *Leases*

3.3.1. *Lease payments*

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.4. *Intangible Assets*

3.4.1. *Computer Software*

Acquired computer software is capitalised as intangible assets on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Computer software costs are amortised over their estimated useful lives from seven to ten years for specialised software which is expected to provide benefits over a longer period. Other costs in respect of computer software are recognised as an expense as incurred.

The assets' useful economic lives and residual values are reviewed and adjusted, if appropriate, at each financial reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

3.5. *Revenue*

Revenue represents the fair value of consideration received or receivable, net of VAT.

Revenue is recognised once the value of the transaction can be reliably measured and the significant risks and rewards of ownership have been transferred. Revenue is recognised on residential property sales at legal completion.

Booking and contract deposits on units sold by the Group are held by the Group's legal advisors, externally to the Group, until legal completion of the sale, at which point all such deposits are paid to the Group and recognised as revenue. Where a contract, on which a contract deposit has been paid, is not completed, the Group will recognise the forfeited deposit (arising in accordance with the contract's terms) as revenue.

Rental income is recognised on a straight line basis over the life of the lease. Any lease incentives are recognised as an integral part of the total rental income.

3.6. *Inventories*

Units in the course of development and completed units are valued at the lower of cost and net realisable value. Cost includes the cost of land, raw materials, stamp duty, directly attributable interest (if any), direct labour and development costs, but excludes indirect overheads. Land purchased for development, including land in the course of development, is initially recorded at cost. For development property acquired through business combinations, cost is the sum of the fair value at acquisition plus subsequent direct costs. The Group's developments can take place over several reporting periods and the Group has to allocate site-wide development costs between units built in the current year and in future years. It also has to estimate the costs to completion of such developments. In making these assessments, which impact on estimating the appropriate amounts from inventory to be recognised as cost of sales on units sold, there is a degree of inherent uncertainty.

Inventories are carried at the lower of cost and net realisable value, such that provision is made, where appropriate, to reduce the value of inventories and work in progress to their net realisable value.

Where a site has commenced selling units, the Group compares the margin recognised on a site in the year to the forecast margin on a site over the life of the development, taking account of updated sales prices and cost estimates. Where a site has not yet commenced selling, the Group compares the most recent forecast to prior forecasts for that site. The Group assesses whether any such updated margin forecasts indicate that the inventory balance needs to be adjusted to reflect the net realisable value.

Where a site purchased for redevelopment includes existing rental properties which will be demolished as part of the planned redevelopment of the site, the full cost of the site is classified within inventory.

Contract deposits for purchases of development property are recognised as deposits when paid and are transferred to inventory on legal completion of the contract when the remainder of the contract price is paid.

3.7. *Share-based payments*

The Group issues equity-settled share based payments to certain employees (share options) and founders (Founder Shares).

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amounts recognised as an expense are adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions, where applicable at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.8. *Taxation*

Income tax comprises current tax and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised in other comprehensive income or equity.

Current tax is the expected tax payable on taxable profit or loss for the period and any adjustment to tax payable in respect of previous periods. It is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

3.9. *Pensions*

The Group operates defined contribution schemes for certain employees. The Group's contributions to the schemes are charged to profit or loss in the period in which the contributions fall due.

3.10. *Cash and cash equivalents and restricted cash*

Cash and cash equivalents include cash and bank balances in bank accounts with no notice or on short-term deposits which are subject to insignificant risk of changes in value.

Cash and bank balances that are not available for use by the Group are presented as restricted cash. Amounts of restricted cash which are restricted from being exchanged or used to settle a liability for at least 12 months after the end of the reporting period are classified as non-current assets.

3.11. *Provisions*

Provisions are recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

3.12. *Ordinary Shares*

Incremental costs directly attributable to the issue of Ordinary Shares, net of any tax effects, are recognised as a deduction from equity through the retained earnings.

3.13. *Exceptional items*

Items that are material in size or unusual or infrequent are presented as exceptional items in the statement of comprehensive income. The Directors are of the opinion that the separate presentation of exceptional items provides helpful information about the Group's underlying business performance.

3.14. *Segmental reporting*

Operating segments are reported in a manner consistent with the internal organisational and management structure and the internal reporting information provided to the chief operating decision maker (designated as the Board), who is responsible for allocating resources and assessing performance of operating segments.

3.15. *Finance income and costs*

Interest income and expense is recognised using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or financial liabilities) and of allocating the interest income, interest expense and fees paid and received over the relevant period.

Commitment fees in relation to undrawn loan facilities are accounted for on the accruals basis, within finance costs.

3.16. *Financial instruments*

The Group classifies non-derivative financial assets into the following categories: (1) financial assets at fair value through profit or loss; (2) held to maturity financial assets, (3) loans and receivables; and (4) available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following categories: (5) financial liabilities at fair value through profit or loss and (6) other financial liabilities category.

During the period, the Group held no financial instruments in the categories, (1), (2), (4) and (5), as referred above.

3.16.1. *Non-derivative financial assets and financial liabilities – recognition and derecognition*

The Group initially recognises loans and receivables and borrowings on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.16.2. *Non-derivative financial assets – measurement*

Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, as adjusted for any impairments.

3.16.3. Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Interest-bearing loans and borrowings

For interest-bearing borrowings, any difference between initial carrying amount and redemption value is recognised in profit or loss over the period of the borrowings on an effective interest basis, or if appropriate, the Group capitalises borrowing costs directly attributable to the acquisition and development of a qualifying asset as part of the cost of that asset. Embedded derivatives requiring separation as measured at fair value through profit or loss (see paragraph 3.16.4. below).

3.16.4. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Any directly attributable transaction costs are recognised in profit or loss as incurred.

The Group held an embedded derivative (interest rate floor) in its bank borrowings. Embedded derivatives are separated from the host contract and accounted for at fair value through profit or loss if certain criteria are met.

3.17. Impairment of financial assets

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss when they occur and are reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment is reversed through profit or loss.

4. MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is defined in IFRS 13, *Fair Value Measurement*, as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques, as follows:

- *Level 1*: quoted prices, (unadjusted) in active markets for identical assets or liabilities;
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further disclosure about the assumptions made in measuring fair values is included in the following Notes:

- Note 12 – Loan assets;
- Note 15 – Trade and other receivables;
- Note 16 – Cash and cash equivalents;
- Note 19 – Loans and borrowings;
- Note 20 – Trade and other payables;
- Note 25 – Business combinations; and
- Note 26 – Financial instruments and risk management.

5. SEGMENTAL INFORMATION

Segmental information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the Board).

Having considered the criteria in IFRS 8 *Operating Segments* and considering how the Group manages its business and allocates resources, the Group has determined that it has one reportable segment. In particular, the Group is managed as a single business unit, building and property development.

Management of the loan receivables acquired (Note 12) forms an integral part of the single reportable segment as the value of these loans is primarily derived from the underlying value of development properties on which they are secured.

As the Group operates in a single geographic market, Ireland, no geographical segmentation is provided.

6. REVENUE

	Total €'000
Residential property sales	3,401
Income from property rental	316
	3,717

7. ADMINISTRATIVE COSTS

	Note	Before Exceptional Items €'000	Exceptional Items €'000	Total €'000
Employee benefits expense	9(i)	3,003	–	3,003
Other expenses.....		1,489	1,086	2,575
		4,492	1,086	5,578

Costs of €1.1 million treated as exceptional relate to costs assumed as part of the acquisition of Cairn Homes Holdings Limited, see Note 25.

8. FINANCE INCOME AND FINANCE COSTS

	Note	Before Exceptional Items €'000	Exceptional Items €'000	Total €'000
Interest income on short-term deposits		114	–	114
Interest expense on financial liabilities				
measured at amortised cost		(1,927)	(1,858)	(3,785)
Gain on fair value of derivative		127	–	127
Finance Costs.....		<u>(1,800)</u>	<u>(1,858)</u>	<u>(3,658)</u>

€3.6 million of the above finance cost is attributable to a loan which was acquired as part of the acquisition of Cairn Homes Holdings Limited (Note 25). The amount of €1.9 million treated as exceptional represents the pre-existing interest cost of Cairn Homes Holdings Limited prior to its acquisition that the Company assumed on acquisition of Cairn Homes Holdings Limited as part of the IPO. That loan and interest were repaid in full in December 2015.

9. STATUTORY AND OTHER INFORMATION

9.1. Employees

The average number of persons employed by the Group (including executive Directors) during the period was:

	2015
Number of Employees	<u>14</u>

The aggregate payroll costs of these employees were:

	€'000
Wages and salaries	2,884
Social welfare costs	277
Pension costs – defined contribution schemes	170
Other	33
	<u>3,364</u>
Amounts capitalised into inventories.....	<u>(361)</u>
Employee benefit expense	<u>3,003</u>

9.2. Other Information

	€'000
Operating lease rental expense	36
Net foreign currency losses recognised in profit or loss	(8)
Auditor's Remuneration	
Audit of the Group, the Company and subsidiary financial statements*	95
Tax advisory services.....	72
Other non-audit services	339
	<u>506</u>
Directors' Remuneration	
Salaries, fees and other emoluments	1,837
Pension contribution – defined pension contribution schemes	69
	<u>1,906</u>

* Inclusive of review of interim financial statements for period to 30 June 2015.

10. CURRENT AND DEFERRED TAXATION

	Note	31 December 2015 €'000
Current tax charge for the period		–
Deferred tax credit for the period		(312)
Total income tax credit		(312)
Deferred tax		
The deferred tax liability is comprised of the following:		
On incorporation – 12 November 2014		–
Liability on acquisition of Cairn Homes Holdings Limited	25	1,127
Credited to profit or loss		(312)
At 31 December 2015		815

Deferred tax arises from temporary differences relating to:

	Acquired in business combinations €'000	Recognised in profit or loss €'000	Net deferred tax €'000
Land held for development.....	(2,361)	–	(2,361)
Tax losses	1,234	312	1,546
	(1,127)	312	(815)

No deferred tax assets have been recognised in these financial statements in relation to €4.1 million of unused tax losses. The potential deferred tax asset not recognised is €1 million.

The tax assessed for the period differs from the standard rate of tax in Ireland for the period. The differences are explained below

	€'000
Loss before tax	(37,520)
Tax credit at standard Irish income tax rate of 12.5%	(4,690)
<i>Effects of:</i>	
Income taxed/expenses deductible at the higher rate of corporation tax	(423)
Expenses not deductible for tax purposes	3,781
Unused tax losses not recognised as deferred tax assets	1,020
Total income tax credit	(312)

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements €'000	Computers & Equipment €'000	Total €'000
Cost			
At 12 November 2014	–	–	–
Additions.....	67	63	130
At 31 December 2015	67	63	130
Accumulated Depreciation and Impairment			
At 12 November 2014	–	–	–
Depreciation	–	–	–
At 31 December 2015	–	–	–
Net Book Value	–	–	–
At 31 December 2015	67	63	130

Additions were mainly acquired in late 2015, and will be depreciated from January 2016.

12. LOAN ASSETS

	31 December 2015 €'000
Loan receivables	378,681
Construction bonds.....	4,270
Total loan assets	382,951

Loan receivables on the Group's statement of financial position at the period end were purchased as a portfolio acquisition on 11 December 2015, subject to a sub participation period. Under the terms of the sub participation and related agreements, the original lender continued to administer the loans for a short period until formal legal transfer to the Group however, the Group had effective control over these loan assets from 11 December 2015. As detailed in Note 30, 94 per cent. of the loans were legally transferred to the Group on 19 February 2016, and 6 per cent. are still currently subject to sub-participation. This portfolio of loans is secured on real estate collateral all of which is located in Ireland.

The nominal value outstanding on the loans at year end is €1.7 billion. The loans were acquired at a substantial discount to their nominal value reflecting their distressed state at the time of acquisition. Direct transaction costs incurred relating to the acquisition of these loans have been capitalised.

Construction bonds associated with the underlying real estate collateral were also acquired as part of the portfolio and the value of these bonds is due to be recovered on either completion of the site development or expiry of the related planning permission.

All of the loans are past due and in default and hence fall due for immediate repayment and are classified as current assets. Limited income is expected to be generated on some of the underlying collateral assets. A limited number of the loans are expected to be repaid by recourse to the original borrower. €197.9 million of the purchase price relates to loans which were the subject of a receivership when acquired.

The objective in purchasing the portfolio of loans was to generate future returns for the Group in the following ways:

- (i) acquisition of the collateral asset by the Group for inclusion as inventory in its development portfolio subject to compliance with the Group's development strategy;

- (ii) disposal of the collateral assets over time to achieve a redemption of the loan at a value greater than the acquisition cost; and
- (iii) income from the underlying portfolio.

The fair value of the loan receivables was based on the value of the secured real estate collateral.

The Directors do not consider further impairment allowances are required against these loans as they expect that the loans will be resolved at least at their carrying value due to the value of the collateral on which they are secured.

The Group expects to recover these loans within a two year period. It is not possible to determine with accuracy the specific amount of loan assets that will be recovered within 12 months of the reporting date.

13. INVENTORIES

	31 December 2015 €'000
Land held for development.....	132,074
Construction work in progress	17,257
	149,331

The Directors consider that all inventories are essentially current in nature although the Group's operational cycle is such that a considerable proportion of inventories will not be realised within 12 months of the reporting date. It is not possible to determine with accuracy when specific inventory will be realised as this will be subject to a number of factors such as consumer demand and the timing of planning permissions.

Having considered the current market conditions compared to the market conditions when the Group's various development sites were acquired, the Directors do not consider there to be any factors that give rise to concern in relation to the net realisable value of the Group's inventories as at 31 December 2015. Consequently, the Directors believe that the carrying value of all land held for development and construction work in progress is stated at the lower of cost and net realisable value.

14. DEPOSITS PAID

	31 December 2015 €'000
Exclusivity deposit	5,000
Total deposits paid	5,000

Pursuant to the Exclusivity Agreement, the deposit of €5 million (the "Exclusivity Deposit") represents a payment made by the Group in December 2015 to give it the ability to contract to acquire Argentum Property HoldCo Limited by 28 February 2016 (this date was subsequently extended, see Note 30). Argentum Property HoldCo Limited owns five sites (one of which has commenced construction) and has a conditional contract to acquire a sixth site, located in Dublin and the Dublin commuter belt. In the event that the Group acquires Argentum Property HoldCo Limited, the Exclusivity Deposit will be re-categorised as part of the consideration for the acquisition of Argentum Property HoldCo Limited. In the event that the Group decides not to proceed with the transaction, it will forfeit the Exclusivity Deposit. In the event that the vendor decides not to proceed with the transaction, the Exclusivity Deposit will be returned to the Group.

15. TRADE AND OTHER RECEIVABLES

	31 December 2015 €'000
VAT recoverable	2,101
Other receivables	861
Total trade and other receivables	2,962

The carrying value of trade and other receivables approximate to their fair value.

16. RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

	31 December 2015 €'000
Non-current	
Restricted cash	27,000

€27 million of restricted cash is required to be maintained in an interest-bearing blocked deposit for the duration of the Amended Senior Debt Facilities (Note 19), as part of the collateral for those facilities. The estimated fair value of restricted cash at 31 December 2015 is its carrying value.

	31 December 2015 €'000
Current	
Cash and cash equivalents	6,551

Cash deposits are made for varying short-term periods depending on the immediate cash requirements of the Group. All deposits can be withdrawn without significant changes in value and accordingly the fair value of current cash and cash equivalents is identical to the carrying value.

17. SHARE CAPITAL AND SHARE PREMIUM

				31 December 2015 €'000
Authorised				
		Number		
Ordinary Shares of €0.001 each		1,000,000,000		1,000
Founder Shares of €0.001 each		100,000,000		100
Deferred Shares of €0.001 each		120,000,000		120
“A” Ordinary Shares of €1.00 each		20,000		20
Total Authorised Share Capital				1,240
		Share Capital €'000	Share Premium €'000	Total €'000
Issued and fully paid				
	Number			
Ordinary Shares of €0.001 each	516,663,977	517	521,290	521,807
Founder Shares of €0.001 each	100,000,000	100	100	200
Deferred Shares of €0.001 each	19,980,000	20	–	20
“A” Ordinary Shares of €1.00 each	–	–	–	–
		637	521,390	522,027

The Company has four authorised classes of shares: Ordinary Shares; “A” Ordinary Shares Founder Shares; and Deferred Shares.

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per Ordinary Share at meetings of the Company.

The holders of Founder Shares are not entitled to receive dividends and do not have voting rights at meetings of the Company save in relation to a resolution to wind up the Company or to authorise the directors to issue further Founder Shares. Founder Shares entitle New Emerald LP (the sole limited partner and economic beneficiary of which is the Emerald QIAIF, the ultimate beneficiaries of which are Alan McIntosh, a Director, and his spouse), Michael Stanley and Kevin Stanley to receive 20 per cent. of the Total Shareholder Return (which is the increase in the Market Capitalisation of the Company, plus dividends or distributions in the relevant periods), over the seven years following Admission of the Company's Ordinary Shares to the London Stock Exchange on 15 June 2015, subject to the satisfaction of the Performance Condition, being the achievement of a compound rate of return of 12.5 per cent. per annum in the Company's share price, as adjusted for any dividends paid in the period. The Founder Shares will be converted into Ordinary Shares or paid out in cash, at the option of the Company, in an amount equal to the return earned by the Founders, if any. The Company intends to settle the return earned by the Founders, if any, in Ordinary Shares.

The holders of Deferred Shares do not have voting rights at meetings and are not entitled to receive dividends except for the right to receive €1 in aggregate for every €100 billion paid to the holders of Ordinary Shares.

The holders of "A" Ordinary Shares are not entitled to receive dividends and do not have voting rights at meetings of the Company. Issue costs of €15.9 million in relation to Ordinary Shares issued in the period have been charged directly in equity to retained earnings.

Share Issues

- On 2 April 2015, the Company passed a resolution whereby every one Ordinary Share of €1 each was sub-divided into 1,000 Ordinary Shares of €0.001 each.
- On 2 April 2015, the Company issued 100 Ordinary Shares for cash consideration of €100,000.
- On 2 April 2015, 20,000 A Ordinary Shares were issued for cash consideration of €20,000.
- On 2 April 2015, 100,000,000 Founder Shares of €0.001 each were issued for cash consideration of €200,000.
- On 4 May 2015, the Company issued four Ordinary Shares for cash consideration of €0.04.
- On 9 June 2015, 20,000 A Ordinary Shares were converted to 20,000 Ordinary Shares of €0.001 each and 19,980,000 Deferred Shares of €0.001 each.
- On 10 June 2015, the Company issued 400,000,000 Ordinary Shares at €1.00 each by way of an Initial Public Offering, raising gross proceeds of €400 million, subject to admission.
- On 10 June 2015, the Company issued 26,657,224 Ordinary Shares at €1.00 each in consideration for the transfer to the Company of the entire share capital of Cairn Homes Holdings Limited, subject to admission (See Note 25).
- On 10 June 2015, the Company issued 2,579,900 Ordinary Shares at €1.00 each as part of the Admission Founders Subscription, raising proceeds of €2,579,900, subject to admission.
- On 10 June 2015, the Company issued 380,000 Ordinary Shares at €1.00 each as part of the Additional Subscriptions, raising proceeds of €380,000, subject to admission.
- On 23 June 2015, the Company issued 40,000,000 Ordinary Shares at €1.00 each by way of the exercise of an Over-Allotment Option, raising gross proceeds of €40 million.
- On 2 December 2015, the Company issued 46,926,749 Ordinary Shares at €1.11 each by way of a Share Placing, raising gross proceeds of €52.1 million.

The proceeds of share issues were or will be used to acquire assets to develop the Group's business of property development and construction of homes and for general corporate purposes.

18. SHARE-BASED PAYMENTS

18.1. Founder Shares

A valuation exercise has been undertaken to fair value the Founder Shares (the terms of which are outlined in Note 17), which results in a non-cash charge in the period to 31 December 2015 of €29.1 million, with a corresponding increase in the share-based payment reserve in equity such that there is no overall impact on total equity. This non-cash charge to profit or loss for the period is for the full fair value of the award relating to the Founder Shares, all of which must be recognised up front under the terms and conditions of the Founder Share Agreement. No charge will be recognised in subsequent years.

The valuation exercise was completed using the “Monte Carlo” simulation methodology and the following key assumptions:

- Share price volatility of 25 per cent. per annum, based on a basket of comparative UK listed entities;
- Risk free rate of 0.1 per cent. per annum;
- Dividend yield of three per cent. per annum, effective from 2018;
- 15 per cent. discount based on restrictions on sale once Founder Shares convert to Ordinary Shares.

Share Options

500,000 Ordinary share options were issued in the period, to a Director. 250,000 of these options vest during 2018 and the remaining 250,000 vest during 2019. The exercise price of each ordinary share option is €1.00. The fair value of the options that vest during 2018 is €0.219 per share while the fair value of options that vest in 2019 is €0.220 per share. A valuation exercise has been undertaken to fair value the share options, which results in a non-cash charge in administrative expenses in the period to 31 December 2015 of €0.018 million with a corresponding increase in the share-based payment reserve in equity.

19. LOANS AND BORROWINGS

	31 December 2015 €'000
Non-current liabilities	
Bank loans	
Repayable as follows:	
Between one and two years	—
Between two and five years	63,543
	63,543

On 30 November 2015, the Group entered into a €150 million Term Loan and Revolving Credit Facility with AIB for a term of four years from initial drawdown at an interest rate of EURIBOR (subject to a 0 per cent. floor) plus a margin ranging from 2.5 per cent. – 3 per cent. The first drawdown by the Group in December 2015 amounted to €65.5 million (gross). Undrawn facilities of €84.5 million were available as at 31 December 2015.

The facility is repayable by 11 December 2019 and is secured by way of a floating charge over the assets of the Company and its subsidiaries. The Directors confirm that all covenants have been complied with and are kept under regular review.

The key covenants under the Amended Senior Debt Facilities are that the Group must convert 60 per cent. of all loan assets into direct site ownership within 12 months of acquisition. In addition, loan assets must not

represent greater than 70 per cent. of GAV of the Group during year 1, 35 per cent. during year 2 and 20 per cent. during year 3. In addition, Total Debt (as defined in the Amended Senior Debt Facilities) must not exceed 40 per cent. of GAV and in the event that it exceeds 30 per cent. of GAV, the Group must achieve defined EBITDA hurdles in each of 2017, 2018 and 2019.

The amount presented in the financial statements is net of related unamortised arrangement fees and transaction costs. In addition, the fair value of an embedded derivative (interest-rate floor) was deducted and separated from the fair value of the host loan at inception. During the year, the Group held a loan of €18.1 million due from Cairn Homes Properties Limited to Northern Trust Fiduciary Services Limited (acting in its capacity as trustee to the Emerald QIAIF, the ultimate beneficiaries of which are Alan McIntosh, a Director, and his spouse). The loan was acquired as part of the acquisition of Cairn Homes Holdings Limited (Note 25). The loan was repaid in full together with the minimum interest amount payable under the loan agreement of €3.6 million on 3 December 2015.

20. TRADE AND OTHER PAYABLES

	31 December 2015 €'000
Trade payables	583
Accruals	10,610
	11,193

The carrying value of all trade and other payables is approximate to their fair value.

Accruals include €5.1 million in relation to accrued transaction costs applicable to the purchase of the loan assets in Note 12.

21. DIVIDENDS

There were no dividends declared and paid by the Company during the reporting period and there were no dividends proposed by the Directors in respect of the reporting period up to the date of authorisation of these financial statements.

22. RELATED PARTY TRANSACTIONS

For the period from incorporation on 12 November 2014 to 31 December 2015 the following related party transactions have taken place requiring disclosure:

- On 15 June 2015, 100 per cent. of the share capital of Cairn Homes Holdings Limited was acquired by the Company from Everleigh Investment Partners Limited (an entity, in which the ultimate beneficiaries are Alan McIntosh, a Director, and his spouse) and Stanbro Property Holdings Limited (a company, of which over 96 per cent. of the ultimate beneficial interest is held by Michael Stanley, a Director, together with family members) for €26.7 million, the consideration for which was satisfied by the issue of 26,657,224 Ordinary Shares of €0.001 each in the Company (see Note 25);
- As part of the acquisition of Cairn Homes Holdings Limited, a loan of €18.1 million due to Northern Trust Fiduciary Services Ireland Limited (acting in its capacity as trustee to the Emerald QIAIF, the ultimate beneficiaries of which are Alan McIntosh, a Director, and his spouse) was acquired. The loan was secured by a fixed and floating charge over the assets of Cairn Homes Properties Limited. If all of any part of the loan were repaid by 31 December 2015, a minimum interest amount of €3.6 million was payable and thereafter interest would accrue at a rate of 20 per cent. per annum. This loan was repaid in full by 31 December 2015, incurring the minimum interest charge of €3.6 million which was paid on 3 December 2015.
- Butterly Business Park, Kilmore Road, Artane, Dublin 5 was acquired by Cairn Homes Butterly Limited, a 100 per cent. subsidiary of the Company from Butterly Capital Investments Limited an entity in which the ultimate economic interest is indirectly held by Alan McIntosh, a director, and his

spouse, for cash consideration of €9.3 million. In addition, Cairn Homes Butterly Limited was charged management fees of €0.1 million in the period by Butterly Capital Investments Limited in respect of Butterly Business Park;

- Development land at Letteragh Road, Ragoon, Galway was acquired by Cairn Homes Galway Limited, a 100 per cent. subsidiary of the Company from Emerald Opportunity Investment (Galway) Limited, an entity in which the ultimate economic interest is indirectly held by Alan McIntosh, a Director and his spouse, for cash consideration of €4.9 million; and
- Development land at Albany House, Shanganagh Road, Ballybrack, County Dublin was acquired by Cairn Homes Killiney Limited, a 100 per cent. subsidiary of the Company from Albany House Investments Limited, an entity in which the ultimate economic interest is indirectly held by Alan McIntosh, a Director and his spouse, for cash consideration of €5.7 million;
- Development land at Moathill, Navan, County Meath was agreed to be conditionally acquired by Cairn Homes Navan Limited, a 100 per cent. subsidiary of the Company from Sonbrook Property Moathill Limited, an entity in which the ultimate economic interest is held by Kevin Stanley, a member of the Management Team, and his spouse. The consideration for the acquisition, which has not been completed, will be 80 per cent. of a Red Book valuation of the land to be carried out by an appropriate valuer when appropriate planning permission has been granted;
- Edward Square Limited, an entity directly held by Alan McIntosh, a director, recharged €0.35 million in the period to the Group for professional services and expenses incurred on its behalf;
- Emerald Opportunity Investment Fund, an entity indirectly held by Alan McIntosh, a director, recharged €0.2 million in the period to the Group for professional services incurred on its behalf.
- The remuneration of key management personnel (which comprise the Board of Directors of the Company) during the period from incorporation on 12 November 2014 to 31 December 2015 was as follows:

	Note	31 December 2015 €'000
Short-term employee benefits		1,837
Post-employment benefits (pension contributions – defined contribution schemes)		69
Share based payment expense – share options		18
Total Remuneration of key management personnel		1,924
Share based payment expense – fair value charge relating to Founder Shares of key management personnel	18	24,735

23. GROUP ENTITIES

The Company's subsidiaries are set out below. All of the Company's subsidiaries are resident in Ireland, with their registered address at 7 Grand Canal, Grand Canal Street Lower, Dublin 2, D02 KW81. All Group entities operate in Ireland only.

<u>Group Company</u>	<u>Principal Activity</u>	<u>Company's holding</u>	
		<u>Direct</u>	<u>Indirect</u>
Cairn Homes Holdings Limited (formerly Emerley Holdings Limited)	Holding company	100%	–
Cairn Homes Properties Limited (formerly Emerley Properties Limited)	Holding of property	–	100%
Cairn Homes Construction Limited (formerly Emerley Construction Limited)	Construction company	–	100%
Cairn Homes Butterly Limited	Holding of property	100%	–
Cairn Homes Galway Limited	Holding of property	100%	–
Cairn Homes Killiney Limited	Holding of property	100%	–
Cairn Homes Navan Limited	No activity in period	100%	–
Cairn Homes Finance Designated Activity Company	Financing activities and acquisition/management of loan assets	100%	–

24. EARNINGS PER SHARE

The basic loss per share for the period ended 31 December 2015 is based on the loss attributable to ordinary shareholders of €37.2 million and the weighted average number of Ordinary Shares outstanding for the period. There is no difference between basic and diluted loss per share. The potential Ordinary Shares from share-based payment arrangements are not dilutive in view of the loss made in the period.

	31 December 2015 €'000
Loss for the period attributable to ordinary shareholders (€'000)	(37,208)
Weighted average number of Ordinary Shares for period	233,546,612
Basic and diluted loss per share	15.9 cents

25. BUSINESS COMBINATION

On 15 June 2015, the Company acquired 100 per cent. of the share capital of Cairn Homes Holdings Limited, for €26.7 million, all of which was satisfied by the issue of 26,657,224 ordinary shares in the Company (Note 17). This acquisition had been conditional on successful completion of the IPO. The fair value of the consideration was €26.7 million based on the IPO share issue price of €1.00 per share. The purpose of the acquisition was to acquire Cairn Homes Holdings Limited's business of the development of residential property at the Parkside Site.

The fair value of recognised amounts of assets acquired and liabilities assumed were as follows:

	31 December 2015 €'000
Inventories.....	43,810
Cash and cash equivalents	1,963
VAT recoverable	369
Other receivables	545
Trade payables	(60)
Accruals	(3,658)
Borrowings	(18,130)
Deferred tax liability.....	(1,127)
Net assets acquired	23,713
Charge to profit or loss – exceptional item	2,944
Consideration – fair value of shares issued	26,657

The fair value of consideration exceeded the fair value of net assets and liabilities acquired by €2.94 million. The Directors believed that certain expenses incurred directly by Cairn Homes Holdings Limited in advance of the acquisition were incurred for the benefit of the Company and its shareholders and the Group assumed these pre-existing costs at its own expense. The costs assumed were as follows:

- €0.94 million of certain costs relating to the pre-IPO restructuring of the Cairn Homes Holdings Limited Group prior to its acquisition by the Group as part of the IPO and €0.15 million of other administrative expenses;
- €1.86 million in accrued interest in relation to the Cairn Homes Properties Loan (see Note 19);

The above costs have been expensed to profit or loss and disclosed as exceptional items (see Notes 7 and 8).

From the acquisition date to 31 December 2015, this acquisition contributed revenue of €3.6 million and a loss of €1.9 million to the consolidated results of the Group. If the acquisition had occurred with effect from the beginning of the period, it would have contributed revenue of €3.6 million and a loss of €4.8 million to the consolidated results of the Group for the period (including the impact of the €2.9 million exceptional costs noted above).

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This Note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

(a) Risk management framework

The Company's Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group Audit and Risk Committee keeps under review the adequacy and effectiveness of the Group's internal financial controls and the internal control and risk management systems.

(b) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loan assets, trade and other receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

Exposure to credit risk

The Group's main financial assets are loan receivables, construction bonds and cash and cash equivalents, (including restricted cash).

Loan receivables, which totalled €378.7 million (Note 12) at 31 December 2015 and are secured on real estate collateral in Ireland will either be recovered by the direct acquisition of the properties by the Group, through the sale of collateral properties and the receipt of income from these properties or through the sale of the loan assets. As at 31 December 2015 the Directors estimate the value of real estate collateral less costs to be incurred in acquiring the underlying properties approximates to the carrying value of loan receivables.

Based on the nature of the loan receivables there is a concentration of risk in these assets which relates to the value of development property in Ireland and the achievability of future profitable development of such property.

Construction bonds which total €4.3 million (Note 12) at 31 December 2015 and relate to the underlying real estate collateral, will either be recovered on completion of the site development or expiry of the related planning permission.

Group management in conjunction with the Board manage risk associated with cash and cash equivalents and restricted cash by depositing funds with a number of Irish financial institutions and AAA rated international institutions. At 31 December 2015, the Group's deposits were held in two Irish financial institutions with a minimum credit rating of BBB-.

The maximum amount of credit exposure is therefore:

	31 December 2015 €'000
Loan receivables (Note 12)	378,681
Construction bonds (Note 12)	4,270
Other receivables (Note 15).....	861
Restricted cash – non current	27,000
Cash and cash equivalents – current	6,551
	417,363

Other receivables of €0.9 million and construction bonds of €4.3 million were all neither past due nor impaired.

At 31 December 2015, the aging of loan receivables was as follows:

	31 December 2015 €'000
Neither past due nor impaired	–
Past due, in default and not impaired	378,681
Total loan receivables	378,681

As described in Note 12, the Group purchased these loan receivables, which are all in default, in December 2015 for their fair value plus directly attributable transaction costs. The total nominal

amounts outstanding on the loans are €1.7 billion. Based on the value of collateral held, the directors are satisfied that the carrying value of these assets is not impaired.

(c) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors the level of expected cash inflows from receivables and expected residential property sales together with expected cash outflows on borrowings, trade and other payables, commitments and site acquisition costs. All trade and other payables (€11.2 million) at 31 December 2015 are considered current with the expected cash outflow equivalent to their carrying value.

The Management Team monitors the adequacy of the Group's liquidity reserves (comprising undrawn borrowing facilities (Note 19) and cash and cash equivalents (Note 16)) against rolling cash flow forecasts. In addition, the Group's liquidity risk management policy involves monitoring short-term and long-term cash flow forecasts.

	31 December 2015 €'000
Liabilities due in less than one year	
Trade and other payables	11,193
Total liabilities due in less than one year	11,193
Liabilities due after more than one year	
Borrowings	63,543
Derivative liability	514
Total liabilities due after more than one year	64,057
Total Funds available:	
Cash and cash equivalents (excluding restricted cash)	6,551
Revolving credit facility undrawn	34,500
Term loan facility undrawn	50,000
Total funds available	91,051

The Board has reviewed the Group financial forecasts and associated risks for the period beyond one year from the date of approval of the financial statements. The forecasts reflect key assumptions, based on information available to the Directors at the time of the preparation of this financial information. These forecasts are based on:

- detailed monthly forecasting by site for the period 2016-2019, reflecting trends experienced up to the date of preparation; and
- future revenues for 2016-2019 based on the Management Team's assessment of trends across principal development sites.

Exposure to Liquidity risk

The critical assumptions underlying the forecast were then stress-tested to ensure sufficient financial covenant headroom exists to cope with a reasonable level of negative movement in the key assumptions.

Having completed this forecasting process, the Directors expect that the Group will meet the covenants under its bank facilities and consider that there is sufficient liquidity available to the Group for the period beyond one year from the date of approval of these financial statements.

The following are the remaining contractual maturities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

	Carrying Amount €'000	Contractual cash flows				
		Total €'000	6 months or less €'000	6-12 months €'000	1-2 years €'000	2-5 years €'000
Non-derivative financial liabilities						
Trade and other payables	11,193	(11,193)	(11,193)	–	–	–
Loans and borrowings	63,543	(73,868)	(977)	(1,009)	(2,180)	(69,702)
	74,736	(85,061)	(12,170)	(1,009)	(2,180)	(69,702)
Derivative financial liabilities						
Embedded interest-rate floor	514	(514)	(48)	(68)	(144)	(254)

(d) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(e) **Currency risk**

The Group is not exposed to currency risk. The Group operates only in Ireland.

(f) **Interest rate risk**

At 31 December 2015 the Group had Term Loan and Revolving Credit Facilities with AIB that had a principal drawn balance of €65.5 million and an overall variable interest rate of EURIBOR + margin ranging from 2.5 per cent. – 3 per cent. The Group has an exposure to cash flow interest rate risk where there are changes in EURIBOR rates.

The loan facilities have an embedded interest rate floor derivative, whereby if the EURIBOR benchmark is negative at the commencement of an interest period the benchmark rate is set to zero. The fair value of this embedded derivative liability at 31 December 2015 was €0.51 million.

Cash flow sensitivity analysis for variable-rate instruments

A possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or Loss		Equity	
	100 bp increase €'000	100 bp decrease €'000	100 bp increase €'000	100 bp decrease €'000
31 December 2015				
Variable-rate instruments –				
borrowings	36	(36)	36	(36)
Cash flow sensitivity (net)	36	(36)	36	(36)

(g) **Capital management**

The Board's policy is to maintain a strong capital base (defined as shareholders' equity) so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group takes a conservative approach to bank financing and the debt to total asset value ratio was 11 per cent. at 31 December 2015.

(h) **Fair value of financial assets and financial liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: valuation techniques for which the lowest level of inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: valuation techniques for which the lowest level of inputs that have a significant effect on the recorded fair value are not based on observable market data.

The following table shows the Group's financial assets and liabilities and the methods used to calculate fair value.

<u>Asset/Liability</u>	<u>Carrying value</u>	<u>Level</u>	<u>Method</u>	<u>Assumptions</u>
Loan assets	Amortised cost	3	Assessed in relation to collateral value	Valuation of collateral is subjective based on agents' guide sales prices and market observation of similar property sales where available, expected scale of development and development costs assumptions.
Borrowings	Amortised cost	3	Discounted Cash Flow	Variable rate loan which is interest bearing at market rates. Carrying value approximates to fair value
Derivative liability	Fair value	2	Black Scholes Valuation Model	Valuation is based on EURIBOR interest rate forecasts

The following table shows the carrying values of financial assets and liabilities including their values in the fair value hierarchy. The table does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	31 December			
	2015	Fair Value		
	Carrying Value €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000
Financial Assets measured at amortised cost				
Loan assets	382,951			382,951
Other receivables	861			
Cash and cash equivalents – current	6,551			
Restricted cash – non current	27,000			
	417,363			
Financial Liabilities measured at amortised cost				
Trade and other payables	11,193			
Borrowings	63,543			63,543
	74,736			
Financial Liabilities measured at fair value				
Derivative liability	514		514	
	514			

27. COMMITMENTS

(a) *Capital Commitments*

	31 December 2015 €'000
No later than one year	150
Later than one and no later than five years	–
Later than five years	–
	150

(b) *Operating Lease Commitments*

The Group's operating lease commitments relate to the lease of its registered office.

At the period end, the Group had outstanding commitments under this non-cancellable operating lease which fall due as follows:

	31 December 2015 €'000
No later than one year	389
Later than one and no later than five years	1,558
Later than five years	789
	2,736

28. CONTINGENT LIABILITIES

Pursuant to the provisions of Section 357 of the Companies Act 2014, the Company has guaranteed the liabilities of its subsidiary undertakings for their periods ending 31 December 2015 and as a result such subsidiary undertakings have been exempted from the filing provisions of the Companies Act 2014.

The Group is not aware of any other contingent liabilities that should be disclosed in these financial statements.

29. PROFIT/(LOSS) OF THE COMPANY

The Company is the parent company of the Group. In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual statement of profit or loss and other comprehensive income to the Annual General Meeting and from filing it with the Registrar of Companies. The Company's loss after tax for the period of incorporation on 12 November 2014 to 31 December 2015, determined in accordance with IFRS as adopted by the EU, is €32.8 million.

30. EVENTS AFTER THE REPORTING PERIOD

On 4 January 2016, the Group contracted to acquire a two acre site in Hanover Quay, Dublin 2 at a cost of €18 million. The Group completed the acquisition on 22 March 2016.

On 11 February 2016, the Group contracted to acquire a site in Cherrywood, Dublin 18 at a cost of €21.5 million and conditionally contracted to acquire a second site at the same location, on the receipt of planning permission, at a cost of €9.5 million.

On 16 February 2016, on payment of a further €2.5 million, the Group extended the exclusivity agreement relating to the agreement to purchase Argentum Property HoldCo Limited to 21 April 2016. (Note 14).

On 19 February 2016, the sub participation period relating to residential land loan portfolio acquired by the Company (Note 12) ended and 94 per cent. of all loans were legally transferred to the Group, with six per cent. still subject to sub participation. On 14 March 2016, three of the underlying development sites (15 per cent. of the residential land loan portfolio) moved under the Company's direct asset ownership. If the necessary consent to transfer the six per cent. to the Group has not been obtained by 31 December 2016, enforcement action will be taken by UBIL.

On 3 March 2016, the Senior Debt Facility was amended and restated following the accession of UBIL and the Amended Senior Debt Facilities increased to €200 million.

On 7 March 2016, the Group contracted to acquire a site in Maynooth at a cost of €27 million. The contract is expected to complete in April 2016.

31. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 14 March 2016.

PART XIII

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Section A: Accountants' report on unaudited pro-forma financial information



KPMG

Chartered Accountants

Stokes Place
St. Stephen's Green
Dublin 2

The Directors
Cairn Homes p.l.c.
7 Grand Canal
Grand Canal Street Lower
Dublin 2
D02 KW81

Dear Sir or Madam:

Cairn Homes p.l.c.

We report on the pro forma financial information (the "Pro forma statement") set out in Section B of Part XIII (*Unaudited Pro Forma Financial Information*) of the prospectus relating to the Company dated 23 March 2016 (the "Document"), which has been prepared on the basis described in the Notes thereto, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by Cairn Homes p.l.c. in preparing the financial statements for the period ended 31 December 2015. This report is required by paragraph 20.2 of Annex I of the Commission Regulation (EC) No. 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro forma statement in accordance with paragraph 20.2 of Annex I of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma statement and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma statement, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility arising under paragraph 2(2)(f) of Schedule 1 to the Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005) (the "Prospectus Regulations") to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board of the United Kingdom and Ireland. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma statement with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma statement has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro forma statement has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of paragraph 2(2)(f) of Schedule 1 to the Prospectus Regulations we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG
Chartered Accountants
Dublin, Ireland

Section B: Unaudited pro forma net asset statement

Set out below is the unaudited pro forma balance sheet of the Group as at 31 December 2015 which has been chosen as the most recent date for which audited financial information is disclosed in this Document. It has been prepared to illustrate the effect of (i) the Capital Raise; (ii) a further debt drawdown; (iii) the acquisition of the Hanover Quay Site; (iv) the acquisition of the Cherrywood Site; (v) the acquisition of the Maynooth Site; and (vi) the acquisition of the Argentum Sites, as if such transactions had occurred on 31 December 2015. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the Group's actual financial position or results following the transactions. The unaudited pro forma financial information does not illustrate the effects of the potential acquisition of the Cherrywood Option Site, the South Dublin Site or the Dublin Commuter Belt Site.

The unaudited pro forma financial information has been compiled on the basis set out in the Notes below and has been prepared in a manner consistent with the accounting policies used by the Group in preparing the consolidated financial statements of the Company for the financial period ended 31 December 2015.

Unaudited Pro Forma Net Asset Statement

	Historical net assets at 31 December 2015 Note 1 €'000	Debt Drawdown Note 2 €'000	Acquisition of Hanover Quay Site Note 3 €'000	Acquisition of Cherrywood Site Note 4 €'000	Net Proceeds of the Capital Raise Note 5 €'000	Acquisition of Maynooth Site Note 6 €'000	Post Capital Raise Acquisition of Argentum Sites Note 7 €'000	Pro forma net assets at 31 December 2015 €'000
Non-current assets								
Property, plant and equipment	130							130
Intangible assets	130							130
Restricted cash	27,000							27,000
	27,260	-	-	-	-	-	-	27,260
Current assets								
Loan receivables	382,951							382,951
Inventories	149,331		18,500	22,100		27,675	111,996	329,602
Deposits paid	5,000						(5,000)	-
Trade and other receivables	2,962						750	3,712
Cash and cash equivalents	6,551	50,000	(18,500)	(22,100)	168,900	(27,675)	(102,036)	55,140
	546,795	50,000	-	-	168,900	-	5,710	771,405
Total Assets	574,055	50,000	-	-	168,900	-	5,710	798,665
Liabilities								
Non-current liabilities								
Loans and Borrowings	63,543	50,000						113,543
Derivative Liability	514							514
Deferred taxation ..	815						5,710	6,525
	64,872	50,000	-	-	-	-	5,710	120,582
Current liabilities								
Trade and other payables	11,193							11,193
	11,193	-	-	-	-	-	-	11,193
Total liabilities.....	76,065	50,000	-	-	-	-	5,710	131,775
Net Assets	497,990	-	-	-	168,900	-	-	666,890

The unaudited pro forma financial information is prepared on the basis set out in the Notes below.

Notes

Note 1: The net assets of the Company have been extracted, without material adjustment, from the historical financial information of the Company (which historical financial information is set out in Part XII (*Historical Financial Information*) of this Document).

Note 2: This adjustment reflects the receipt of net proceeds of a loan drawdown for €42 million on 9 February 2016, and a further €8 million on 11 March 2016 under the Senior Debt Facilities.

Note 3: This adjustment reflects the acquisition of the Hanover Quay Site on 4 January 2016 (which acquisition completed on 22 March 2016) pursuant to the terms of the Hanover Quay Site Acquisition Agreement, for a consideration of €18 million; and other costs of €0.5 million (which includes stamp duty at two per cent.).

Note 4: This adjustment reflects the acquisition of the Cherrywood Site on 11 February 2016 pursuant to the terms of the Cherrywood Site Acquisition Agreement, for a consideration of €21.5 million; and other costs of €0.6 million (which includes stamp duty at two per cent.).

Note 5: This adjustment reflects the receipt of the net proceeds of the Capital Raise of €168.9 million by the Company. This represents gross proceeds of €176.5 million less estimated transaction costs and associated taxes of €7.6 million.

Note 6: This adjustment reflects the acquisition of the Maynooth Site in respect of which the Maynooth Site Acquisition Agreement was executed on 7 March 2016, for a consideration of €27 million and other costs of €0.7 million (which includes stamp duty at two per cent.).

Note 7: This adjustment reflects the proposed post Capital Raise acquisition of Argentum Property HoldCo Limited for which a €5.0 million exclusivity payment was made prior to 31 December 2015. A further exclusivity payment of €2.5 million was paid on 16 February 2016. Should the transaction proceed, the Company would acquire net current assets of circa €1 million and a site portfolio at a cost of €110 million. The Group will also incur stamp duty and other costs of circa €2 million. The acquisition of Argentum Property HoldCo Limited would result in a deferred tax liability of circa €5.7 million.

PART XIV

QUESTIONS AND ANSWERS ABOUT THE FIRM PLACING AND PLACING AND OPEN OFFER

The questions and answers set out in this Part XIV (Questions and Answers about the Firm Placing and Placing and Open Offer) are intended to be in general terms only and, as such, you should read the whole of this Document and in particular Part XV (Terms and Conditions of the Open Offer) of this Document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser being, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), if you are resident in the United Kingdom, a firm authorised under the FSMA, or, if you are in a territory outside Ireland or the United Kingdom, from another appropriately authorised independent financial adviser.

This Part XIV (*Questions and Answers about the Firm Placing and Placing and Open Offer*) deals with general questions relating to the Firm Placing and the Placing and Open Offer and more specific questions relating principally to persons resident in Ireland or the United Kingdom who hold their Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 8 of Part XV (*Terms and Conditions of the Open Offer*) of this Document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part XV (*Terms and Conditions of the Open Offer*) of this Document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call Computershare Investor Services (Ireland) Limited on (01) 447 5566 from within Ireland or on +353 (1) 447 5566 if calling from outside Ireland. Calls to the shareholder helpline from outside Ireland will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons the shareholder helpline is only able to provide information included in this Document and information relating to the Company's register of members and is unable to give advice on the merits of the Capital Raise or provide personal, legal, business, financial, tax or investment advice.

The contents of this Document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This Document is for your information only and nothing in this Document is intended to endorse or recommend a particular course of action.

1. WHAT IS AN OPEN OFFER?

An open offer is a way for companies to raise money. Companies do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings.

The Open Offer is an invitation by the Company to Qualifying Shareholders to apply to subscribe, for 110,713,709 Open Offer Shares at a price of €1.12 per Open Offer Share. In this Document, this is referred to as your "Open Offer Entitlement". If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim (other than, subject to certain exceptions, where you are a Shareholder with a registered address in, or are located or resident in, the United States or an Excluded Territory) you will be entitled to subscribe for Open Offer Shares under the Open Offer. If you hold Existing Ordinary Shares in certificated form, your entitlement will be set out in your Application Form.

Qualifying Shareholders are being given the opportunity to apply for the Open Offer Shares at the Issue Price, on and subject to the terms and conditions of the Open Offer, up to a maximum of their Open Offer Entitlements which shall be calculated on the basis of: **3 New Ordinary Share for 14 Existing Ordinary Share**. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to subscribe

for any fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

Open Offer Shares are being offered to Qualifying Shareholders in the Open Offer at a discount to the share price on the last dealing day before the details of the Capital Raise were announced on 21 March 2016. The issue price of €1.12 per Open Offer Share represents a 5.9 per cent. discount to the closing middle-market price quotation as derived from the Daily Official List of €1.19 per Share on 21 March 2016 (being the last dealing day before details of the Capital Raise were announced).

An Open Offer is not a rights issue and, therefore, if you are a Qualifying Shareholder and you do not wish to subscribe for Open Offer Shares to which you are entitled you will not be able to sell or transfer your entitlement to those Open Offer Shares. The Open Offer is not being underwritten and any Open Offer Shares which are not applied for in respect of the Open Offer will not be issued.

Valid applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement.

2. WHAT IS A PLACING? AM I ELIGIBLE TO PARTICIPATE IN THE PLACING?

A placing is where certain existing institutional and other new investors conditionally agree to subscribe for a number of shares, but the number of shares to be allocated to each such investor is not fixed. New Ordinary Shares to be allocated to, and issued under, the Placing are subject to clawback to the extent that Qualifying Shareholders take up Open Offer Entitlements. The number of Placing Shares to be allocated and issued under the Placing will therefore be reduced to the extent that valid applications are received from Qualifying Shareholders under the Open Offer. Unless you are a Placee you will not therefore participate in the Placing.

3. WHAT IS A FIRM PLACING? AM I ELIGIBLE TO PARTICIPATE IN THE FIRM PLACING

A firm placing is where specific institutional investors agree to subscribe for shares and the number of shares subject to the placing are fixed and are not subject to clawback or re-allocation to a different element of the Capital Raise. A firm placing provides a company with certainty of new funds and an opportunity to introduce new institutional investors to its share register.

The Company proposes to issue 46,875,000 New Ordinary Shares at a price of €1.12 per New Ordinary Share under the Firm Placing. The New Ordinary Shares under the Firm Placing do not form part of the Open Offer and are not subject to clawback or re-allocation to the Placing and Open Offer. Unless you are a Firm Placee, you will not participate in the Firm Placing.

4. WILL THE CAPITAL RAISE RESULT IN MY SHAREHOLDING BEING DILUTED?

A Qualifying Shareholder that does not take up any Open Offer Shares under the Open Offer (and an Excluded Territory Shareholder that is not eligible to participate in the Open Offer) will experience dilution of:

- 4.1. approximately 7 per cent. as a consequence of the issue of the Firm Placed Shares; and
- 4.2. a further approximately 16.4 per cent. in aggregate as a consequence of the issue of the Placing Shares and the Open Offer Shares.

5. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW IF I AM ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?

Qualifying Shareholders are being given the opportunity to apply for the Open Offer Shares at the Issue Price, on and subject to the terms and conditions of the Open Offer, up to a maximum of their Open Offer Entitlements which shall be calculated on the basis of: **3 New Ordinary Shares for 14 Existing Ordinary Shares.**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in, or located or resident in, the United States or any Excluded Territory, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before

23 March 2016 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

Shareholders located in, or who are citizens of, or who have an address in a jurisdiction other than Ireland or the United Kingdom will be subject to the laws of that jurisdiction and their ability to participate in the Open Offer may be affected accordingly. Shareholders who are located in, or who are citizens of, or who have an address in a jurisdiction outside of Ireland or the United Kingdom should read paragraph 8 of Part XV (*Terms and Conditions of the Open Offer*) of this Document and should take professional advice as to whether they are eligible and/or need to observe any formalities to enable them to take up their Open Offer Entitlement.

6. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW HOW MANY OPEN OFFER SHARES I AM ENTITLED TO TAKE UP?

If you hold Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address in, and are not located or resident in, the United States or any Excluded Territory, you will be sent an Application Form that shows:

- 6.1. how many Existing Ordinary Shares you held on the Record Date;
- 6.2. how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- 6.3. how much you need to pay if you want to take up in full your entitlement to Open Offer Shares.

If you are an Overseas Shareholder, subject to certain exceptions, you will not have received and will not receive an Application Form.

If you would like to apply for any or all of your Open Offer Entitlement, you should complete the Application Form in accordance with the instructions printed on it and the information provided in this Document. Completed Application Forms should be returned, along with a cheque or banker’s draft drawn in the appropriate form in the accompanying pre-paid envelope or returned by post to Computershare Investor Services (Ireland) Limited, PO Box 954, Sandyford, Dublin 18, D18 Y2X6 or by hand (during normal office hours only) so as to be received by Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18 Y2X6 by no later than 11.00 a.m. on 13 April 2016, after which time Application Forms will not be valid. Shareholders mailing from Ireland are recommended to allow at least four Business Days for delivery and Shareholders in other jurisdictions should allow a longer period for delivery.

7. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM AND AM ELIGIBLE TO RECEIVE AN APPLICATION FORM. WHAT ARE MY CHOICES IN RELATION TO THE OPEN OFFER?

7.1. *If you want to take up all of your Open Offer Entitlement*

If you want to take up all of your Open Offer Entitlement, all you need to do is sign the Application Form (ensuring that all joint holders sign (if applicable)) and send the Application Form, together with your cheque or banker’s draft for the amount (as indicated in Box 3 of your Application Form) made payable to “Computershare Investor Services (Ireland) Limited re: Cairn Homes p.l.c. Open Offer” and crossed “A/C payee only”, in the accompanying pre-paid envelope by post to Computershare Investor Services (Ireland) Limited, PO Box 954, Sandyford, Dublin 18, D18 Y2X6 or by hand (during normal office hours only) so as to be received by Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18 Y2X6 by no later than 11.00 a.m. on 13 April 2016, after which time Application Forms will not be valid. Shareholders mailing from Ireland are recommended to allow at least four Business Days for delivery. Shareholders in other jurisdictions should allow a longer period for delivery.

7.2. *If you want to take up some, but not all, of your Open Offer Entitlement*

If you want to take up some, but not all, of your Open Offer Entitlement, you should write the number of Open Offer Shares you want to take up in Box 4 of your Application Form. For example, if you are

entitled to take up 100 shares but you only want to take up 50 shares, then you should write “50” in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, “50”) by €1.12, which is the price in Euro of each Open Offer Share (giving you an amount of €56 in this example). You should write this amount in Box 5 and this should be the amount that your cheque or banker’s draft made payable to “Computershare Investor Services (Ireland) Limited re: Cairn Homes p.l.c. Open Offer” and crossed “A/C payee only” is made out for. You should then sign the Application Form (ensuring that all joint holders sign (if applicable)) and return the completed Application Form, together with a cheque or banker’s draft for the relevant amount, in the accompanying pre-paid envelope by post to Computershare Investor Services (Ireland) Limited, PO Box 954, Sandyford, Dublin 18, D18 Y2X6 or by hand (during normal office hours only) so as to be received by Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18 Y2X6 by no later than 11.00 a.m. on 13 April 2016 after which time Application Forms will not be valid. Shareholders mailing from Ireland are recommended to allow at least four Business Days for delivery. Shareholders in other jurisdictions should allow a longer period for delivery.

7.3. *If you do not want to take up your Open Offer Entitlement*

If you do not want to take up your Open Offer Entitlement, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you do not take up your Open Offer Entitlement and assuming that you are not a Placee, then following the issue of the Open Offer Shares pursuant to the Firm Placing and Open Offer, your interest in the Company will be diluted by approximately 23.4 per cent.

7.4. *How do I pay?*

All payments must be in Euro and made by cheque or banker’s draft for the full amount and made payable to “Computershare Investor Services (Ireland) Limited re: Cairn Homes p.l.c. Open Offer” and crossed “A/C payee only”. Cheques must be drawn on the personal account of the individual investor, which must have sole or joint title to the funds. Cheques or banker’s drafts must be drawn in Euro on a bank or building society or branch of a bank or building society in Ireland which is a member of the Dublin Bankers Clearing Committee or has clearing facilities with the Dublin Bankers Clearing Committee. Third party cheques will not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has endorsed on the cheque the name of the account holder and the number of an account held in the applicants name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker’s drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will be subject to the Money Laundering Legislation which will delay Shareholders receiving their Open Offer Shares.

Cheques or banker’s drafts will be presented for payment upon receipt. The Company reserves the right to instruct Computershare Investor Services (Ireland) Limited, as receiving agent, to seek special clearance of cheques and banker’s drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker’s drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS, SWIFT or SEPA or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you on or about 26 April 2016.

8. I HOLD MY EXISTING ORDINARY SHARES IN UNCERTIFICATED FORM IN CREST. WHAT DO I NEED TO DO IN RELATION TO THE OPEN OFFER?

CREST members should follow the instructions set out in Part 6 of Part XV (*Terms and Conditions of the Open Offer*) of this Document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of the number of Open Offer Shares which they are entitled to take up or apply for under their Open Offer Entitlement respectively, and should contact them if they do not receive this information.

9. I ACQUIRED MY EXISTING ORDINARY SHARES PRIOR TO THE RECORD DATE AND HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT IF I DO NOT RECEIVE AN APPLICATION FORM OR I HAVE LOST MY APPLICATION FORM?

If you do not receive an Application Form but hold your Existing Ordinary Shares in certificated form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- 9.1. Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 18 March 2016 and who have converted them to certificated form;
- 9.2. Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 8.00 a.m. on 23 March 2016 but were not registered as the holders of those shares at the close of business on 18 March 2016; and
- 9.3. certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one, or you have lost your Application Form, please contact Computershare Investor Services (Ireland) Limited on (01) 447 5566 from within Ireland or on +353 (1) 447 5566 if calling from outside Ireland. Lines are open 9.00 a.m. to 5.00 p.m. (Dublin time) Monday to Friday. Calls to the shareholder helpline from outside Ireland will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The shareholder helpline cannot provide advice on the merits of the Capital Raise or provide personal, legal, business, financial, tax or investment advice. Calls may be recorded and monitored for security and training purposes.

10. I AM A QUALIFYING SHAREHOLDER, DO I HAVE TO APPLY FOR ALL THE OPEN OFFER SHARES I AM ENTITLED TO APPLY FOR?

You can take up any number of the Open Offer Shares allocated to you under your Open Offer Entitlement. Your maximum Open Offer Entitlement is shown on your Application Form. Any applications by a Qualifying Shareholder for a number of Open Offer Shares which is equal to or less than that person's Open Offer Entitlement will be satisfied, subject to the Open Offer becoming unconditional. If you decide not to take up all of the Open Offer Shares comprised in your Open Offer Entitlement, then your proportion of the ownership and voting interest in Cairn Homes p.l.c. will be reduced.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it.

11. WHAT IF I CHANGE MY MIND?

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Registrar you cannot withdraw your application or change the number of Open Offer Shares for which you have applied, except in the very limited circumstances which are set out in paragraph 9 of Part XV (*Terms and Conditions of the Open Offer*) of this Document.

12. WHAT IF THE NUMBER OF OPEN OFFER SHARES TO WHICH I AM ENTITLED IS NOT A WHOLE NUMBER? AM I ENTITLED TO FRACTIONS OF OPEN OFFER SHARES?

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your Open Offer Entitlement will be rounded down to the nearest whole number. The resulting fractions of Open Offer Shares will be aggregated and made available in the Placing for the benefit of the Company.

13. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT SHOULD I DO IF I WANT TO SPEND MORE OR LESS THAN THE AMOUNT SET OUT IN BOX 3 OF THE APPLICATION FORM?

You cannot spend more than the amount set out in Box 3. If you want to spend less than the amount set out in Box 3, you should divide the amount you want to spend by €1.12, (being the price of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend €100 you should divide €100 by €1.12. You should round that down to the nearest whole number to give you the number of Shares you want to take up and write that number in Box 4. To then get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for by €1.12 and then fill in that amount in Box 5 and on your cheque or banker's draft accordingly.

14. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT SHOULD I DO IF I HAVE SOLD SOME OR ALL OF MY EXISTING ORDINARY SHARES?

If you hold Existing Ordinary Shares directly, and you have sold or sell some or all of your Existing Ordinary Shares before 5.00 p.m. on 18 March 2016, you should contact the buyer or the person/company through whom you sold your Shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 5.00 p.m. on 18 March 2016, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

15. WILL THE EXISTING ORDINARY SHARES THAT I HOLD NOW BE AFFECTED BY THE OPEN OFFER?

If you decide not to apply for any of the Open Offer Shares to which you are otherwise entitled under the Open Offer, or you only apply for some of your Open Offer Entitlement, your proportionate ownership and voting interest in the Company will be diluted (and thereby reduced). Please refer to the answer to question 4 for further information.

16. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN DO I HAVE TO DECIDE IF I WANT TO APPLY FOR OPEN OFFER SHARES?

The Open Offer process must run according to a strict timetable. Computershare Investor Services (Ireland) Limited must receive the Application Form by no later than 11.00 a.m. on 13 April 2016, after which time Application Forms will not be processed and will not be valid and your Open Offer Entitlement will lapse. Shareholders mailing from Ireland are recommended to allow at least four Business Days for delivery. Shareholders in other jurisdictions should allow a longer period for delivery.

17. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN WILL I RECEIVE MY NEW SHARE CERTIFICATE?

It is expected that the Registrar will dispatch all new share certificates on or about 26 April 2016.

18. HOW DO I TRANSFER MY OPEN OFFER ENTITLEMENTS INTO THE CREST SYSTEM?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete Box 9 and the CREST deposit form (contained in

the Application Form) and ensure it is delivered to the CREST Courier and Sorting Service (“CCSS”) in accordance with the instructions in the Application Form to be received by 3.00 p.m. on 7 April 2016 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this. If you have transferred your Open Offer Entitlements into the CREST system, you should refer to paragraph 6 of Part XV (*Terms and Conditions of the Open Offer*) of this Document for details on how to pay for the Open Offer Shares.

19. IF I BUY EXISTING ORDINARY SHARES AFTER THE RECORD DATE, WILL I BE ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?

If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Existing Ordinary Shares. If you are in any doubt, please consult your stockbroker, bank manager or other appropriate financial adviser, or whoever arranged your share purchase.

If you buy Existing Ordinary Shares on or after 8.00 a.m. on 23 March 2016, you will not be able to participate in the Open Offer in respect of those Existing Ordinary Shares.

20. WILL THE PLACING AND OPEN OFFER AFFECT DIVIDENDS ON THE EXISTING ORDINARY SHARES?

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including with regard to the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

21. WILL I HAVE TO PAY ANY FEES FOR TAKING UP MY OPEN OFFER ENTITLEMENT?

There will be no fee payable by you for taking up your Open Offer Entitlement (the only payment required is payment of an amount equal to the number of Open Offer Shares taken up by you, multiplied by the Issue Price).

22. Will I be taxed if i take up my Open Offer Entitlement?

Information on taxation with regard to the Open Offer is set out in Part XVI (*Taxation*) of this Document. **This information is intended as a general guide only and Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.**

23. WHAT SHOULD I DO IF I LIVE OUTSIDE IRELAND AND THE UNITED KINGDOM?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses in, or who are located or resident in, the United States or any Excluded Territory are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 8 of Part XV (*Terms and Conditions of the Open Offer*) of this Document.

24. FURTHER ASSISTANCE

Should you require further assistance, please call Computershare Investor Services (Ireland) Limited on (01) 447 5566 from within Ireland or on +353 (1) 447 5566 if calling from outside Ireland. Lines are open 9.00 a.m. to 5.00 p.m. (Dublin time) Monday to Friday. Calls to the shareholder helpline from outside Ireland will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that, for legal reasons, the shareholder helpline is only able to provide information included in this Document and information relating to the Company’s register of members and is unable to give advice on the merits of the Capital Raise or provide personal, legal, business, financial, tax or investment advice. Calls may be recorded and monitored for security and training purposes.

PART XV

TERMS AND CONDITIONS OF THE OPEN OFFER

1. INTRODUCTION

As explained in Part VII (*Letter from the Chairman*) of this Document, the Company is proposing to issue 157,588,709 New Ordinary Shares to raise approximately €176.5 million (approximately €168.9 million net of commissions, fees and expenses) through the Firm Placing and the Placing and Open Offer. The Capital Raise is conditional *inter alia* on the Capital Resolutions being duly passed at the Extraordinary General Meeting.

Of the New Ordinary Shares being issued, 46,875,000 will be issued through the Firm Placing raising gross proceeds of €52.5 million and 110,713,709 will be issued through the Placing and Open Offer raising gross proceeds of €124 million.

Qualifying Shareholders are being offered the right, subject to the terms and conditions of the Open Offer, to subscribe for Open Offer Shares. Save for certain institutional Shareholders, Qualifying Shareholders are not being offered the right to subscribe for the Firm Placed Shares or the Placing Shares.

Upon completion of the Capital Raise, the New Ordinary Shares will represent approximately 23.4 per cent. of the Enlarged Issued Ordinary Share Capital and the Existing Ordinary Shares will represent approximately 76.6 per cent. of the Enlarged Issued Ordinary Share Capital. New Ordinary Shares issued as part of the Firm Placing will account for approximately 7 per cent. of the Enlarged Issued Ordinary Share Capital and New Ordinary Shares issued as part of the Placing and Open Offer will account for approximately 16.4 per cent. of the Enlarged Issued Ordinary Share Capital.

The Open Offer is an opportunity for Qualifying Shareholders to apply for, in aggregate, 110,713,709 Open Offer Shares *pro rata* to their holdings on the Record Date, at the issue price of €1.12 per New Ordinary Share in accordance with the terms of the Open Offer.

The Open Offer Shares, when issued and fully paid, will be identical to, and rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission and otherwise in all respects will rank equally with the Existing Ordinary Shares.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 5.00 p.m. on 18 March 2016. Application Forms for Qualifying Non-CREST Shareholders accompany this Document and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST as soon as practicable after 8.00 a.m. on 24 March 2016. The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 13 April 2016 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 19 April 2016.

This Document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 6 of this Part XV (*Terms and Conditions of the Open Offer*), which gives details of the procedure for application and payment for the Open Offer Shares available under the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 8 of this Part XV (*Terms and Conditions of the Open Offer*) below.

Any Qualifying Shareholder who has sold or transferred all or part of his, her or its registered holding(s) of Existing Ordinary Shares prior to 5.00 p.m. on 18 March 2016 is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him, her or it by the purchaser(s) under the rules of the London Stock Exchange.

Application will be made to the FCA for the Open Offer Shares to be admitted to the standard listing segment of the Official List of the FCA and to the London Stock Exchange for the Open Offer Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

2. THE FIRM PLACING

The Company is proposing to issue 46,875,000 Firm Placed Shares pursuant to the Firm Placing at the Issue Price per Firm Placed Share.

The Firm Placed Shares are not subject to clawback and do not form part of the Open Offer. The Firm Placing is expected to raise approximately €52.5 million (gross). The Firm Placing is subject to the same conditions and termination rights which apply to the Placing and Open Offer (as set out in paragraph 5 of this Part XV (*Terms and Conditions of the Open Offer*)). Application will be made to the FCA for the Firm Placed Shares to be admitted to the standard listing segment of the FCA of the UK Listing Authority and to the London Stock Exchange for the Firm Placed Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Subject to the conditions set out above, it is expected that Admission will become effective on 19 April 2016 and that dealings for normal settlement in the Firm Placed Shares will commence at 8.00 a.m. on the same day.

The Firm Placed Shares, when issued and fully paid, will be identical to, and rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission.

3. THE CONDITIONAL PLACING

The Joint Global Co-ordinators have conditionally placed all of the Placing Shares at the Issue Price to certain existing Shareholders and other institutional investors. The commitments of these Placees are subject to clawback in respect of valid applications for Open Offer Shares by Qualifying Shareholders pursuant to the Open Offer. Subject to waiver or satisfaction of the conditions and the Placing and Open Offer not being terminated, any Open Offer Shares which are not applied for in respect of the Open Offer will be issued to the Placees and/or other subscribers procured by the Banks, with the Net Proceeds retained for the benefit of the Company.

For additional information on the Placing and Open Offer Agreement see paragraph 14.1 of Part XVII (*Additional Information*).

4. THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity to apply for any number of Open Offer Shares at the Issue Price (payable in full on application and free of all expenses) up to a maximum of their *pro rata* entitlement which shall be calculated on the basis of:

3 Open Offer Share for every 14 Existing Ordinary Shares

registered in the name of each Qualifying Shareholder on the Record Date and so in proportion for any greater or lesser number of Existing Ordinary Shares then registered.

The Open Offer Shares, when issued and fully paid, will be identical to, and rank *pari passu* with the Existing Ordinary Shares including the right to receive all or other distributions declared, made or paid after Admission. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

Fractions of Open Offer Shares will not be offered to Qualifying Shareholders. Open Offer Entitlements will be rounded down to the nearest whole number of Open Offer Shares and any fractional entitlements to Open Offer Shares that would otherwise have arisen will be aggregated and made available in the Placing or to other subscribers as the Directors (in consultation with the Joint Global Co-ordinators) determine with the Net Proceeds retained for the benefit of the Company. Valid applications by Qualifying Shareholders will be satisfied in full up to the maximum amount of their individual Open Offer Entitlement. No application for

Open Offer Shares in excess of this maximum *pro rata* entitlement will be satisfied pursuant to the Open Offer, and any Qualifying Shareholders so applying, and whose application is otherwise valid in all other respects, will be deemed to have applied for his or her or its maximum entitlement to Open Offer Shares.

Valid applications by Qualifying Shareholders will be satisfied in full up to the maximum amount of their individual Open Offer Entitlement. Subject to the satisfaction of the conditions to the Open Offer (as more particularly set out in paragraph 5 of this Part XV (*Terms and Conditions of the Open Offer*)), the amount of Open Offer Shares applied for shall be allotted by the Company.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 1) and also shows the maximum number of Open Offer Shares for which you are entitled to apply if you take up your Open Offer Entitlement in full (in Box 2).

Qualifying CREST Shareholders will have Open Offer Entitlements credited to their stock accounts in CREST which will be enabled for settlement with effect from 8.00 a.m. on 24 March 2016 and should refer to paragraph 6.2 of this Part XV (*Terms and Conditions of the Open Offer*) and also to the CREST Manual for further information on the relevant CREST procedures.

If a Qualifying Shareholder does not take up his or her or its Open Offer Entitlement in full, such Qualifying Shareholder's holding will be diluted by approximately 23.4 per cent. as a result of the Capital Raise (assuming that such Qualifying Shareholder is not a Placee). Furthermore, a Qualifying Shareholder who takes up his or her or its Open Offer Entitlement in full in respect of the Open Offer (and does not receive any other New Ordinary Shares pursuant to the Capital Raise) will suffer dilution of approximately 7 per cent. to his or her or its shareholding in the Company as a result of the Firm Placing.

The Open Offer Shares have been conditionally placed with Placees and are subject to clawback in favour of the Open Offer. Any Open Offer Shares not applied for under the Open Offer may be made available in the Placing or the other subscribers as the Directors (in consultation with the Joint Global Co-ordinators) determine, with the Net Proceeds retained for the benefit of the Company.

The Open Offer will remain open for acceptance until 11.00 a.m. on 13 April 2016.

Any Qualifying Shareholder who validly completes and returns an Application Form or requests registration of the Open Offer Shares comprised therein, or who is a CREST member or CREST sponsored member who makes or is treated as making a valid acceptance in accordance with the procedures set out in this Part XV (*Terms and Conditions of the Open Offer*) will be deemed to make the representations, warranties, confirmations and acknowledgements to the Company contained in paragraph 6.2.9 of this Part XV (*Terms and Conditions of the Open Offer*).

The attention of Overseas Shareholders or any person (including, without limitation, a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this Document into a jurisdiction other than Ireland and the United Kingdom is drawn to paragraph 8 of this Part XV (*Terms and Conditions of the Open Offer*). Subject to certain limited exceptions, the Placing and Open Offer will not be made into certain territories. Subject to the provisions of paragraph 8 of this Part XV (*Terms and Conditions of the Open Offer*), Shareholders with a registered address in the United States or an Excluded Territory will not be sent an Application Form.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's claims

processing unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application will be made for the Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements are expected to be credited to CREST accounts on 24 March 2016. The ISIN for the New Ordinary Shares will be the same as that of the Existing Ordinary Shares, being IE00BWHY4ZF18. The ISIN for the Open Offer Entitlements is IE00BYZ0C393.

5. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER

The Open Offer is conditional, *inter alia*, upon:

- 5.1. the passing, without amendment, of the Capital Resolutions at the EGM;
- 5.2. Admission taking place by no later than 8.00 a.m. on 19 April 2016 (or such later time and date as the Company and the Joint Global Co-ordinators may agree); and
- 5.3. the Placing and Open Offer Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms.

Accordingly, if these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver) by 29 April 2016, the Capital Raise will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies received by the Receiving Agent in respect of the Open Offer will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form on or about 26 April 2016. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 8.00 a.m. 19 April 2016.

Application will be made to the FCA for the New Ordinary Shares to be admitted to the standard listing segment of the Official List of the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Subject to the conditions set out in this paragraph 5 of this Part XV (*Terms and Conditions of the Open Offer*) being satisfied, it is expected that Admission will become effective on 19 April 2016 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on the same day.

All monies received by the Receiving Agent in respect of Open Offer Shares will be retained by the Receiving Agent with any interest being retained for the benefit of the Company.

If for any reason it becomes necessary to adjust the expected timetable as set out in this Document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

The Company reserves the right to decide not to proceed with the Capital Raise at any time prior to Admission. Any decision not to proceed will be notified by means of an announcement through a Regulatory Information Service. Following Admission, the Company will not be entitled to revoke any offers made in connection with the Capital Raise, respectively.

6. PROCEDURE FOR APPLICATION AND PAYMENT

If you are in any doubt about the contents of this Document, or as to what action you should take, you are recommended to immediately consult your stockbroker, solicitor, accountant, fund manager or other independent financial advisor, being, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) or the Investment Intermediaries Act 1995 (as amended) or, if you are resident in the United Kingdom, a firm authorised under the FSMA of the United Kingdom or another appropriately authorised professional adviser if you are in a territory outside Ireland and the United Kingdom.

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, such Qualifying Shareholder has an Application Form in respect of his or her entitlement under the Open Offer, or has had Open Offer Entitlements credited to his or her CREST stock account in respect of such entitlement.

Qualifying Shareholders who have validly elected to hold their Existing Ordinary Shares in certificated form and who hold Existing Ordinary Shares on the Record Date will, save as provided in paragraph 8 of this Part XV (*Terms and Conditions of the Open Offer*), receive an Application Form. Qualifying Shareholders who have validly elected to hold Existing Ordinary Shares in uncertificated form will not receive an Application Form but will receive a credit to their stock account in CREST of their Open Offer Entitlements equal to the maximum number of Open Offer Shares for which they are entitled to apply under the Open Offer.

CREST sponsored members should refer to their CREST sponsor as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders are, however, encouraged to vote at the Extraordinary General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with the Circular.

Should you require further assistance please call the shareholder helpline.

6.1 *If you have an Application Form in respect of your entitlement under the Open Offer*

6.1.1 *General*

Save as provided in paragraph 8 of this Part XV (*Terms and Conditions of the Open Offer*) in relation to certain Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 1. It also shows the maximum number of Open Offer Shares for which they are entitled to apply under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to them set out in Box 2. Box 3 shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Qualifying Non-CREST Shareholders may apply for less than their Open Offer Entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form, form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

6.1.2 *Bona fide market claims*

Applications to subscribe for Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person

entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims the latest time for which is 3.00 p.m. on 11 April 2016. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his or her holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold or otherwise transferred all of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 7 on the Application Form and immediately send it (together with this Document) to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee in accordance with the instructions set out in the Application Form. Qualifying Non-CREST Shareholders who have sold or otherwise transferred some only of the Existing Ordinary Shares shown in Box 1 on the Application Form prior to 5.00 p.m. on 18 March 2016, should contact the stockbroker, bank or other agent through whom the sale or transfer was effected to arrange for split Application Forms to be obtained. Subject to certain exceptions, the Application Form should not, however, be forwarded to, or transmitted in or into, the United States or any Excluded Territory. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 6.2 of this Part XV (*Terms and Conditions of the Open Offer*) below.

6.1.3 Application procedures

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares in respect of their Open Offer Entitlement should complete the Application Form in accordance with the instructions printed on it.

Completed Application Forms should be posted in the accompanying pre-paid envelope by post to Computershare Investor Services (Ireland) Limited, PO Box 954, Sandyford, Dublin 18, D18 Y2X6 or by hand (during normal business hours only, being 9.00 a.m. to 5.00 p.m.) to Computershare Investor Services (Ireland) Limited so as to be received by no later than 11.00 a.m. on 13 April 2016, after which time Application Forms will not be valid (subject to certain exceptions described below). Application Forms delivered by hand will not be checked and no receipt will be provided. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Shareholders mailing from Ireland are recommended to allow at least four Business Days for delivery. Shareholders in other jurisdictions should allow a longer period for delivery.

All payments must be in Euro and made by cheque or banker's draft for the full amount and made payable to "Computershare Investor Services (Ireland) Limited re: Cairn Homes p.l.c. Open Offer" and crossed "A/C payee only". Cheques must be drawn on the personal account of the individual investor, which must have sole or joint title to the funds. Cheques or banker's drafts must be drawn in Euro on a bank or building society or branch of a bank or building society in Ireland which is a member of the Dublin Bankers Clearing Committee or has clearing facilities with the Dublin Bankers Clearing Committee. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has endorsed on the cheque the name of the account holder and the number of an account held in the applicants name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will be subject to the Money Laundering Legislation which will delay Shareholders receiving their Open Offer Shares.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Computershare Investor Services (Ireland) Limited, as receiving agent, to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS, SWIFT or SEPA or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before all of the conditions of the Capital Raise are fulfilled, the application monies will be kept in a separate interest bearing bank account with any interest being retained for the Company until all conditions are met. If the Capital Raise does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Capital Raise.

The Company may in its sole discretion, but with the prior consent of the Joint Global Co-ordinators, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged), with the prior consent of the Banks to accept either:

- (a) Application Forms received after 11.00 a.m. on 13 April 2016; or
- (b) applications in respect of which remittances are received before 11.00 a.m. on 13 April 2016 from authorised persons (being in the case of Qualifying Non-CREST Shareholders in Ireland, an organisation or firm authorised or exempted under the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) or, in the case of Qualifying Non-CREST Shareholders in the United Kingdom, an authorised person (as defined in the FSMA)) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If Open Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or banker's draft is not honoured upon first

presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Registrar shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) paid to and retained by the Company. None of the Registrar, the Banks or the Company, nor any other person, shall be responsible, or have any liability, for any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

If an Application Form is accompanied by a payment for an incorrect sum, the Company reserves the right:

- (a) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest and at the applicant's risk); or
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum, without interest, to the Qualifying Non-CREST Shareholder in question (without interest and at the applicant's risk), save that any sums of less than €4.00 will be retained for the benefit of the Company; or
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums, without interest, to the Qualifying Non-CREST Shareholder in question (without interest and at the applicant's risk), save that any sums of less than €4.00 will be retained for the benefit of the Company.

6.1.4 *Effect of application*

By completing and delivering an Application Form, the applicant:

- (a) represents and warrants to the Company and each of the Banks that he/she/it has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his/her/its rights and perform his obligations under any contracts resulting therefrom and that he/she/it is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees with the Company and each of the Banks that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of Ireland;
- (c) confirms to the Company and each of the Banks that in making the application he/she/it is not relying on any information or representation in relation to the Group other than that included in this Document and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Document, he/she/it will be deemed to have had notice of all information in relation to the Group contained in this Document;
- (d) confirms to the Company and each of the Banks that no person has been authorised to give any information or to make any representation concerning the Group and/or the New Ordinary Shares (other than as included in this Document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or any of the Banks;

- (e) represents and warrants to the Company and each of the Banks that he/she/it is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he/she/it received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (f) represents and warrants to the Company and each of the Banks that if he has received some or all of his/her/its Open Offer Entitlements from a person other than the Company he/she/it is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (g) requests that the Open Offer Shares to which he/she/it will become entitled, be issued to him/her/it on the terms set out in this Document and the Application Form and subject to the Constitution and further acknowledges that his/her/its application for Open Offer Shares is legally binding and irrevocable and cannot be withdrawn, amended or qualified without the consent of the Company in its sole and absolute discretion other than in circumstances in which the withdrawal rights summarised in paragraph 9 of this Part XV (*Terms and Conditions of the Open Offer*) apply;
- (h) unless otherwise agreed by the Company in its sole discretion, represents and warrants to the Company and each of the Banks that he/she/it is not, nor is he/she/it applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any other Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law and he/she/it is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his/her/its application in the United States or to, or for the benefit of, a person who is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he/she/it is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (i) represents and warrants to the Company and each of the Banks that he/she/it is not, and nor is he/she/it applying as a nominee or agent for, a person who is a Placee;
- (j) represents and warrants to the Company and each of the Banks that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 of the UK at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986 of the UK; and
- (k) confirms to the Company and each of the Banks that in making the application, he/she/it is not relying and has not relied on any of the Banks or any person affiliated with any of the Banks in connection with any investigation of the accuracy of any information included in this Document or his/her/its investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be made to Computershare Investor Services (Ireland) Limited on (01) 447 5566 from within Ireland or on +353 (1) 447 5566 if calling from outside Ireland. Lines are open 9.00 a.m. to 5.00 p.m. (Dublin time) Monday to Friday. Calls to the shareholder helpline from outside Ireland will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits

of the Capital Raise or provide personal, legal, business, financial, tax or investment advice. Calls may be recorded and monitored for security and training purposes.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Non-CREST Shareholders are, however, encouraged to vote at the Extraordinary General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with the Circular.

6.2 *If you have Open Offer Entitlements credited to your stock account in CREST*

6.2.1 *General*

Save as provided in paragraph 8 of this Part XV (*Terms and Conditions of the Open Offer*) in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply to subscribe for under the Open Offer.

The CREST stock account to be credited will be the account under the participant ID and member account ID which applies to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by 5.00 p.m. on 24 March 2016, or such later time and/or date as the Company and the Joint Global Co-ordinators may decide, the Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare Investor Services (Ireland) Limited on (01) 447 5566 from within Ireland or on +353 (1) 447 5566 if calling from outside Ireland. Lines are open 9.00 a.m. to 5.00 p.m. (Dublin time) Monday to Friday. Calls to the shareholder helpline from outside Ireland will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The shareholder helpline cannot provide advice on the merits of the Capital Raise or provide personal, legal, business, financial, tax or investment advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

6.2.2 *Bona fide Market claims*

Each of the Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by Euroclear as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

6.2.3 USE instructions

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlement in CREST must send (or if they are CREST sponsored members, procure that their CREST sponsor sends) an unmatched stock event (“USE”) instruction (“USE Instruction”) to Euroclear which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (b) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (a) above.

6.2.4 Content of USE instruction in respect of Open Offer Entitlements

The USE Instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (b) the ISIN of the Open Offer Entitlement. This is IE00BYZ0C393;
- (c) the CREST participant ID of the accepting CREST member;
- (d) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (e) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is RA85;
- (f) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is CAIRNPLC;
- (g) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 6.2.4(a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 13 April 2016; and
- (i) the ‘corporate action number’ for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 13 April 2016.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 13 April 2016 in order to be valid is 11.00 a.m. on that day.

In the event that the Capital Raise does not become unconditional by 8.00 a.m. on 19 April 2016 or such later time and date as the Company and the Banks determine (being no later than 8.00 a.m. on 29 April 2016), the Capital Raise will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies (if any) will be retained for the benefit of the Company.

6.2.5 *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer, as shown by the number of Open Offer Entitlements set out in his Application Form in Box 2 may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST (in accordance with the instructions contained in the Application Form) is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 13 April 2016. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw their Open Offer Entitlement.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST courier and sorting service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as an Open Offer Entitlement, is 3.00 p.m. on 7 April 2016 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of an Open Offer Entitlement from CREST is 4.30 p.m. on 6 April 2016 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlement following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements, prior to 11.00 a.m. on 13 April 2016.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the Notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 4 of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of the United States, any Excluded Territory or any other jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

6.2.6 Validity of application

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 13 April 2016 will constitute a valid application under the Open Offer.

6.2.7 CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 13 April 2016. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

6.2.8 Incorrect or incomplete applications

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (a) to reject the application in full and refund the payment to the CREST member in question (without interest at the CREST member's risk) save that any sum less than €4.00 will be retained for the benefit of the Company;
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest at the CREST member's risk) save that any sum less than €4.00 will be retained for the benefit of the Company; and
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

6.2.9 Effect of valid application

A CREST member or (where applicable) CREST sponsored member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (a) represents and warrants to the Company and each of the Banks that he/she/it has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his/her/its rights, and perform his/her/its obligations, under any contracts resulting therefrom and that he/she/it is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

- (c) agrees with the Company and each of the Banks that all applications and any contracts or non-contractual obligations resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of Ireland;
- (d) confirms to the Company and each of the Banks that in making the application he/she/it is not relying on any information or representation in relation to the Group other than that included in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Document, he/she/it will be deemed to have had notice of all the information in relation to the Group included in this Document;
- (e) confirms to the Company and each of the Banks that no person has been authorised to give any information or to make any representation concerning the Group and/or the New Ordinary Shares (other than as included in this Document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or any of the Banks;
- (f) represents and warrants to the Company and each of the Banks that he/she/it is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he/she/it has received such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (g) represents and warrants to the Company and each of the Banks that if he/she/it has received some or all of his Open Offer Entitlement from a person other than the Company, he/she/it is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (h) requests that the Open Offer Shares to which he/she/it will become entitled be issued to him/her/it on the terms set out in this Document, subject to the Constitution and further acknowledges that his/her/its application for Open Offer Shares is legally binding and irrevocable and cannot be withdrawn, amended or qualified without the consent of the Company in its sole and absolute discretion other than in circumstances in which the withdrawal rights summarised in paragraph 9 of this Part XV (*Terms and Conditions of the Open Offer*) apply;
- (i) represents and warrants to the Company and each of the Banks that he/she/it is not, nor is he/she/it applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any other Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law and he/she/it is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his/her/its application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he/she/it is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (j) represents and warrants to the Company and each of the Banks that he/she/it is not, and nor is he applying as a nominee or agent for, a person who is a Placee;

- (k) represents and warrants to the Company and each of the Banks that he/she/it is not, and nor is he/she/it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 of the UK at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986 of the UK; and
- (l) confirms to the Company and the Banks that in making the application he/she/it is not relying and has not relied on any of the Banks or any person affiliated with the Banks in connection with any investigation of the accuracy of any information included in this Document or his/her/its investment decision.

6.2.10 Company's discretion as to the rejection and validity of applications

The Company may in its sole discretion but after consultation with the Joint Global Co-ordinators:

- (a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part XV (*Terms and Conditions of the Open Offer*);
- (b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE Instruction and subject to such further terms and conditions as the Company may determine;
- (c) treat a properly authenticated dematerialised instruction (in this paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Registrar has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (d) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

6.2.11 Lapse of the Open Offer

In the event that the Capital Raise does not become unconditional by 8.00 a.m. on 19 April 2016 or such later time and date as the Company and the Joint Global Co-ordinators may agree (being no later than 8.00 a.m. on 29 April 2016), the Capital Raise will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

7. MONEY LAUNDERING LEGISLATION

7.1 *Holders of Application Forms*

To ensure compliance with Money Laundering Legislation, the Receiving Agent may require, in its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If an Application Form is submitted by an Irish or a UK regulated broker or intermediary acting as agent and which is itself subject to Money Laundering Legislation, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the relevant Application Form.

The person lodging an Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 7.1 of this Part XV (*Terms and Conditions of the Open Offer*) the “relevant Open Offer Shares”) and shall thereby be deemed to agree to promptly provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements and to do all other acts and things as may reasonably be required as to comply with Money Laundering Legislation.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in the potential rejection of an application under the Open Offer and/or delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty and representation to each of the Company, the Receiving Agent, and the Banks from the applicant that Money Laundering Legislation will not be breached by application of such remittance and an undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of Money Laundering Legislation. If the verification of identity requirements apply, failure to provide the necessary evidence of identity may result in delays in the despatch of share certificates or in crediting CREST accounts.

The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) (as amended) (the “Money Laundering Directive”); or
- (b) if the acceptor is a regulated Irish or United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Legislation; or

- (c) if the acceptor is a company whose securities are listed on a regulated market subject to specified disclosure obligations; or
- (d) the acceptor (not being an acceptor who delivers his application in person) makes payment through an account in the name of such acceptor with a credit institution that is subject to the Money Laundering Directive or with a credit institution situated in a non-EEA state that imposes requirements equivalent to those laid down in the Money Laundering Directive; or
- (e) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (f) if the aggregate subscription price for the Open Offer Shares is less than €15,000.

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (i) if payment is made by cheque or banker's draft in Euro drawn on a branch in Ireland of a bank or building society which bears an appropriate sort code number or IBAN in the top right hand corner the following applies. Cheques, should be made payable to "Computershare Investor Services (Ireland) Limited re: Cairn Homes p.l.c. Open Offer" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Cheques should be drawn on the personal account of the individual investor to which they have sole or joint title to the funds. Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers' draft to such effect. However, third party cheques will be subject to the Money Laundering Legislation which would delay Shareholders receiving their Open Offer Shares. The account name should be the same as that shown on the Application Form; or
- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the United States and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact Computershare Investor Services (Ireland) Limited at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18 Y2X6.

To confirm the acceptability of any written assurance referred to in (ii) above, or in any other case, the acceptors should contact Computershare Investor Services (Ireland) Limited on (01) 447 5566 from within Ireland or on +353 (1) 447 5566 if calling from outside Ireland. Lines are open 9.00 a.m. to 5.00 p.m. (Dublin time) Monday to Friday. Calls to the helpline from outside Ireland will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Capital Raise or provide personal, legal, business, financial, tax or investment advice. Calls may be recorded and monitored for security and training purposes.

If the Application Form is in respect of Open Offer Shares with an aggregate subscription price of €15,000 or more and is/are lodged by hand by the acceptor in person, or if the Application Form in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence

of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 13 April 2016, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

7.2 *Open Offer Entitlements in CREST*

If you hold your Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlement as agent for one or more persons and you are not an Irish, a UK or an EU regulated person or institution (e.g. an Irish financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE Instruction or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Legislation. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

8. OVERSEAS SHAREHOLDERS

This Document has been approved by the Central Bank, being the competent authority in Ireland for the purposes of the Prospectus Directive. The Company has requested that the Central Bank provide a certificate of approval and a copy of this Document to the FCA, as the competent authority in the United Kingdom, pursuant to the passporting provisions of the Prospectus Directive. Accordingly, the making of the Open Offer to persons resident in, or who are citizens of or who have a registered address in, countries other than Ireland or the United Kingdom may be restricted by the legal or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 8 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisors without delay.

8.1 *General*

The distribution of this Document and the Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than Ireland or the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than Ireland or the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, the Banks or any other person to permit a public offering or the possession or distribution of this Document (and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in Ireland and the United Kingdom. Accordingly, neither this Document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Document comes are required to inform themselves about and observe such restrictions, including those set out in the following paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Document and/or an Application Form and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission and/or a credit of Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this Document and/or an Application Form and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than Ireland or the United Kingdom may treat the same as constituting an invitation or offer to him or her or it, nor should he or she or it in any event use any such Application Form and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission and/or credit of Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or it and such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Document and/or the Application Form and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside Ireland and the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy itself, himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, the Banks, nor any of their respective directors, employees or representatives, is making any representation to any offeree or purchaser of the New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this Document and/or an Application Form and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission and/or a credit of Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Document

and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she or it must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and the Joint Global Co-ordinators determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Document and/or an Application Form and/or transfers Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part XV (*Terms and Conditions of the Open Offer*) and specifically the contents of this paragraph 8.

Subject to paragraphs 8.2 to 8.6 below, any person (including, without limitation, custodians, agents, nominees and trustees) outside Ireland and the United Kingdom wishing to apply for Open Offer Shares in respect of the Open Offer must satisfy himself or herself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or any other Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or any other Excluded Territory or any other jurisdiction outside Ireland and the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 8.2 to 8.6 below.

Notwithstanding any other provision of this Document or the Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in Euro denominated cheques or bankers' drafts or, where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the other Excluded Territories, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, the United States or any other Excluded Territory will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of the United States or any other Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into the United States or any other Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, the United States or any other Excluded Territory except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this Document or the Application Forms and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission into the United States or any other Excluded Territory. Receipt of this Document and/or an Application Form and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in

those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Document and/or the Application Form and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission must be treated as sent for information only and should not be copied or redistributed.

8.2 *United States*

The Company's corporate disclosure may differ from the disclosure made by similar companies in the United States. Publicly available information about the issuers of securities listed on the London Stock Exchange differs from and, in certain respects, is less detailed than the information that is regularly published by or about listed companies in the United States. In addition, regulations governing the London Stock Exchange may not be as extensive in all respects as those in effect on United States markets.

Financial Statements prepared under IFRS differ from those prepared under U.S. GAAP in a number of respects including, but not limited to, revenue recognition, share option compensation, accounting for business combination and acquisitions of intellectual property and accounting for capital instruments. Potential investors are advised to consult their own professional advisers as to the significance of these differences. In making an investment decision, investors must rely upon their own examination of the Group, the terms of the offering and the financial information in respect of the Group. Potential investors should consult their own professional advisers for an understanding of the differences between IFRS and U.S. GAAP, and how those differences might affect the financial information herein.

The New Ordinary Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into, in or within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the New Ordinary Shares in the United States.

The New Ordinary Shares are being offered or sold only: (a) outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements provided by Regulation S; and (b) within, into or in the United States to persons reasonably believed to be Qualified Institutional Buyers ("QIBs").

Subject to certain exceptions, neither this Document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States.

The Company and the Banks reserve the right to treat as invalid any Application Form that: (i) appears to the Company and the Banks or their respective agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or (ii) which does not make the warranty and representation set out in the Application Form to the effect that the person accepting the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view

to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or (iii) where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements. The Company will not be bound to allot (on a non-provisional basis) or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company, and/or the Banks reserve the right to reject any USE Instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares.

Notwithstanding the foregoing, New Ordinary Shares may be offered to and acquired by Shareholders in the United States pursuant to an available exemption from registration under the U.S. Securities Act. Any Shareholder to whom New Ordinary Shares are offered and by whom New Ordinary Shares are acquired will be required, among other things, to warrant, to undertake or to acknowledge certain information and/or obligations, as the case may be, in order to participate in the transaction. Such warranties and representations will include, among others, warranties and representations as to the fact that: (a) the Shareholder is a QIB; (b) the Shareholder is acquiring the New Ordinary Shares as principal for its own account or for the account of a QIB and such Shareholder and any such transferee of such Shareholder is not acquiring the New Ordinary Shares with a view to or for distributing or reselling such New Ordinary Shares or any portion thereof, without prejudice, however, to its right at all times to sell or otherwise dispose of all or any part of such New Ordinary Shares in compliance with applicable U.S. federal and state securities laws; and (c) the New Ordinary Shares were offered to the Shareholder solely by means of this Document and by direct contact between the investor and the Company.

Each Shareholder acknowledges that the New Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) of the U.S. Securities Act and it represents that it will not resell the New Ordinary Shares absent registration or an available exemption or safe harbour from registration under the U.S. Securities Act. Resales of New Ordinary Shares may only be made (i) outside the United States in offshore transactions in reliance on Regulation S or (ii) within the United States to investors that are reasonably believed to be QIBs. The Company will require the provision of a letter by investors in the United States containing representations and warranties as to status under the U.S. Securities Act. The Company will refuse to issue or transfer New Ordinary Shares to investors that do not meet the foregoing requirements.

In addition, until 40 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the Placing and Open Offer) may violate the registration requirements of the U.S. Securities Act.

8.3 *Excluded Territories*

Due to restrictions under the securities laws of the Excluded Territories and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any of the Excluded Territories will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with any Open Offer Entitlement.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this Document or the Application Forms and/or any other documents issued by the Company in connection with the Capital Raise and/or Admission into any Excluded Territory.

8.3.1 France

The New Ordinary Shares may not be offered, sold or caused to be offered or sold, directly or indirectly, to the public in France, and this Document has been submitted neither pursuant to the clearance procedure of the French Autorité des marchés financiers nor to a competent authority of another Member State that would have notified its approval to the French Autorité des marchés financiers under the Prospectus Directive as implemented in France and in any Relevant Member State.

No other offering material or information contained in this Document relating to the New Ordinary Shares may be released, issued or distributed or caused to be released, issued or distributed, directly or indirectly, to the public in France, or used in connection with any offer for subscription, exchange or sale of the New Ordinary Shares to the public in France.

Any such offers, sales and distributions may be made in France only to: (i) persons providing investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers); and/or (ii) qualified investors (investisseurs qualifiés); and/or (iii) to a limited circle of investors (cercle restreint d'investisseurs) (as defined in Article L.411-2 of the French Code monétaire et financier) acting for their own account, as defined in, and in accordance with, Articles L.411-2, D.411-1, D.734-1, D.744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier.

In the event that the New Ordinary Shares purchased or subscribed by the investors listed above are offered or resold, directly or indirectly, to the public in France, the conditions relating to public offers set forth in Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code monétaire et financier must be complied with. Investors in France and persons into whose possession offering materials come must inform themselves about, and observe, any such restrictions.

8.3.2 EEA Member States (other than Ireland and the UK)

In relation to each Member State which has implemented the Prospectus Directive (each, a "Relevant Member State") (except for the UK and Ireland), with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the "relevant implementation date") no New Ordinary Shares have been offered or will be offered pursuant to the public in that Relevant Member State prior to the publication of a prospectus in relation to the New Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, except that with effect from and including the relevant implementation date, offers of New Ordinary Shares may be made to the public in that Relevant Member State at any time:

- (i) to any legal entity which is a "qualified investor", within the meaning of Article 2(1)(e) of the Prospectus Directive, including any relevant implementing directive measure in that relevant member state;
- (ii) to fewer than 100 or, if the relevant member state has implemented provisions of the relevant amending directive (2010/73/EU), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Ordinary Shares shall result in a requirement for the publication by the Company or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For this purpose, the expression "an offer of any New Ordinary Shares to the public" in relation to any New Ordinary Shares in any relevant member state means the communication

in any form and by any means of sufficient information on the terms of the offer and any New Ordinary Shares to be offered so as to enable an investor to decide to acquire any New Ordinary Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

8.4 *Other overseas territories*

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Excluded Territories may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Document and the Application Form.

Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than Ireland or the United Kingdom should consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any New Ordinary Shares in respect of the Open Offer.

Each person to whom the New Ordinary Shares or the Application Forms are distributed, offered or sold outside the United States will be deemed by its subscription for, or purchase of, the New Ordinary Shares to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for or purchasing the New Ordinary Shares, as the case may be, that:

- 8.4.1 it is acquiring the New Ordinary Shares from the Company or the Banks in an “offshore transaction” as defined in Regulation S; and
- 8.4.2 the New Ordinary Shares have not been offered to it by the Company or the Banks by means of any “directed selling efforts” as defined in Regulation S.

8.5 *Representations and warranties relating to Overseas Shareholders*

8.5.1 Qualifying Non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, each of the Banks and the Receiving Agent that, except where proof has been provided to the Company’s satisfaction (in its absolute discretion) that such person’s completion of an Application Form or request for registration of the Open Offer Shares comprised therein will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Excluded Territory; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within the United States, any Excluded Territory (or any territory referred to in (ii) above) at the time the instruction to accept was given (except as otherwise expressly agreed with the Company); and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company, the Banks and/or the Receiving Agent in consultation with the Banks may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company and/or the Banks or their respective agents to have been executed, effected or dispatched from the United States or an Excluded Territory or in a manner that may involve breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or an Excluded Territory for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside Ireland or the United Kingdom in which it would be unlawful to deliver such share

certificates); or (iii) purports to exclude the representation and warranty required by this paragraph 8.5.

8.5.2 *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in Part XV (*Terms and Conditions of the Open Offer*) of this Document represents and warrants to the Company, each of the Banks and the Receiving Agent that, except where proof has been provided to the Company's satisfaction (in its absolute discretion) that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within the United States or any Excluded Territory; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within any Excluded Territory (except as otherwise expressly agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

8.6 *Waiver*

The provisions of this paragraph 8 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific persons or on a general basis by the Company and the Banks in their absolute discretion. Subject to this, the provisions of this paragraph 8 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 8 to the Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 8 shall apply to them jointly and to each of them.

9. **WITHDRAWAL RIGHTS**

Persons wishing to exercise or direct the exercise of statutory withdrawal rights pursuant to regulation 52 of the Prospectus Regulations after the issue by the Company of a prospectus supplementing this Document must do so by despatching a written notice of withdrawal within two Business Days commencing on the Business Day after the date on which the supplementary prospectus is published. The withdrawal notice must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the participant ID and the member account ID of such CREST member. The notice of withdrawal must be either deposited by hand (during normal business hours only, being 9.00 a.m. to 5.00 p.m.) or by post with the Registrar at Computershare Investor Services (Ireland) Limited, PO Box 954, Sandyford, Dublin 18, D18 Y2X6 so as to be received before the end of the withdrawal period. Notice of withdrawal given by any other means or which is deposited with the Registrar after the expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant person for the Open Offer Shares applied for in full and the allotment of such Open Offer Shares to such person becoming unconditional save to the extent required by statute. In such event, Shareholders are advised to seek independent legal advice.

If you have any queries please call Computershare Investor Services (Ireland) Limited on (01) 447 5566 from within Ireland or on +353 (1) 447 5566 if calling from outside Ireland. Lines are open 9.00 a.m. to 5.00 p.m. (Dublin time) Monday to Friday. Calls to the shareholder helpline from outside Ireland will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The shareholder helpline cannot provide advice on the merits of the Capital Raise or provide personal, legal, business, financial, tax or investment advice. Calls may be recorded and monitored for security and training purposes.

10. ADMISSION, SETTLEMENT AND DEALINGS

The result of the Open Offer is expected to be announced on 14 April 2016 and the Company will make an appropriate announcement to a Regulatory Information Service giving details of the result of the Open Offer. Application will be made to the FCA for the New Ordinary Shares to be admitted to the standard listing segment of the Official List of the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Subject to certain conditions being satisfied as set out in paragraph 5 of this Part XV (*Terms and Conditions of the Open Offer*), it is expected that Admission will become effective, and that dealings in the New Ordinary Shares, fully paid, will commence at 8.00 a.m. on 19 April 2016.

The Existing Ordinary Shares are already admitted to CREST. No further application for Admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 13 April 2016 (being the latest time and date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application by utilising the CREST application procedures and whose applications have been accepted by the Company. On 19 April 2016, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' New Ordinary Shares with effect from Admission (expected to be 19 April 2016). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this Document, the Company reserves the right, with the prior written consent of the Joint Global Co-ordinators, to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the New Ordinary Shares validly taken up are expected to be despatched by post on or about 26 April 2016. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 6.1.3 of this Part XV (*Terms and Conditions of the Open Offer*) and their respective Application Form.

11. TIMES AND DATES

The Company shall, in agreement with the Joint Global Co-ordinators and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this Document and in such circumstances shall notify the UKLA, and make an announcement on a Regulatory Information Service and, if appropriate, to Shareholders but Qualifying Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this Document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

PART XVI

TAXATION

1. IRISH TAXATION

The following is a general summary of the main Irish tax considerations applicable to certain Shareholders who are the owners of Ordinary Shares. It is based on existing Irish law and our understanding of the practices of the Irish Revenue on the date of this Document. Legislative, administrative or judicial changes may modify the tax consequences described below.

The statements do not constitute tax advice and are intended only as a general guide. Furthermore, this information applies only to Ordinary Shares that are held as capital assets and does not apply to all categories of shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes or shareholders who have, or who are deemed to have, acquired their shares by virtue of an office or employment.

This summary is not exhaustive and Shareholders and prospective investors should consult their own tax advisors as to the tax consequences in Ireland, or other relevant jurisdictions of the Firm Placing and the Placing and Open Offer, including the acquisition, ownership and disposition of Shares.

1.1 *Taxation of Dividends*

1.1.1 *Irish withholding tax on dividends*

The Company will withhold dividend withholding tax at the standard rate of income tax (currently 20 per cent.) from dividend payments and other profit distributions by the Company to Shareholders who do not meet any of the exemptions set out below.

1.1.2 *Irish taxation of shareholders who are Irish resident and/or ordinarily resident individuals*

Irish resident Shareholders who are individuals will be subject to income tax at the marginal rate, social security and the universal social charge depending on their circumstances on the aggregate of the net dividend received and the withholding tax deducted.

Subject to certain exceptions, the Company is required to apply dividend withholding tax at source at the standard rate (currently 20 per cent.) on dividends paid to Irish resident and/or ordinarily resident individual shareholders. The Company should provide the shareholder with a certificate setting out the gross amount of the dividend, the amount of tax withheld, and the net amount of the dividend.

1.1.3 *Irish taxation of shareholders who are Irish resident companies*

An Irish resident Shareholder which is a company will not be subject to Irish corporation tax on dividends received from the Company and tax will not be withheld at source by the Company provided the appropriate declaration is validly made.

A company which is a close company, as defined under Irish legislation, may be subject to a corporation tax surcharge on such dividend income to the extent that it is not distributed within the appropriate time frame; however, it may be possible for the Company and the Shareholder company to make a joint election to ignore the dividend for close company purposes.

1.1.4 *Irish taxation of certain other Irish resident shareholders*

Shareholders who are Irish approved pension funds or Irish approved charities are generally exempt from tax on their dividend income and will not have tax withheld at source by the Company from dividends, provided the appropriate declaration is validly made.

1.1.5 Irish taxation of shareholders who are not resident for tax purposes in Ireland

Dividends made to certain non-residents may be exempt from dividend withholding tax on the basis that the distribution is made to:

- (a) a resident of a foreign country with which Ireland has a tax treaty;
- (b) a resident of an EU Member State (other than Ireland);
- (c) a company not resident in Ireland which is ultimately controlled by a resident of a tax treaty country or an EU Member State (other than Ireland); or
- (d) a company if its principal class of share is substantially and regularly traded on a recognised stock exchange in a tax treaty country or Member State.

In each case, an appropriate declaration must be made and evidence of entitlement to exemption provided.

However, non-Irish resident corporate Shareholders who are controlled by Irish residents, or non-Irish resident individual Shareholders who remain ordinarily resident in Ireland, may continue to be taxed in Ireland.

1.2 ***Irish Capital Gains Tax (“CGT”)***

The shares of the Company constitute chargeable assets for CGT purposes and, accordingly, Shareholders who are resident or ordinarily resident in Ireland, depending on their circumstances, may be liable to Irish tax the proceeds received less the sum of the base cost of their shares of the Company plus any incidental selling expenses on a disposal of shares of the Company. The CGT rate is currently 33 per cent.

An Irish resident individual, who is a Shareholder who ceases to be an Irish resident for a period of less than five years and who disposes of Ordinary Shares during that period, may in certain circumstances be liable, on a return to Ireland, to CGT on any gain realised.

A Shareholder which is a company may qualify for the participation exemption from Irish CGT if certain conditions are satisfied.

Non-Irish residents will not be liable to CGT in Ireland, as the Company’s shares are quoted on a stock exchange, unless such persons are either ordinarily resident in Ireland or hold the Company shares in connection with a branch or agency carried on in Ireland.

1.3 ***Irish Capital Acquisitions Tax (“CAT”)***

CAT covers both gift tax and inheritance tax. Irish CAT may be chargeable on an inheritance or a gift of Company shares as such shares would be considered Irish property, notwithstanding that the gift or inheritance is between two non-Irish resident and non-ordinarily Irish resident individuals. The current rate of CAT is 33 per cent. Shareholders should consult their tax advisors with respect to the CAT implications of any proposed gift or inheritance of Company shares.

1.4 ***Irish Stamp Duty***

Transfers or sales of Company shares are currently subject to *ad valorem* stamp duty. This is generally payable by the purchaser. The Irish rate of stamp duty on shares is currently one per cent. of the greater of the market value of, or consideration paid for, the shares.

2. **UK TAXATION**

This summary only covers the principal UK tax consequences for the absolute beneficial owners of Ordinary Shares and any dividends paid in respect of them, in circumstances where the dividends paid are regarded for UK tax purposes as that person’s own income (and not the income of some other person), and who are resident in the UK for tax purposes. In addition, the summary (i) only addresses the tax consequences for

holders who hold the Ordinary Shares as capital assets; (ii) does not address the tax consequences which may be relevant to certain other categories of holders, for example, dealers, charities, persons who acquire their Ordinary Shares in connection with an office or employment, registered pension schemes, insurance companies, or collective investment schemes; (iii) assumes that the holder does not control or hold directly or indirectly, either alone or together with one or more associated or connected persons, ten per cent. or more of the Ordinary Shares and/or voting power of the Company; (iv) assumes that there will be no register in the United Kingdom in respect of the Ordinary Shares and that the sole register will be maintained in Ireland; and (v) assumes that the Ordinary Shares will not be paired with shares issued by any company incorporated in the United Kingdom.

The following paragraphs are intended as a general guide only, do not constitute tax advice and are based on the Company's understanding of current UK tax law and Her Majesty's Revenue & Customs ("HMRC") practice, each of which is subject to change, possibly with retrospective effect.

Prospective investors who are in doubt about their tax position should consult their own appropriate independent professional adviser.

2.1 *UK Taxation of Capital Gains*

A disposal of Ordinary Shares by a Shareholder who is resident in the UK may, subject to the Shareholders, circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

UK resident Shareholders within the charge to corporation tax on chargeable gains will be subject to UK corporation tax (current rate 20 per cent., reducing to 19 per cent. with effect from 1 April 2017 and then to 18 per cent. with effect from 1 April 2020) but indexation allowance should be available to reduce the amount of any chargeable gain realised on a disposal of Ordinary Shares (but not to create or increase any loss).

For UK resident Shareholders who are subject to capital gains tax, such as individuals, trustees and personal representatives, an annual exemption is available, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,100 for individuals for the tax year 2015-2016. Capital gains tax chargeable will be at the current rate of 18 per cent. (for basic rate income taxpayers) and 28 per cent. (for higher and additional rate income taxpayers) during the tax year 2015-2016.

A Shareholder who is not UK resident will generally not be subject to UK tax on a gain arising on a disposal of Ordinary Shares, except that such a Shareholder may be subject to UK tax on a gain arising on such a disposal if (i) the Shareholder carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and, broadly, holds the Company's shares for the purposes of the trade, profession or vocation; or (ii) the Shareholder falls within the anti-avoidance rules applying to individuals who are temporarily not resident in the UK.

A UK resident individual Shareholder who is non-UK domiciled may, subject to various conditions (including, in some circumstances, the payment of an annual charge), elect to be taxed on the remittance basis, with the result that any capital gain arising on a disposal of Ordinary Shares may only be subject to capital gains tax when it is treated as having been remitted to the UK.

Detailed UK tax advice should be obtained before considering whether to adopt the remittance basis of UK taxation.

UK chargeable gains consequences of the Placing and Open Offer

For the purposes of capital gains tax, a Shareholder should not be treated as making a disposal of all or part of his existing holding of Ordinary Shares by reason of taking up his entitlement under the Open Offer and the consequent issue to that Shareholder of Open Offer Shares. It is arguable as a matter of UK tax law that the Open Offer is not strictly speaking a reorganisation of the share capital of the Company for the purposes of UK taxation of chargeable gains. However, whilst HMRC

treatment of the Open Offer cannot be guaranteed, and specific confirmation has not been requested in relation to the Open Offer, HMRC's current published practice is to treat an open offer as a reorganisation for these purposes (although HMRC may not follow this treatment where an open offer is not made to all holders of a class of shares).

If the Open Offer is treated as a reorganisation, to the extent a Shareholder takes up his *pro rata* entitlement to New Ordinary Shares, he will not be treated as making a disposal of any part of his existing holding of Ordinary Shares by reason of acquiring such New Ordinary Shares. Consequently, no liability to taxation on chargeable gains should arise in respect of the issue of such New Ordinary Shares. Furthermore, if reorganisation treatment applies, the New Ordinary Shares allotted to a Shareholder under the Open Offer up to and including the Shareholder's *pro rata* entitlement will be treated as the same asset as the existing holding of Ordinary Shares, acquired at the time he acquired that holding. The subscription monies will therefore be added to the base cost of his existing holding.

To the extent that the issue of the New Ordinary Shares by the Company to Qualifying Shareholders under the terms of the Open Offer is not treated as a reorganisation or, where it is treated as a reorganisation, to the extent a Shareholder takes up New Ordinary Shares in excess of his *pro rata* entitlement, the New Ordinary Shares acquired will be treated as acquired as part of a separate acquisition. Subject to specific rules for acquisitions within specified periods either side of a disposal and pre-1982 holdings held by corporates, the Existing Ordinary Shares and the New Ordinary Shares issued pursuant to the Open Offer will be treated as a single asset, the base cost of which will be the aggregate of the amount paid for the New Ordinary Shares and the base cost of the Existing Ordinary Shares.

To the extent that New Ordinary Shares are issued to persons other than Qualifying Shareholders pursuant to the Firm Placing or Placing, this will not be treated as a reorganisation of the Company's share capital for the purposes of UK tax on chargeable gains. Instead, such New Ordinary Shares will be treated as acquired as part of a separate acquisition. In these circumstances the price paid for the New Ordinary Shares (issued pursuant to the Firm Placing or Placing) will constitute such person's base cost for the purposes of UK taxation on chargeable gains.

2.2 *UK Taxation of Dividends*

No UK tax will be withheld by the Company when it pays a dividend. A UK resident Shareholder's liability to UK taxation on dividends from the Company will depend on their circumstances. Changes have been announced concerning the position of UK resident individual shareholders which will take effect on 6 April 2016. The current position for UK resident individuals, as well as the announced position from 6 April 2016, is described below.

2015/2016 Position (Individuals)

A UK resident individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the gross dividend at the rate of ten per cent.

A UK resident individual Shareholder who is a higher rate taxpayer will be liable to income tax on the gross dividend at the rate of 32.5 per cent. Shareholders subject to the additional rate of tax will be liable to income tax on the gross dividend at the rate of 37.5 per cent.

A UK resident individual Shareholder who holds less than ten per cent. of the issued shares in the Company will be entitled to a tax credit, currently at the rate of 1/9th of the cash dividend paid (equal to ten per cent. of the aggregate of the net dividend and related tax credit).

The individual is treated as receiving for tax purposes gross income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income. After taking account of any available tax credit, the liability of a basic rate taxpayer (who is not also a higher rate taxpayer) will be eliminated (since the ten per cent. tax credit is deemed to cover all that is due for a basic rate taxpayer), a higher rate taxpayer (who is not also an additional rate taxpayer) will pay

tax at an effective rate of 25 per cent. and an additional rate taxpayer will pay tax at an effective rate of 30.56 per cent.

UK resident Shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit (including pension funds, charities and certain individuals) are not entitled to claim repayment of any part of the tax credit associated with the dividend from HMRC.

UK resident individual Shareholders who hold their shares in an Individual Savings Account (“ISA”) are exempt from tax on dividends paid by the Company.

2016/2017 Position (Individuals)

Legislation will be introduced in the Finance Bill 2016 to abolish the dividend tax credit and implement a new 0 per cent. rate for dividend income received by UK resident individuals, as well as changing the rates of tax for dividend income. A new nil rate will apply to the first £5,000 of an individual’s dividend income and will be available annually (the “Dividend Allowance”).

The rates of income tax for dividends received above the Dividend Allowance on or after 6 April 2016 are proposed to be:

- 7.5 per cent. for dividend income within the basic rate income tax band;
- 32.5 per cent. for dividend income within the higher rate income tax band; and
- 38.1 per cent. for dividend income within the additional rate income tax band.

The UK Government is proposing that the Dividend Allowance will apply to the first £5,000 of a UK resident individual’s taxable dividend income and will be in addition to the provisions for Individual Savings Accounts and the annual income tax personal allowance.

Corporate Shareholders

A UK resident corporate Shareholder will in principle be subject to corporation tax on any dividend received from the Company, currently at the rate of 20 per cent. (reducing to 19 per cent. with effect from 1 April 2017 and then to 18 per cent. with effect from 1 April 2020), but subject to possible exemption under the rules for the taxation of corporate distributions depending on whether the dividend falls within one of the qualifying exempt classes. Shareholders are advised to seek specific tax advice on this when completing UK corporation tax returns.

Remittance basis taxpayers

A UK resident individual Shareholder who is non-UK domiciled can, subject to various conditions (including, in some circumstances, the payment of an annual charge), elect to be taxed on the remittance basis, with the result that any dividend received from the Company may be subject to income tax only when it is treated as having been remitted to the UK. This is a complex area of UK taxation and specific detailed advice should be obtained before taking any action in this regard.

2.3 UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No UK stamp duty or SDRT will be payable by a Shareholder on the allotment, issue or registration of the Company’s Shares. Since the Company is incorporated outside of the UK no SDRT should apply to agreements to transfer the Company’s Shares provided that the Company’s shares are not registered on any register kept in the UK and are not paired with shares issued by a body corporate incorporated in the UK.

Legal instruments transferring the Company’s shares should not be within the scope of UK stamp duty provided that such instruments are executed outside of the UK and do not relate to any matter or thing done or to be done in the UK. Where such an instrument is chargeable to stamp duty in both the

UK and Ireland and has been duly stamped in one of those countries it is deemed to be stamped in the other country up to the amount of duty it bears but must be stamped for any excess.

The above comments are intended as a guide to the general UK stamp duty and SDRT position. Special rules apply to persons such as market intermediaries, charities, persons connected with depositary arrangements or clearance services and to certain sale and repurchase and stock borrowing arrangements.

The above statements are intended as a general guide to the current position. Certain categories of person are not liable to stamp duty or SDRT, and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

3. UNITED STATES TAXATION

This section describes the material U.S. federal income tax consequences of acquiring, holding and disposing of Ordinary Shares. It applies only to a U.S. Shareholder who acquires its Ordinary Shares in the Firm Placing and the Placing and Open Offer at the offering price, and holds such Ordinary Shares as capital assets for U.S. federal income tax purposes. This section does not describe the U.S. federal income tax consequences of owning Ordinary Shares for a Shareholder who is a member of a special class of Shareholders subject to special rules, including:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organization;
- a life insurance company;
- a regulated investment company, real estate investment trust, S corporation or other entity taxed as a financial conduit for U.S. federal income tax purposes;
- a bank or other financial institution;
- a person that actually or constructively owns ten per cent. or more of the Company's voting stock;
- a person that holds Ordinary Shares as part of a straddle or a hedging or conversion transaction; or
- a Shareholder whose functional currency is not the U.S. dollar.

This section is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, final, temporary and proposed regulations (together, the "Regulations"), published rulings and court decisions, as well as the Convention Between the Government of the United States of America and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital Gains, (together with a Protocol, the "Treaty"), all of which are subject to change, possibly on a retroactive basis.

A Shareholder is a "U.S. Shareholder" if such Shareholder is a beneficial owner of Ordinary Shares and such Shareholder is:

- a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust, if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust, or if such trust has a valid election in effect under applicable Regulations to be treated as a United States person.

A Shareholder will be an “eligible U.S. Shareholder” if it is a U.S. Shareholder that:

- is a resident of the United States for purposes of the Treaty;
- does not maintain a permanent establishment or fixed base in Ireland to which Ordinary Shares are attributable and through which the U.S. Shareholder carries on or has carried on business (or, in the case of an individual, performs or has performed independent personal services); and
- is otherwise eligible for benefits under the Treaty with respect to income and gain from the Ordinary Shares.

This disclosure does not address any Shareholder that is not a U.S. Shareholder.

The U.S. federal income tax treatment of a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) which is the beneficial owner of Ordinary Shares, will depend upon the status of the partner and the activities of the partnership. A beneficial owner of Ordinary Shares that is a partnership (including the partners in such partnership), should consult its own tax advisors regarding the U.S. federal income and other tax consequences of owning and disposing of the Ordinary Shares.

You should consult your own tax advisor regarding the U.S. federal, state and local and other tax consequences of owning and disposing of Ordinary Shares in your particular circumstances. In particular, you should confirm your status as an eligible U.S. Shareholder with your advisor and should discuss any possible consequences of failing to qualify as an eligible U.S. Shareholder.

This discussion addresses only U.S. federal income taxation. Shareholders should consult their own tax advisors as to potential application of U.S. state and local tax laws, alternative minimum tax considerations, as well as any other U.S. tax laws (such as the estate tax) or other U.S. laws, as well as the laws of Ireland and other non-U.S. laws.

4. TAXATION OF U.S. SHAREHOLDERS

4.1 U.S. Taxation of Dividends

Subject to the passive foreign investment company (“PFIC”) rules discussed below, the gross amount of any dividend the Company pays out of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will be subject to U.S. federal income taxation for U.S. Shareholders.

Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, generally will be treated as a non-taxable return of capital to the extent of the U.S. Shareholder’s basis in the Ordinary Shares and thereafter as capital gain; however, since the Company does not intend to maintain books and records in accordance with U.S. tax principles, a U.S. Shareholder will effectively be required to treat all amounts the Company distributes as dividends for U.S. federal income tax purposes. Dividends paid to a noncorporate U.S. Shareholder that constitute “qualified dividend income” will be taxable to the noncorporate U.S. Shareholder at a maximum tax rate of 20 per cent. provided that the Ordinary Shares are held for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and such noncorporate U.S. Shareholder meets other holding period requirements, unless the noncorporate U.S. Shareholder takes the dividend income into account as investment income.

In order for the dividends paid by the Company to be treated as qualified dividend income, the Company must be eligible for the benefits of a comprehensive income tax treaty with the United States which the IRS has determined is satisfactory and which includes an exchange of information program and the Company must not be treated as a PFIC. The Internal Revenue Service (“IRS”) has determined that the Treaty satisfies these requirements. The Company expects to be eligible for the benefits of the Treaty by virtue of the Ordinary Shares being substantially and regularly traded on the London Stock Exchange. However, if the Ordinary Shares cease to be traded, or are not treated as substantially and regularly traded on the London Stock Exchange, the Company would have to qualify

for the benefits of the Treaty under some other provision of the limitation on benefits article of the Treaty. In addition, as discussed below, the Company may be treated as a PFIC. U.S. Shareholders should consult their own tax advisors as to the qualification of dividends paid by the Company as qualified dividend income.

A U.S. Shareholder must include Irish tax withheld, if any, from any dividend payment received in the gross amount of such dividend even though the U.S. Shareholder does not in fact receive it. Dividends are taxable to a U.S. Shareholder when such dividend is received, actually or constructively. Such dividends will not be eligible for the deduction generally allowed to United States corporations in respect of dividends received from other United States corporations. The amount of a dividend distribution that a U.S. Shareholder must include as income will be the U.S. dollar value of the Euro payments made, determined at the spot Euro/U.S. dollar rate on the date the dividend distribution is includible in U.S. taxable income, regardless of whether the payment is in fact converted into U.S. dollars at this time. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date a dividend is included in U.S. taxable income to the date the Euro received is converted into U.S. dollars will be treated as ordinary income or loss, will not be eligible for the special tax rate applicable to qualified dividend income, and will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Subject to certain limitations, Irish tax withheld in accordance with the Treaty, if any, and paid over to Ireland generally will be creditable or deductible against the U.S. Shareholder's U.S. federal income tax liability, except to the extent refundable by Ireland. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the maximum 20 per cent. tax rate. To the extent a refund of the tax withheld is available to a U.S. Shareholder under Irish law or under the Treaty, the amount of tax withheld that is refundable will not be eligible for credit against its United States federal income tax liability. Dividends generally will be income from sources outside the United States, and dividends paid will, depending on a U.S. Shareholder's circumstances, be "passive" or "general" income which, in either case, is treated separately from other types of income for purposes of computing the allowable foreign tax credit. A U.S. Shareholder may make an election to treat all foreign taxes paid as deductible expenses in computing taxable income, rather than as a credit against tax, subject to generally applicable limitations. Such an election, once made, applies to all foreign taxes paid for the taxable year subject to the election. The rules governing foreign tax credits are complex and, therefore, U.S. Shareholders are encouraged to consult their own tax advisors to determine whether they are subject to any special rules that may limit their ability to use foreign tax credits and whether or not an election to treat foreign taxes paid as deductions rather than credits would be appropriate based on their particular circumstances.

4.2 *U.S. Taxation of Capital Gains*

Subject to the PFIC rules discussed below, if a U.S. Shareholder sells or otherwise disposes of its Ordinary Shares, it should recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. dollar value of the amount that it realises and its tax basis, determined in U.S. dollars, in its Ordinary Shares. Capital gain of a noncorporate U.S. Shareholder is generally taxed at a maximum rate of 20 per cent. where the U.S. Shareholder has a holding period greater than one year. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to certain limitations.

4.3 *U.S. Passive Foreign Investment Company Considerations*

In general, the Company will be a PFIC with respect to a U.S. Shareholder if for any taxable year in which Ordinary Shares are held:

- at least 75 per cent. of the Company's gross income for the taxable year is passive income within the meaning of the PFIC rules; or

- at least 50 per cent. of the value, determined on the basis of a quarterly average, of the Company's assets is attributable to assets that produce or are held for the production of passive income within the meaning of the PFIC rules.

For purposes of the PFIC rules, passive income generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. For purposes of the PFIC rules, cash is generally treated as an asset which produces passive income. If a foreign corporation owns at least 25 per cent. by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

Immediately following this offering, it is expected that an amount substantially in excess of 50 per cent. of the Company's assets will consist of loan assets. In general, an asset will be characterized as passive if it has generated (or is reasonably expected to generate in the reasonably foreseeable future) passive income in the hands of the foreign corporation that owns such asset. The loan assets that the Company holds are non-performing loans (against which development land has been secured as collateral) which were acquired as part of the Project Clear Loan Portfolio in order to obtain title to the underlying development land. All of the loans are non-performing, and only limited income is expected to be generated on some of the underlying collateral assets. It is not certain, however, which of these loans are expected to produce income, which of the collateral assets the Company will dispose of, or which of the collateral assets the Company will acquire for inclusion in its development portfolio, and in what timeframe. Whether or not the Company will be treated as a PFIC for its taxable year that includes the date of this offering will depend in substantial part on the foregoing facts and on whether and to what extent the loan assets will be considered to be assets which produce passive income. As a result, it is not certain whether the value of the Company's assets attributable to assets that produce passive income would be less than 50 per cent. of the overall value of the Company's assets, on the basis of a quarterly average for the taxable year that includes the date of the offering. For the reasons described above, it is possible that the Company would be treated as a PFIC for its taxable year ending 31 December 2016. Additionally, the Company's ability to avoid being treated as a PFIC in subsequent taxable years will depend on conclusions as to the treatment of the Company's assets and gross income for purposes of the PFIC rules in such subsequent taxable years. No representation is made with respect to the Company's status as a PFIC for its taxable year ending 31 December 2016 or any subsequent taxable year. Moreover, Ordinary Shares will be treated as stock of a PFIC with respect to a U.S. Shareholder if the Company is a PFIC at any time during the period in which such U.S. Shareholder holds the Ordinary Shares, even if the Company ceases to be treated as a PFIC, unless certain special elections (described below) are made. U.S. Shareholders are urged to consult their own tax advisors concerning the PFIC rules and their application to the taxable year ending 31 December 2016 as well as to subsequent taxable years.

If the Company is treated as a PFIC, and a U.S. Shareholder does not make certain elections described below, the U.S. Shareholder will be subject to special PFIC tax rules with respect to:

- any gain realised on the sale or other disposition of its Ordinary Shares; and
- any "excess distribution" that the Company makes to the U.S. Shareholder (generally, any distributions during a single taxable year that are greater than 125 per cent. of the average annual distributions received by a U.S. Shareholder in respect of the Ordinary Shares during the three preceding taxable years or, if shorter, the U.S. Shareholder's holding period for the Ordinary Shares).

Under these rules:

- the gain or excess distribution will be allocated rateably over the U.S. Shareholder's holding period for the Ordinary Shares;

- the amount allocated to the taxable year in which the U.S. Shareholder realises the gain or excess distribution will be taxed as ordinary income;
- the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year; and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such prior year.

The special PFIC tax rules described above will not apply to a U.S. Shareholder that makes a qualified electing fund or “QEF” election, and the Company provides certain required information to such electing U.S. Shareholder. However, the Company does not intend to provide U.S. Shareholders with such information as may be required to make a QEF election effective.

Special rules apply for calculating the amount of the foreign tax credit available with respect to excess distributions by a PFIC.

If the Company is treated as a PFIC for any taxable year with respect to a U.S. Shareholder and a QEF election or a mark-to-market election is not in effect, such U.S. Shareholder may be able to make a deemed sale election if the Company ceases to be treated as a PFIC in subsequent taxable years. The effect of the deemed sale is generally to “purge” the Company’s stock of its characterisation as stock of a PFIC, and thereafter, such Company stock generally would not be treated as stock of a PFIC with respect to such U.S. Shareholder, provided that the Company does not become a PFIC again in a subsequent taxable year. Upon making a deemed sale election with respect to the Company’s stock, generally such electing U.S. Shareholder would be treated as having sold all of such U.S. Shareholder’s stock in the Company for its fair market value on the last day of the Company’s last taxable year during which the Company was treated as a PFIC, and such deemed sale generally would be treated as a taxable disposition that is subject to the PFIC tax rules described above. The U.S. Shareholder’s holding period in the non-PFIC Ordinary Shares is treated as beginning on the day following the deemed sale for purposes of the PFIC provisions.

If a U.S. Shareholder owns Ordinary Shares in a PFIC that are treated as marketable stock, it may make a mark-to-market election with respect to shares of a PFIC that are treated as regularly traded on a “qualified exchange”. The Company expects the London Stock Exchange to be a “qualified exchange” for these purposes. However, the Company makes no representation as to whether the Ordinary Shares will satisfy the applicable trading requirements. If a U.S. Shareholder makes this election, it will not be subject to the PFIC rules described above. Instead, in general, it will include as ordinary income each year the excess, if any, of the fair market value of its Ordinary Shares at the end of the taxable year over its adjusted basis in its Ordinary Shares. These amounts of ordinary income will not be eligible for the favourable tax rates applicable to qualified dividend income or long-term capital gains. A U.S. Shareholder will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of its Ordinary Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Gains from an actual sale or other disposition of the Ordinary Shares will be treated as ordinary income, and any losses incurred on a sale or other disposition of the Ordinary Shares will be treated as an ordinary loss to the extent of any net mark-to-market gains previously included. Any remaining loss on the sale of Ordinary Shares will be treated as capital loss. Once made, the election cannot be revoked without the consent of the IRS unless the Ordinary Shares cease to be marketable. A U.S. Shareholder’s basis in the Ordinary Shares will be adjusted to reflect any such income or loss amounts. For purposes of this rule, if a U.S. Shareholder makes a mark-to-market election with respect to its Ordinary Shares, it will be treated as having a new holding period in its Ordinary Shares beginning on the first day of the first taxable year beginning after the last taxable year for which the mark-to-market election applies.

Notwithstanding any elections made with regard to the Ordinary Shares, dividends received from the Company will not constitute qualified dividend income if the Company is a PFIC either in the taxable year of the distribution or the preceding taxable year. Dividends received that do not constitute

qualified dividend income are not eligible for taxation at the 20 per cent. maximum rate applicable to qualified dividend income. Instead, a U.S. Shareholder must include the gross amount of any such dividend paid by the Company out of the Company's accumulated earnings and profits (as determined for U.S. federal income tax purposes) in its gross income, and it will be subject to tax at rates applicable to ordinary income.

If the Company were to be treated as a PFIC for any taxable year, a U.S. Shareholder would be required to file an annual report for that taxable year on IRS Form 8621 "Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund." U.S. Shareholders are urged to consult their own tax advisors concerning the filing of IRS Form 8621 "Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund."

4.4 *U.S. Net Investment Income Tax*

An additional 3.8 per cent. tax is imposed on the "net investment income" of noncorporate U.S. Shareholders, and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes dividends paid on the Ordinary Shares and certain net gain from the sale or other taxable disposition of the Ordinary Shares, less certain deductions. This tax applies whether or not the Company is a PFIC. U.S. Shareholders should consult their own tax advisors concerning the potential effect, if any, of this tax on holding its Ordinary Shares in its particular circumstances.

4.5 *U.S. Backup Withholding and Information Reporting*

For non-corporate U.S. Shareholders, information reporting requirements, on Internal Revenue Service Form 1099, generally will apply to:

- dividend payments or other taxable distributions made to the non-corporate U.S. Shareholder within the United States or by a U.S. payor; and
- the payment of proceeds to the non-corporate U.S. Shareholder from the sale of Ordinary Shares effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if a non-corporate U.S. Shareholder:

- fails to provide an accurate taxpayer identification number;
- is notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

In addition, a sale of Ordinary Shares effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a United States person;
- a controlled foreign corporation for U.S. tax purposes;
- a foreign person 50 per cent. or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period; or
- a foreign partnership, if at any time during its tax year:
 - one or more of its partners are "United States persons," as defined in U.S. Treasury regulations, who in the aggregate hold more than 50 per cent. of the income or capital interest in the partnership, or
 - such foreign partnership is engaged in the conduct of a United States trade or business,

unless the broker does not have actual knowledge or reason to know that the noncorporate U.S. Shareholder is a United States person and the documentation requirements described above are met or the noncorporate U.S. Shareholder otherwise establishes an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that the noncorporate U.S. Shareholder is a United States person.

Backup withholding is not an additional tax. Noncorporate U.S. Shareholders generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed their income tax liability by filing a refund claim with the United States Internal Revenue Service.

4.6 *Disclosure of Information with respect to Foreign Financial Assets*

Certain U.S. Shareholders who hold any interest in “specified foreign financial assets,” including the Ordinary Shares, during such Shareholder’s taxable year must attach to the U.S. federal income tax return for such year certain information with respect to each asset if the aggregate value of all of such assets exceeds \$50,000 on the last day of the tax year or more than \$75,000 at any time during the tax year (or a higher dollar amount prescribed by the Internal Revenue Service). For this purpose, a “specified foreign financial asset” includes any depository, custodial or other financial account maintained by a foreign financial institution, and certain assets that are not held in an account maintained by a financial institution, including any stock or security issued by a person other than a United States person. A taxpayer subject to these rules who fails to furnish the required information is subject to a penalty of \$10,000, and an additional penalty may apply if the failure continues for more than 90 days after the taxpayer is notified of such failure by the Internal Revenue Service; however, these penalties may be avoided if the taxpayer demonstrates a reasonable cause for the failure to comply. An accuracy-related penalty of 40 per cent. is imposed for an underpayment of tax that is attributable to an “undisclosed foreign financial asset understatement,” which for this purpose is the portion of the understatement for any taxable year that is attributable to any transaction involving an “undisclosed foreign financial asset,” including any asset that is subject to the information reporting requirements of this legislation, which would include the Ordinary Shares if the dollar threshold described above were satisfied.

The applicable statute of limitations for assessment of U.S. federal income taxes is extended to six years if there is an omission of gross income in excess of \$5,000 and the omission of gross income is attributable to a foreign financial asset as to which reporting is required as described above (or would be so required if the requirement for reporting specified foreign financial assets were applied without regard to the dollar threshold specified therein and without regard to certain exceptions that may be specified by the Internal Revenue Service). In addition, the statute of limitations will be suspended if a taxpayer fails to timely provide information with respect to specified foreign financial assets required to be reported or fails to timely provide the annual information reports required for holders of PFIC stock. The amendments to the applicable statute of limitations described in this paragraph apply to U.S. federal income tax returns filed after 18 March 2010, as well as to such returns filed on or before such date if the applicable statute of limitations (determined without regard to these amendments) for assessment of taxes has not expired as of such date. **U.S. Shareholders should consult their own tax advisors concerning any obligation that they may have to furnish information to the Internal Revenue Service as a result of holding the Ordinary Shares.**

PART XVII

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names and functions appear on page 62 of this Document, and the Company, accept responsibility for the information included in this Document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information included in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY AND THE GROUP

- 2.1 The Company was incorporated and registered in Ireland under the name Chancellor Hall Limited on 12 November 2014, under the Companies Acts. The principal legislation under which the Company operates is the Companies Act 2014. The Company's legal and commercial name is Cairn Homes p.l.c.
- 2.2 The registered office of the Company is at 7 Grand Canal, Grand Canal Street Lower, Dublin 2, D02 KW81 which is also the business address of the Directors. The Company's website is www.cairnhomes.com and its telephone number is +353 (1) 696 4600.
- 2.3 The liability of the Shareholders is limited to the amounts, if any, unpaid on the shares issued to them.
- 2.4 The financial year end of the Company is 31 December.
- 2.5 The Company is not regulated by any financial services regulator. The Company is, and after Admission will continue to be, subject to the Listing Rules, the Transparency Regulations and the Disclosure and Transparency Rules (and the resulting jurisdiction of the UKLA), to the extent such rules apply to companies with a standard listing pursuant to Chapter 14 of the Listing Rules.
- 2.6 KPMG, Chartered Accountants, whose address is Stokes Place, St. Stephen's Green, Dublin 2, D02 DE03 have been appointed as auditors of the Company and have only been the auditors of the Company since incorporation. The Company prepared audited accounts for the period from incorporation (being 12 November 2014) to 31 December 2015. Those audited accounts (together with other required information and documents) have been filed with the Companies Registration Office in Dublin.

2.7 The Company is the parent company of the Group. The Group has the following subsidiaries.

Name and registered number	Date of Incorporation	Address of registered office	Principal Activity	Country of incorporation, registration and residence	Percentage ownership interest and voting power⁽¹⁾
Cairn Homes Holdings Limited (552326)	7 November 2014	7 Grand Canal Grand Canal Street Lower Dublin 2 D02 KW81	Holding company	Ireland	100 per cent.
Cairn Homes Properties Limited (552325)	7 November 2014	7 Grand Canal Grand Canal Street Lower Dublin 2 D02 KW81	Holding company	Ireland	100 per cent.
Cairn Homes Construction Limited (552328)	7 November 2014	7 Grand Canal Grand Canal Street Lower Dublin 2 D02 KW81	Operating company	Ireland	100 per cent.
Cairn Homes Butterly Limited (559545)	30 March 2015	7 Grand Canal Grand Canal Street Lower Dublin 2 D02 KW81	Holding company	Ireland	100 per cent.
Cairn Homes Galway Limited (559576)	30 March 2015	7 Grand Canal Grand Canal Street Lower Dublin 2 D02 KW81	Holding company	Ireland	100 per cent.
Cairn Homes Killiney Limited (559574)	30 March 2015	7 Grand Canal Grand Canal Street Lower Dublin 2 D02 KW81	Holding company	Ireland	100 per cent.
Cairn Homes Navan Limited (559575)	30 March 2015	7 Grand Canal Grand Canal Street Lower Dublin 2 D02 KW81	Holding company	Ireland	100 per cent.
Cairn Homes Finance DAC (573566)	1 December 2015	7 Grand Canal Grand Canal Street Lower Dublin 2 D02 KW81	Finance company	Ireland	100 per cent.

(1) The 100 per cent. holding constitutes direct ownership, except in relation to Cairn Homes Properties Limited and Cairn Homes Construction Limited, which are owned indirectly by the Company through Cairn Homes Holdings Limited.

3. SHARE AND LOAN CAPITAL

3.1 On incorporation 100 Ordinary Shares of nominal value €1.00 each were issued fully paid to Andrew Lambe and Paula Horan and, on 12 November 2014, these Ordinary Shares were transferred to Alan McIntosh and Michael Stanley in equal numbers. On 2 April 2015 Alan McIntosh transferred his 50 Ordinary Shares to New Emerald LP.

3.2 Since incorporation the share capital of the Company has changed as follows:

- (a) pursuant to a resolution dated 2 April 2015, the share capital of the Company was increased by the issue of 100 Ordinary Shares to each of New Emerald LP and Michael Stanley, 50 Ordinary Shares each at a total subscription price of €100,000 each (in order to enable the Company to be re-registered as a public limited company);
- (b) pursuant to a resolution dated 2 April 2015, the share capital of the Company was reorganised by subdividing each Ordinary Share of €1.00 each into 1,000 Ordinary Shares of €0.001 each;
- (c) pursuant to a resolution dated 2 April 2015, the share capital was increased by the creation of 100,000,000 Founder Shares of €0.001 each, all of which were issued to the Founders and Kevin Stanley at a subscription price of €0.001 each;
- (d) pursuant to a resolution dated 2 April 2015, the share capital of the Company was increased by the creation of 120,000,000 Deferred Shares of €0.001 each;
- (e) pursuant to a resolution dated 9 June 2015, the authorised capital of the Company was increased from €740,000 divided into 500,000,000 Ordinary Shares of €0.001 each, 100,000,000 Founder Shares of €0.001 each, 120,000,000 Deferred Shares of €0.001 each and 20,000 A Ordinary Share of €1.00 each to €1,240,000 divided into 1,000,000,000 Ordinary Shares of €0.001 each, 100,000,000 Founder Shares of €0.001 each, 120,000,000 Deferred Shares of €0.001 each and 20,000 A Ordinary Share of €1.00 each by the creation of 500,000,000 Ordinary Shares of €0.001 each ranking *pari passu* in all respects with the existing Ordinary Shares of the Company;
- (f) pursuant to a resolution dated 9 June 2015, the share capital of the Company was reorganised by the conversion of 20,000 “A” Ordinary Shares to 20,000 Ordinary Shares and 19,980,000 Deferred Shares of €0.001 each;
- (g) on 15 June 2015, 400,000,000 Existing Ordinary Shares were issued and the entire issued share capital of the Company, being 429,737,228 Ordinary Shares, was admitted to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange;
- (h) on 23 June 2015, 40,000,000 Existing Ordinary Shares were issued pursuant to the IPO over allotment option and admitted to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange; and
- (i) on 4 December 2015, 46,926,749 Existing Ordinary Shares were issued pursuant to the Accelerated Book Build Placing and admitted to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange.

3.3 As at the Last Practicable Date, the Company’s classes of issued shares are:

Class of shares	Nominal value	Issued (fully paid) on Last Practicable Date	Issued (not fully paid) as at the Last Practicable Date
Ordinary Shares	€0.001 each	516,663,977	–
Founder Shares	€0.001 each	100,000,000	–
Deferred Shares	€0.001 each	19,980,000	–

- 3.4 The Ordinary Shares have been created under the Companies Acts and in accordance with the Articles and are denominated in Euro. The Company does not have in issue any securities not representing share capital. The ISIN of the New Ordinary Shares will be the same as that of the Existing Ordinary Shares, being IE00BWY4ZF18.
- 3.5 Other than in respect of (i) the Capital Raise; and (ii) Ordinary Shares to be issued on exercise of any share options issued to Eamonn O’Kennedy as described in paragraph 14.1 of this Part (*Additional Information*) or in connection with the proposed long-term incentive plan which the Company intends to adopt, as described in paragraph 9.5 of this Part XVII (*Additional Information*), the Company has no present intention to issue any further shares in the Company. Further, the holders of Founder Shares may have the right in future to convert their Founder Shares into Ordinary Shares if the Performance Condition is satisfied.
- 3.6 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 3.7 Save as disclosed in this paragraph 3 of this Part XVII (*Additional Information*), there has been no issue of share or loan capital of the Company in the three years immediately preceding the date of this Document.
- 3.8 Save as disclosed in paragraphs 14.1 and 19 of this Part XVII (*Additional Information*), as at the date of this Document, no commissions, discounts, brokerages or other special terms have been granted by the Company or any other member of the Group in connection with the issue or sale of any share or loan capital of the Company or any other member of the Group.
- 3.9 Save as disclosed in this Part XVII (*Additional Information*), on Admission no share or loan capital of the Company or any other member of the Group will be under option or has been agreed conditionally or unconditionally to be put under option.
- 3.10 ***Authorisations related to the Capital Raise***

The issue of the New Ordinary Shares is conditional, *inter alia*, upon the approval of the Capital Resolutions proposed for consideration at the EGM:

- (a) The first Capital Resolution, which is an ordinary resolution and is conditional on the passing of the second Capital Resolution, authorises the Directors to allot relevant securities pursuant to and in accordance with Section 1021 of the Companies Act 2014, up to a maximum aggregate nominal value of €160,000 (being 31 per cent. of the Existing Issued Ordinary Share Capital) in order to permit the Company to proceed with the Firm Placing and Placing and Open Offer. Unless varied, renewed or revoked, the authority will remain in full force and effect until it expires at the conclusion of the annual general meeting of the Company to be held in 2017 or, if earlier, the date which is 15 months from the date of passing of the first Capital Resolution, provided that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred under the first Capital Resolution has expired.
- (b) The second Capital Resolution, which is a special resolution and is conditional on the passing of the first Capital Resolution, provides that the Directors be empowered to allot equity securities (within the meaning of Section 1023 of the Companies Act 2014) in respect of the Firm Placing and Placing and Open Offer without applying statutory pre-emption rights for other Shareholders. Unless varied, revoked or renewed, the authority will expire at the conclusion of the annual general meeting of the Company to be held in 2017 or, if earlier, the date which is 15 months from the date of passing of the second Capital Resolution, provided that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred under the second Capital Resolution has expired.

4. FOUNDER SHARES

- 4.1 The Founder Shares are held by New Emerald LP (the sole limited partner and economic beneficiary of which is the Emerald QIAIF), Michael Stanley and Kevin Stanley. Founder Shares (which may be converted into Ordinary Shares or redeemed for cash) entitle the holders to participate in the return to Shareholders over the seven years following IPO Admission, subject to satisfaction of the Performance Condition, being the achievement of a compound rate of return of 12.5 per cent. per annum, in the Company's Ordinary Share price.
- 4.2 On 2 April 2015, New Emerald LP subscribed for Founder Shares with an aggregate nominal value of €50,000, Michael Stanley subscribed for Founder Shares with an aggregate nominal value of €35,000 and Kevin Stanley subscribed for Founder Shares with an aggregate nominal value of €15,000. The Founder Shares may be transferred by these subscribers to any other holder of Founder Shares and to the subscribers' spouses, children (and their children) and family trusts, or to other persons approved by the Board (a "Permitted Transferee").

Performance Condition

- 4.3 The Performance Condition will be initially tested over the first Test Period in 2016, and it will then be measured again over the six subsequent Test Periods.
- 4.4 The Performance Condition is that for a period of 15 or more consecutive Business Days during the relevant Test Period, the Closing Price exceeds such price as is derived by increasing the Adjusted Issue Price by 12.5 per cent. for each Test Period starting with the first in 2016 and ending with the last in 2022, such increase to be on a compound basis. The Performance Condition is tested annually.
- 4.5 The test periods are:
- (a) in the case of the first test period, the period between 1 March 2016 and 30 June 2016; and
 - (b) thereafter, each test period shall be the period between 1 March and 30 June in each subsequent year and so that the final test period shall be the period between 1 March 2022 and 30 June 2022.
- 4.6 In calculating whether the Performance Condition is satisfied during any Test Period, any dividends declared in the 12 months ending at the end of the relevant Test Period are added to the Closing Price.
- 4.7 If the Performance Condition has been satisfied, the Founder Shares are convertible into Ordinary Shares or redeemable as described below. If the Performance Condition is not satisfied, the Founder Share Value (as defined below) shall be zero and the Founder Shares are not eligible for conversion or redemption as described below.

Conversion and redemption of Founder Shares

- 4.8 If the Performance Condition is satisfied, the Company may elect within 20 Business Days of the date on which the satisfaction of the Performance Condition is notified to the holders of Founder Shares to convert Founder Shares into such number of Ordinary Shares which, at the Highest Average Closing Price of an Ordinary Share during the Test Period, have an aggregate value equal to the Founder Share Value. The "Founder Share Value" shall be calculated as 20 per cent. of the Total Shareholder Return in the periods described below.
- 4.9 The Total Shareholder Return is calculated as the sum of the increase in Market Capitalisation plus dividends or other distributions in each case in the relevant period, being (i) the first time the Performance Condition is satisfied, the period from Admission to the Test Period in which the Performance Condition is first satisfied; and (ii) for subsequent Test Periods, the period from the end of the previous Test Period in respect of which Founder Shares were last converted or redeemed to the Test Period in which the Performance condition is next satisfied. In each Test Period, the increase in Market Capitalisation is calculated by reference to the Highest Average Closing Price. The effect of this is that the calculation of Total Shareholder Return rebases to a "high watermark" equal to the Market Capitalisation used to calculate the most recent conversion or redemption of Founder Shares, so that the Founders only receive 20 per cent. of the incremental increase in Total Shareholder Return

since the previous conversion or redemption (or, in respect of the first time the Performance Condition is satisfied, since Admission).

- 4.10 The calculation of Founder Share Value is made without reference to the 12.5 per cent. per annum hurdle so that once the Performance Condition is satisfied, the holders of Founder Shares are entitled to share in 20 per cent. of the Total Shareholder Return, not just that element of Total Shareholder Return above the hurdle contained in the Performance Condition.
- 4.11 Rather than convert the Founder Shares into Ordinary Shares, the Board may elect (subject to compliance with the Companies Act 2014 and provided the Company has sufficient distributable reserves) to redeem such Founder Shares for payment of a cash equivalent to that holder of Founder Shares. If the Board does not elect to either convert or redeem the Founder Shares within 20 Business Days of the date on which the Performance Condition was calculated and notified to the holders of Founder Shares, such holders shall have the right to require the Company to either convert their Founder Shares into Ordinary Shares, or to redeem their Founder Shares for a cash equivalent.

Change of Control

- 4.12 In the event of a Change of Control of the Company at any time prior to 30 June 2022 which results in an offer to all holders of Ordinary Shares and the performance condition has been satisfied (in this case the performance condition is that the Change of Control Price minus the Initial Market Capitalisation (plus dividends received) is equal to or greater than the amount by which the Initial Market Capitalisation would have increased if it had increased at 12.5 per cent. per annum compounded annually on each 30 June), and such offer becomes unconditional in all respects, each holder of Founder Shares has the right to require the Company to convert all (but not some) of his Founder Shares into such number of Ordinary Shares which, at such offer price have an aggregate value equal to his relative proportion of 20 per cent. of the Total Shareholder Return (calculated by reference to the Change of Control Price plus dividends received) between IPO Admission and the Change of Control (less the value of any Ordinary Shares (at their original conversion or redemption price)) which have previously been converted or redeemed.

Conversion and cancellation

- 4.13 If the Performance Condition has not been satisfied following the seventh Test Period, then the Founder Shares shall automatically convert to Deferred Shares, following which the Deferred Shares may be acquired by the Company for a nominal sum and cancelled.

Disqualified Founder provisions

- 4.14 In the event that a Founder or Kevin Stanley (i) is disqualified from acting as a Director, (ii) breaches a non-compete obligation in his Founders Relationship Agreement (or, in the case of Kevin Stanley, his Lock-up Agreement) or (iii) transfers an interest in Founder Shares to any person other than a Permitted Transferee, the Company will be entitled to acquire all of his Founder Shares for nil consideration. If this applies to Alan McIntosh, the Company will be entitled to acquire all the Founder Shares held by New Emerald LP on the same basis. If any of Michael Stanley, Kevin Stanley or Alan McIntosh ceases to be a Director or employee of the Group and these limited circumstances do not apply, he will retain his Founder Shares.

Other rights and restrictions of the Founder Shares

- 4.15 Founder Shares have no voting rights (save in relation to a resolution to wind up the Company or to authorise the Directors to issue further Founder Shares).
- 4.16 The Founder Shares will not be listed.
- 4.17 Founder Shares do not entitle their holders to receive dividends.
- 4.18 Founder Shares will be eligible to participate in any return of capital on a winding up of the Company (but in this case the performance condition is that the liquidation distribution minus the Initial Market Capitalisation (plus dividends received from Admission) is equal to or greater than the amount by which the Initial Market Capitalisation would have increased if it had increased at 12.5 per cent. per annum compounded annually on each 30 June).

- 4.19 In the event of a consolidation or subdivision of Ordinary Shares, any allotment of Ordinary Shares on capitalisation of profits or reserves or following any equity issue (other than pursuant to a share scheme or scrip dividend), the Directors shall be entitled to adjust the parameters of certain elements of the terms of the Founder Shares described above (for example, the Total Shareholder return or Performance Condition) to negate the economic effect of such event on the Founder Shares.
- 4.20 As referred to in paragraph 4.19 of this Part XVII (*Additional Information*) above, the Board will agree appropriate adjustments to the terms of the Founder Shares to negate the effect of the Capital Raise and the Accelerated Book Build Placing.
- 4.21 As announced by the Company on 21 March 2016, the Performance Condition in relation to the first Test Period has been satisfied. As the Test Period runs until 30 June 2016, the Company does not yet know the Highest Average Closing Price of an Ordinary Share during the Test Period and is therefore unable to give details of the resulting conversion metrics or calculation of Founder Share Value. The Board intends to pay the Founder's Shares in Ordinary Shares. Such information will be announced by the Company via an RIS following the end of the Test Period. The Board intends to pay the Founder Share Value by way of conversion into Ordinary Shares (rather than redeeming for cash).

5. INTERESTS OF MAJOR SHAREHOLDERS

- 5.1 As at the Last Practicable Date and insofar as is known to the Company, the following persons have, directly or indirectly, interests in three per cent. or more of the Existing Issued Ordinary Share Capital:

Interests at the Last Practicable Date

<u>Name of Shareholder</u>	<u>Number of Existing Ordinary Shares</u>	<u>Percentage of Existing Issued Ordinary Share Capital</u>
FMR LLC	49,538,168	9.59%
FIL Limited.....	43,807,546	8.48%
Lansdowne Partners International Limited.....	33,276,612	6.44%
Wellington Management Group LLP	25,910,591	5.01%
Henderson Group plc.....	24,252,393	4.69%
Alan McIntosh ⁽¹⁾	16,928,614	3.28%
Oppenheimer Funds Inc.....	15,746,050	3.05%

- (1) These interests in the Ordinary Shares are held by New Emerald LP. New Emerald LP is a limited partnership, the sole limited partner and economic beneficiary of which is the Emerald QIAIF. The Emerald QIAIF is a Central Bank regulated fund in which Prime Developments, a company in which the economic interest is indirectly held by Alan McIntosh and his spouse, is the sole investor.

- 5.2 Insofar as is known to the Company the following persons will have interests in three per cent. or more of the Existing Issued Ordinary Share Capital immediately following Admission:

Interests immediately following Admission

<u>Name of Shareholder</u>	<u>Number of Ordinary Shares⁽¹⁾</u>	<u>Percentage of Enlarged Issued Ordinary Share Capital⁽¹⁾</u>
FMR LLC	65,297,039	9.68%
FIL Limited	59,566,417	8.83%
Lansdowne Partners.....	44,916,612	6.66%
Wellington Management	31,078,673	4.61%
Henderson Group plc	26,252,393	3.89%
Alan McIntosh.....	16,928,614	2.51%
Oppenheimer Funds, Inc.	15,746,050	2.34%

- (1) Assuming no take up under the Open Offer.

5.3 Save as disclosed in paragraph 5.2 above, the Company is not aware of any person who will, immediately following Admission, hold directly or indirectly, voting rights representing three per cent. or more of the Existing Issued Ordinary Share Capital to which voting rights are attached or could directly or indirectly, jointly or severally, exercise Control over the Company.

5.4 None of the major Shareholders of the Company has voting rights in respect of the share capital of the Company which differ from any other Shareholders of the Company.

6. INTERESTS OF THE DIRECTORS AND MANAGEMENT TEAM IN SHARE CAPITAL

6.1 The table below sets out the interests of the Directors and Management Team in the share capital of the Company as at the Last Practicable Date:

As at the Last Practicable Date					
	Number of Ordinary Shares	Percentage of Existing Issued Ordinary Share Capital	Number of Founder Shares	Number of Ordinary Shares under option	Number of Deferred Shares
Alan McIntosh ⁽¹⁾	16,928,614	3.28%	50,000,000	–	9,990,000
Michael Stanley ⁽²⁾	3,106,868	0.6%	35,000,000	–	9,990,000
Kevin Stanley ⁽³⁾	2,283,722	0.4%	15,000,000	–	–
Eamon O’Kennedy	50,000	0.0%	–	500,000	–
Gary Britton	50,000	0.0%	–	–	–
Aidan O’Hogan ⁽⁴⁾	200,000	0.0%	–	–	–
Giles Davies	50,000	0.0%	–	–	–

(1) These interests in the Ordinary Shares, Founder Shares and Deferred Shares are held by New Emerald LP. New Emerald LP is a limited partnership, the sole limited partner and economic beneficiary of which is the Emerald QIAIF.

(2) 2,631,866 of Michael Stanley’s Existing Ordinary Shares indirectly held through Stanbro’s holding of Existing Ordinary Shares.

(3) 2,158,722 of Kevin Stanley’s Existing Ordinary Shares indirectly held through Stanbro’s holding of Existing Ordinary Shares.

(4) 100,000 of these Existing Ordinary Shares held through an approved retirement fund.

6.2 The table below sets out the interests of the Directors and Management Team in the share capital of the Company as they are expected to immediately follow Admission:

Admission					
	Number of Ordinary Shares	Percentage of Enlarged Issued Ordinary Share Capital	Number of Founder Shares	Number of Ordinary Shares under option	Number of Deferred Shares
Alan McIntosh ⁽¹⁾	16,928,614	2.51%	50,000,000	–	9,990,000
Michael Stanley ⁽²⁾	3,106,868	0.46%	35,000,000	–	9,990,000
Kevin Stanley ⁽³⁾	2,283,722	0.34%	15,000,000	–	–
Eamon O’Kennedy	50,000	0.01%	–	500,000	–
Gary Britton	50,000	0.01%	–	–	–
Aidan O’Hogan ⁽⁴⁾	200,000	0.03%	–	–	–
Giles Davies	50,000	0.01%	–	–	–

(1) These interests in the Ordinary Shares, Founder Shares and Deferred Shares are held by New Emerald LP. New Emerald LP is a limited partnership the sole limited partner and economic beneficiary of which is the Emerald QIAIF.

(2) 2,631,866 of Michael Stanley’s Existing Ordinary Shares indirectly held through Stanbro’s holding of Ordinary Shares.

(3) 2,158,722 of Kevin Stanley’s Existing Ordinary Shares indirectly held through Stanbro’s holding of Ordinary Shares.

(4) 100,000 of these Ordinary Shares held through an approved retirement fund.

- 6.3 Save as disclosed in paragraph 6.1 and 6.2 above, no Director or any person connected with any Director within the meaning of Section 10 of the TCA has any interests (beneficial or otherwise) in the share capital of the Company or any other member of the Group.
- 6.4 No Director nor any person connected with any Director within the meaning of Section 220 of the Companies Act 2014 has any interests (beneficial or otherwise) in the share capital of any of the Shareholders listed in paragraph 5.1 above.
- 6.5 No Director was selected as a director of the Company pursuant to any arrangement or understanding with any Shareholders, customer, supplier or other person having a business connection with the Group or the Company.
- 6.6 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a Change of Control of the Company.
- 6.7 Save as set out in paragraph 13 of this Part XVII (*Additional Information*), no Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Group and which were effected by any member of the Group in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.
- 6.8 Save as set out in paragraph 3 of Part X (*Directors, Management Team and Corporate Governance*) of this Document there are no potential conflicts of interest between any duties which the Directors or members of the Management Team owe to the Company and their private interests or other duties. The nature and terms of the interests and transactions set out in paragraph 3 of Part X (*Directors, Management Team and Corporate Governance*) of this Document have been considered by the Non-Executive Directors and approved by those Non-Executive Directors eligible to vote on such interests and transactions.
- 6.9 Other than:
- (a) the interests of the Directors and the Management Team as disclosed in paragraph 3 of Part X (*Directors, Management Team and Corporate Governance*) of this Document;
 - (b) the interests of members of the Board as disclosed in paragraph 6.1 of this Part XVII (*Additional Information*); and
 - (c) the interests of each person interested in three per cent. or more of the issued share capital of the Company's capital as disclosed in paragraphs 6.1 and 6.2 of this Part XVII (*Additional Information*),
- the Directors are not aware of any interest material to the Capital Raise which is held by any person involved in the Capital Raise.
- 6.10 The Directors and the Management Team currently hold, and have during the five years preceding the date of this Document held, the following directorships and partnerships (other than their directorships of the Company and other members of the Group). Notwithstanding other directorships and partnerships, the Company is satisfied, as required by the UK Corporate Governance Code, that all of the Directors and the Management Team will have sufficient time to allocate to the Company to discharge their responsibilities effectively:

Name	Current Directorships/Partnerships	Previous Directorships/ Partnerships
John Reynolds.....	Business In The Community Limited Computershare Investor Services (Ireland) Limited Shore Road Hospitality Limited Musical Knights Limited	Enactus Ireland Gritcon Limited (formerly Bencrest Properties Limited) Boar Lane Nominee (Number 1) Limited Boar Lane Nominee (Number 2) Limited Boar Lane Nominee (Number 3) Limited Cluster Properties Limited Danube Holdings Limited Demilune Limited Glare Nominee Limited IIB Asset Finance Limited IIB Commercial Finance Limited IIB Finance Ireland IIB Finance Limited IIB Homeloans and Finance Limited IIB Leasing Limited Irish Homeloans and Finance Limited KBC ACS Limited KBC Bank Ireland plc KBC Finance Ireland KBC Homeloans and Finance Limited KBC Mortgage Finance KBC Nominees Limited Lease Services Limited Linkway Developments Limited Maurevel Investment Company Limited Meridian Properties Limited Merrion Commercial Leasing Limited Merrion Equipment Finance Limited Merrion Leasing Limited Merrion Leasing Assets Limited Merrion Leasing Finance Limited Merrion Leasing Industrial Limited Merrion Leasing Services Limited Monastersky Limited Needwood Properties Limited Premier Homeloans Limited Quintor Limited Samaurium Limited Staple Properties Limited Willowvale Company Dunroamin Properties Limited Kalzari Limited Intercontinental Finance The Dalkey School Project
Michael Stanley	Alacan Limited Keystreet Management Limited Balgriffin Park Limited Kitara Limited Leftar Limited Belmayne Contracts Limited Atlas Autoservice Sandyford Limited Atlas Tyre & Autoservice (Blanchardstown) Limited Moocall Limited Lead Asset Management Limited Oneview Holdings Limited Stanley Holdings Limited	Keystreet Financial Services Limited Galina Limited Kitara Developments Limited Kitara Properties Limited National Plastic Packaging Limited

Name	Current Directorships/Partnerships	Previous Directorships/ Partnerships
Alan McIntosh	Edward Square Limited Morris United Limited Xercise Limited (in members' voluntary liquidation) Parkhead Capital Limited Alpha-gamma shares Limited Delta Shares Limited Napoli Estates Milano Estates Tokara Properties Limited Delta Shares Investments Limited CG Hotels Limited CG Hotels Dublin Airport Limited Continental Leisure Belgium SA Hotel Belson SNC Belson Hotel Finance SA Continental Leisure Holdings Limited Payside Limited Continental Leisure Germany Limited Aldee Investments Limited Emerley 59 Limited	CG Hotels Shannon Airport Limited CG Hotels Cork Airport Limited MIG Caucuscom Telecom SJ2 Limited Alphabet Shares Limited Bonaparte Investments Sun Cap Limited Sun Capital Limited Sun Cap (Nominees) Limited Sun Capital Shared Value Limited Sun Capital Partners Limited Emerald Adviser LLP Pledge Music.com Horizon Acquisition Subsidiary Limited (now renamed APR Energy Holdings Limited) Horizon Acquisition Company PLC (now renamed APR Energy PLC) Sun Capital Adviser LLP
Eamonn O'Kennedy.....	Cairn Homes Properties Limited Cairn Homes Holdings Limited Cairn Homes Construction Limited Cairn Homes Butterly Limited Cairn Homes Navan Limited Cairn Homes Galway Limited Cairn Homes Killiney Limited Cairn Homes Finance Designated Activity Company	Accountancy School at Independent Colleges Unlimited Company Abbey Communications (Netherlands) B.V. Argus Newspapers Limited Belfast Telegraph Newspapers Limited Champion Printing Limited Champion Publications Crespen Limited Digital Odyssey Limited Drogheda Independent Company Limited Fortunegreen Limited Gabani Limited GrabOne (Ireland) Limited Icon International Limited Independent Abbey (Ireland) Independent Aviation Services Limited Independent Colleges Limited Independent News & Media Investments Limited Independent Communications (International) Limited Independent Communications (Ireland) Limited Independent Communications Limited Independent Digital (UK) Limited Independent Digital Limited Independent Directories Limited Independent Educational Publishing Limited Independent Magazines (UK) Limited Independent News & Media (Australia) Limited Independent News & Media (Finance) Limited Independent News & Media (Northern Ireland) Independent News & Media (UK) Limited Independent News & Media Belgium SA Independent News & Media Holdings Pty Limited Independent News and Media Finance (Ireland) plc Independent News and Media Holdings (Ireland) Limited Independent News and Media Investments Limited Independent News and Media Limited Independent Newspapers (Ireland) Limited

Name	Current Directorships/Partnerships	Previous Directorships/ Partnerships
Eamonn O'Kennedy..... (continued)		Newspread Limited Independent Newspapers (Publishing) Limited Independent Newspapers (Regionals) Limited Independent Newspapers (UK) Limited Independent Newspapers Exhibitions Limited Independent Newspapers Finance PLC Independent Newspapers Management Services Independent Newspapers Marketing Limited Independent Newspapers Property Limited Independent Regionals CN Ltd Independent Regionals CRN Ltd Independent Regionals GLEN Ltd Independent Regionals HD Ltd Independent Regionals HG Ltd Independent Regionals K Ltd Independent Regionals KT Ltd Independent Regionals LRN Ltd Independent Regionals NLN Ltd Independent Regionals WHN Ltd Independent Star Limited INM Holdings Luxembourg SARL INM Luxembourg SARL INM Overseas Limited INM Regionals Ltd "The People" Newspapers Ltd INM Securities (Ireland) Limited Internet Interaction Limited LAM Enterprises Miss London Ltd News & Media NZ Limited Newspread (United Kingdom) Ltd Nine to Five Magazine Ltd North West London Press Ltd Nutley Investments Limited Propertynews Ltd Propertynews.com Ltd Stantonmill Ltd Sunday Newspapers Limited Terenure Printers Limited Tribune Newspapers plc The Kerryman, Limited The Perfect Poster Company Ltd TIH Belfast TouchTone Training Ltd Wholesale Newspaper Services Ltd
Andrew Bernhardt.....	ALMC HF Riverhill Consultancy Services Limited	Harvey & Brockless Limited Blackwater Food Provision Limited Play P4 SP West Ham United Limited West Ham United Football Club Limited WH Holding Limited XL Airways France SA
Gary Britton.....	KBC Bank Ireland plc The Irish Stock Exchange plc ISE Oldco Limited Origin Enterprises plc The Cheshire Foundation in Ireland	KPMG KPMG Services

Name	Current Directorships/Partnerships	Previous Directorships/ Partnerships
Giles Davies	Borana Ranching Limited Butt'n Benn Ltd Conservation Capital Consulting Ltd Mid-Pacific Investments Wilderness Scotland Ltd	Borana Conservancy Ltd Muthaiga Country Club Ltd Ol Pejeta Conservancy Ltd Ol Pejeta Ranching Ltd Capital Management and Investment plc Yola SARL Algeco Scotsman Holdings SARL
Aidan O'Hogan	Property Industry Ireland (Pii) Limited Irish Residential Properties REIT plc Property Byte Limited	Savills Belfast Landlord Partnership Block W Eastpoint Partnership Solandra Limited Friends of the Coombe The Coombe Womens and Childrens University Hospital Quinn Emlack Yaltrim Insaat VE Savills Commercial (Ireland) Limited Slieve Russell Hotel Property Limited Slieve Russell Hotel Limited Quinn Group Hotels Limited Quinn Finance Holding Quinn Finance Quinn Hospitality Ireland Limited Quinn Hospitality Ireland Operations 1 Limited Quinn Hospitality Ireland Operations 2 Limited Quinn Hospitality Ireland Operations 3 Limited Quinn Hospitality Ireland Operations 4 Limited Quinn Hospitality Ireland Operations 5 Limited Quinn International Property Management Ltd CRD Catering (City) Limited Quinn Hotels Praha AS Savills Belfast Landlord Partnership Shamrock Investment Properties Praha AS Quinn Investments Sweden AB (in bankruptcy in Sweden) I.A.V.I. Compensation Fund Limited Demesne Investments Limited D.C. Property s.r.o P2P s.r.o Quinn Finance (Jersey) Quinn Finance Holdings (Jersey) Ltd Quinn Group Luxembourg Hotels Sarl Quinn Group Luxembourg Property Sarl Quinn Group Properties Limited Komorga
Liam O'Brien	Riamlide Limited	Deirlem Limited Liam O'Brien Property Services Limited (dissolved July 2014)
Kevin Stanley	Alacan Limited Keystreet Management Limited Balgriffin Park Limited Kitara Limited Leftar Limited Belmayne Management Company Limited Belmayne Contracts Limited Patrick Food Co Limited Sonbrook Developments Limited Sonbrook Property Moathill Limited Sonbrook Property Holdings Limited Stanbro Property Holdings Limited Origi Limited Stanley Holdings Limited	Sonbrook Property Group Limited Sonbrook Property Limited Sonbrook Johnstown Limited Belmayne Management Company 2 Limited Galina Limited Keystreet Financial Services Limited Keystreet Property Management Sarcon (No. 251) Limited
Brian Carey	None	None
Jude Byrne	None	None

- 6.11 Within the period of five years preceding the date of this Document, no Director or member of the Management Team who is not a Director has:
- (a) had any convictions in relation to fraudulent offences;
 - (b) been declared bankrupt or been a director or member of the administrative, management or supervisory body of a company or a senior manager of a company at the time of any bankruptcy, receivership or liquidation of such company save for (i) the ongoing solvent winding up of Xercise Limited, a company of which Alan McIntosh is a director (as disclosed at paragraph 6.10 above); (ii) the bankruptcy proceedings in Sweden relating to Quinn Investments Sweden A.B., a company of which Aidan O’Hogan is a director (as disclosed at paragraph 6.10 above and paragraph 6.12 below); and (iii) the dissolution of Liam O’Brien Property Services Limited, a company in which Liam O’Brien was a director (as disclosed at paragraph 6.10 above); or
 - (c) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies); or
 - (d) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.
- 6.12 Aidan O’Hogan holds directorships of companies within the Quinn International Property Group Limited group of companies. He holds these directorships as a result of his appointment by a share receiver who was in turn appointed by the Irish Bank Resolution Corporation Limited (“IBRC”) over Quinn International Property Group Limited in order to secure and protect assets available for recovery for the benefit of the nationalised IBRC and indirectly the Irish State. As referred to above, one of these companies, Quinn Investments Sweden AB, is in bankruptcy in Sweden. Mr. O’Hogan was appointed by the share receiver as a director after the events which gave rise to the bankruptcy. Other companies within this group rely on the forbearance of IBRC to remain outside a formal insolvency process, due to events which pre-dated Mr O’Hogan’s appointment as a director, and it is likely that they will enter a formal insolvency process when and if that forbearance is discontinued.
- 6.13 Kevin Stanley, a member of the Management Team, is the brother of Michael Stanley, a Director and Founder of the Company.
- 6.14 There are no arrangements or understandings with major shareholders, members, suppliers or others pursuant to which any Director was selected. For so long as a Founder and his connected persons are, alone or together, entitled to exercise or control ten per cent. or more of the voting share capital of the Company, that Founder will be entitled to appoint, remove or reappoint one person as a director of the Company. Please refer to paragraph 14.11 of this Part XVII (*Additional Information*) for full details of the Founders’ Relationship Agreements.
- 6.15 There are no outstanding loans or guarantees provided by any member of the Group for the benefit of any of the Directors nor any loans or any guarantees provided by any of the Directors for any member of the Group.

7. MANDATORY BIDS AND COMPULSORY ACQUISITION RULES

7.1 *Mandatory Bids*

Pursuant to Article 5(1) of the Takeover Directive, all Member States are required to introduce legislation requiring any person who, together with those acting in concert with him, acquires “control” of a company having its registered office in that Member State and having its securities admitted to trading on a regulated market in a Member State, to make a mandatory offer to all holders of securities of the Company. As a company with its registered office in Ireland whose securities are admitted to trading solely on a regulated market in the United Kingdom, the Company is, for the purposes of the Takeover Directive, a shared jurisdiction company. This means that offers for its securities are subject to the Irish Takeover Rules in some respects, but the City Code in most other

respects. In many cases, the Irish Takeover Rules and the City Code contain substantially similar provisions.

The Takeover Directive provides that matters relating to the consideration offered, in particular the price, and the bid procedure are determined by the rules of the Member State in which the securities of the Company are admitted to trading on a regulated market, in this case the United Kingdom and the City Code. Pursuant to the Takeover Directive, matters relating to the information to be provided to the employees of the offeree company and matters relating to company law, in particular the percentage of voting rights conferring “control” and any derogation from the obligation to launch a bid, as well as the conditions under which the board of the offeree company may undertake any action which might result in frustration of the bid, are to be determined by the rules of the Member State in which the Company has its registered office, in this case, Ireland and the Irish Takeover Rules. Under Irish takeover law, a person acquires control of a relevant company where that person acquires securities which, when taken together with securities held by concert parties, amount to 30 per cent. or more of the voting rights of a company.

As indicated, the City Code would apply to the Company in respect of consideration and procedural matters applicable to the offer. In particular, under Rule 9 of the City Code a mandatory offer must be in cash, at the highest price paid within the preceding 12 months for any interest in shares of the same class acquired in the Company by the person required to make the offer or any person acting in concert (as defined in the City Code) with him. The City Code will also govern the acceptance condition and any condition in relation to competition clearance in relation to any such offer.

There have been no mandatory takeover bids or any public takeover bids by third parties in respect of the share capital of the Company in the last financial year or in the current financial year to date.

7.2 *Squeeze Out*

The European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 set out a procedure enabling a bidder for an Irish company which has securities admitted to trading on an EU regulated market to acquire compulsorily the securities of those holders who have not accepted a general offer—the “squeeze-out” right on the terms of the general offer.

The main condition which needs to be satisfied before the “squeeze-out” right can be exercised is that the bidder, pursuant to acceptance of a bid for the beneficial ownership of all the transferable voting securities (other than securities already in the beneficial ownership of the bidder) in the capital of the Company, has acquired, or unconditionally contracted to acquire, securities which amount to not less than nine-tenths of the nominal value of the securities affected and carry not less than nine tenths of the voting rights attaching to the securities affected.

7.3 *Buy-Out*

The European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 also provide for rights of “sell-out” for shareholders in Irish companies which have securities admitted to trading on an EU regulated market. Holders of securities carrying voting rights in the Company who have not accepted a bid by way of a general offer for the beneficial ownership of all of the voting securities in the Company (other than securities already in the beneficial ownership of the bidder) have a corresponding right to oblige the bidder to buy their securities on the terms of the general offer under which the beneficial ownership of the securities of the assenting security holders was acquired by the bidder. The main condition to be satisfied to enable the exercise of “sell-out” rights is that the bidder has acquired, or unconditionally contracted to acquire, securities which amount to not less than nine-tenths in nominal value of the securities affected and which carry not less than nine-tenths of the voting rights attaching to the securities affected.

7.4 *Transparency Regulations*

Under the Transparency Regulations, shareholders of an Irish company, where shares are admitted to trading on an EU regulated market, are required to notify that company (and at the same time the

Central Bank) within two trading days when their voting rights in the Company reach, exceed or fall below three per cent. of the voting rights attached to the Company's share capital and also each time they increase or decrease by a whole integer above three per cent. The Company is obliged, under the Transparency Regulations, to publish any such notification received no later than the trading day following receipt.

The Transparency Regulations oblige a company to publish the total number of voting rights and capital at the end of each calendar month during which an increase or decrease of such total number occurs. Further disclosure is required where a company acquires or disposes of its own shares, either itself or through another person acting on its behalf, when the percentage of voting rights attributable to those shares exceeds or falls below the thresholds of five per cent. or ten per cent.

The Transparency Regulations also oblige a company to notify a RIS as soon as possible after any decision to pay or withhold any dividend or interest payment on listed securities and of the results of any new issue of equity securities or preference shares or of a public offering of existing shares or other equity shares.

7.5 *Irish Merger Control Legislation*

Under Irish merger control legislation, any person or entity proposing to acquire direct or indirect control of the Company through the acquisition of Ordinary Shares or otherwise must, subject to various exceptions and if certain financial thresholds are met or exceeded, provide advance notice of such acquisitions to the CCPC which notification would be available on the CCPC's website. The financial thresholds to trigger mandatory notification are, subject to certain exceptions,

- (i) the aggregate turnover in the State of the undertakings involved is not less than €50 million; and
- (ii) the turnover in the State of each of two or more of the undertakings involved is not less than €3 million. Failure to notify properly is an offence under Irish law. The Competition Act 2002, as amended, defines "control" as existing if, by reason of securities, contracts or any other means, decisive influence is capable of being exercised with regard to the activities of a company. Under Irish law, any transaction subject to the mandatory notification obligation set out in the legislation (or any transaction which has been voluntarily notified to the CCPC) will be void, if put into effect before the approval of the CCPC is obtained or before the prescribed statutory period following notification of such transaction lapses without the CCPC having made an order.

8. CONSTITUTION OF THE COMPANY

Constitution

8.1 The Constitution provides that the Company's objects are, among other things, to carry on the business of a property investment company and to do all such things deemed incidental or conducive to the attainment of this object. The objects of the Company are set out in full in the Constitution.

Articles of Association

Issuing Shares

8.2 Subject to the Articles and to the provisions of the Companies Act 2014, the unissued shares of the Company (whether forming part of the original or any increased capital) are at the disposal of the Board. On the allotment and issue of any shares, the Directors may impose restrictions on the transfer or disposal of such shares as may be considered by the Directors to be in the best interests of the Company.

8.3 Pre-emption rights in respect of equity offerings for cash under the Companies Act 2014 may be disapplied by shareholder resolution.

Lien and Forfeiture

- 8.4 The Company has a first and paramount lien on every share (not being a fully paid share) for all monies payable to the Company (whether presently payable or not) in respect of that share. Subject to the terms of allotment, the Board may make calls on the Shareholders in respect of any monies unpaid on their shares. The Board may give not less than 14 clear days' notice requiring payment of the amount due. If a payment is not made when due and payable, the person from whom such amount is due shall be liable to pay interest on the amount unpaid from the day it became due until it is paid (at the rate fixed by the terms of the allotment or in the notice of the call, or at the appropriate rate (as defined by the Companies Act 2014) if no such rate is fixed). If that notice is not complied with, a further notice (giving a further 14 clear days' notice) may be sent by the Board. If this further notice is not complied with, any share in respect of which it was sent may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board. The forfeiture shall include all dividends or other monies payable in respect of the forfeited share which are outstanding in respect of the forfeited share.

Variation of Share Capital and Variation of Rights

Increase of capital

- 8.5 The Company, by ordinary resolution, may increase the share capital by such sum, to be divided into shares of such amount, as such ordinary resolution shall prescribe.

Consolidation, sub-division and cancellation of capital

- 8.6 The Company, by ordinary resolution, may consolidate and divide all or any of its share capital into shares of larger amount; subject to the provisions of the Companies Act 2014, subdivide its shares, or any of them, into shares of smaller amount, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived (and so that the ordinary resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have, as compared with the others, any such preferred, deferred or other rights or be subject to any such restrictions as the Company is empowered to attach to unissued or new shares); or cancel any shares which, at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled.

Reduction of capital

- 8.7 The Company, by special resolution, may reduce its share capital, any capital redemption reserve fund or any share premium account in any manner subject to certain procedures and restrictions set out in the Companies Act 2014. Unless otherwise provided by the terms of issue and without prejudice to the rights attached to any share to participate in any return of capital, the rights, privileges, limitations and restrictions attached to any share shall be deemed not to be varied, altered or abrogated by a reduction in any share capital ranking as regards participation in the profits and assets of the Company *pari passu* with or after that share.

Variation of rights

- 8.8 Whenever the share capital is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of 75 per cent. in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.

Ordinary Shares

- 8.9 Ordinary Shares carry a right to attend and vote at any general meeting of the Company, a right to participate in a winding up and a right to receive a dividend.

Deferred Shares

- 8.10 The Deferred Shares of €0.001 each are non-voting shares without any entitlement to a dividend, except that each holder of Deferred Shares has the right to receive, €1 in aggregate for every €100,000,000,000 paid to the holders of Ordinary Shares. The Founder Shares shall automatically convert to Deferred Shares on a one to one basis in circumstances where: (i) on the Test Date following the seventh anniversary of Admission, the Performance Condition has not been satisfied; and (ii) in the event of a Change of Control at any time prior to the Test Date following the seventh anniversary of Admission, the Performance Condition (determined by reference to the Change of Control Price) has not been satisfied.

Transfer of Shares

Form of instrument of transfer

- 8.11 Subject to such of the restrictions of the Articles and to such of the conditions of issue of transfer as may be applicable, the shares of any Shareholder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. Title to any shares in the Company may be evidenced without a share certificate or certificates, and title to any shares in the Company may be transferred by means of a computer-based system and procedure (or any other appropriate system and procedures) which, *inter alia*, enable title to shares to be transferred without a written instrument, in each case in accordance with regulations made from time to time under the Companies Act 2014 or in accordance with any other statutory provisions or regulations having similar effect. The instrument of transfer of any share shall be executed by or on behalf of the transferor, and, to the extent required by the Companies Act 2014, by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect thereof.
- 8.12 The Directors in their absolute discretion and without assigning any reason therefor may decline to register:
- (a) any transfer of a share which is not fully paid; or
 - (b) any transfer to or by a minor or person who is adjudged by any competent court or tribunal or determined in accordance with the Articles, not to possess an adequate decision-making capacity; or
 - (c) any transfer by any person to whom a transfer notice has been given under Article 5(f)(i); or
 - (d) any transfer which is a 'restricted transfer' (as defined in article 66 of the Articles) under article 66 of the Articles,

provided that in the case of shares which are admitted to listing on the London Stock Exchange, the refusal to register the transfer does not prevent dealings in the shares from taking place on an open and proper basis.

- 8.13 The Directors may decline to recognise any instrument of transfer unless:
- (a) the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (save where the transferor is a Stock Exchange Nominee (as defined in Article 1 of the Articles)); and
 - (b) the instrument of transfer is in respect of one class of share only.
- 8.14 The Directors may decline to register any transfer of shares in uncertificated form only in such circumstances as may be permitted or required by the CREST Regulations.

Dividends and other Distributions

- 8.15 *Declaration of dividends:* subject to the provisions of the Companies Act 2014, the Company, by ordinary resolution, may declare dividends in accordance with the respective rights of the Shareholders, but no dividend shall exceed the amount recommended by the Directors.
- 8.16 *Scrip dividends:* the Directors may, if authorised by an ordinary resolution of the Company, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Directors) of any dividend specified by such ordinary resolution. The additional Ordinary Shares when allotted shall rank *pari passu* in all respects with the fully-paid Ordinary Shares then in issue except that they will not be entitled to participation in the relevant dividend.
- 8.17 *Interim and fixed dividends:* subject to the provisions of the Companies Act 2014, the Directors may declare and pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may declare and pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but subject always to any restrictions in force at the time of declaration or payment of such dividend (whether under the Articles, under the terms of issue of any shares, or under any agreement to which the Company is a party or otherwise) relating to the application, or the priority of application, of the Company's profits available for distribution or to the declaration or as the case may be the payment of dividends by the Company. Subject as aforesaid, the Directors may also pay at intervals established by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
- 8.18 *Payment of dividends:* except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid-up on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; provided, however, that if any share is issued on terms providing that it shall rank in priority for dividend as from a particular date, such share shall rank in priority for dividend accordingly. For the purposes of this paragraph, no amount paid on a share in advance of calls shall be treated as paid on a share.
- 8.19 If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
- 8.20 Any dividend may at the discretion of the Directors and at the sole risk of the person or persons entitled thereto be paid in any currency and in such manner as may be approved by the Directors from time to time.
- 8.21 *Deductions from dividends:* the Directors may deduct from any dividend or other monies payable to any member in respect of a share any monies presently payable by him to the Company in respect of that share.
- 8.22 *Dividends in specie:* a general meeting declaring a dividend may direct, upon the recommendation of the Directors, that it shall be satisfied wholly or partly by the distribution of assets (and, in particular, of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways) and the Directors shall give effect to such resolution.
- 8.23 *Payment of dividends by post or electronic funds transfer system:* any dividend or other monies payable in respect of any share may be paid (whether in Euro or any other currency) by cheque or warrant sent by post, or by an electronic payment method which the Board may from time to time decide, in each case at the risk of the person or persons entitled thereto, to the registered address of the holder or, where there are joint holders, to the registered address of that one of the joint holders

who is first named on the register or to such person and to such address as the holder or joint holders may in writing direct.

8.24 *Dividends not to bear interest:* no dividend or other monies payable by the Company on or in respect of any shares shall bear interest against the Company unless otherwise provided by the rights attached to the shares.

8.25 The Founder Shares do not entitle their holders to receive dividends.

Ability of the Company to issue Redeemable Shares

8.26 In accordance with the Companies Act 2014, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder, subject to the provisions of the Companies Act 2014, provided always that the nominal value of the issued share capital which is not redeemable shall not at any time, be less than one tenth of the nominal value of the total issued share capital of the Company.

8.27 In circumstances where the Company has the right to convert the Founder Shares into Ordinary Shares, the Company may instead elect to redeem the relevant Founder Shares for a cash amount equivalent to the value of Ordinary Shares into which the relevant Founder Shares would be converted. If, in the circumstances where the Company has the right to convert the Founder Shares into Ordinary Shares, the Board does not elect to either convert or redeem such Founder Shares, the holders of the Founder Shares shall have the right, in addition to a conversion right, to require the Company to redeem the relevant Founder Shares for a cash amount equivalent to the value of Ordinary Shares into which the relevant Founder Shares would be converted.

General Meetings

8.28 The Company shall hold in each year a general meeting as its AGM in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. Not more than 15 months shall elapse between the date of one AGM and that of the next. The Directors may convene general meetings. Extraordinary general meetings may also be convened on such requisition, or in default may be convened by such requisitionists, and in such manner as may be provided by the Companies Act 2014. All general meetings of the Company shall be held in Ireland unless otherwise determined by ordinary resolution of the members.

Quorum

8.29 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy shall be a quorum.

Voting Rights

8.30 *Votes of Shareholders:* votes may be given either personally or by proxy. Subject to any rights or restrictions at the time attached to any class or classes of shares, on a show of hands every member present in person and every proxy shall have one vote, so that no individual shall have more than one vote, and on a poll every Shareholder shall have one vote for every share carrying voting rights of which he is the holder. The chairman shall be entitled to a casting vote where there is an equality of votes.

8.31 *Resolutions:* in accordance with the Companies Act 2014, resolutions are categorised as either ordinary or special resolutions. The essential difference between an ordinary resolution and a special resolution is that a bare majority of more than 50 per cent. of the votes cast by members voting on the relevant resolution (in person or by proxy) is required for the passing of an ordinary resolution, whereas a qualified majority of more than 75 per cent. of the votes cast by members voting on the relevant resolution (in person or by proxy) is required in order to pass a special resolution. Matters requiring a special resolution include:

- (a) altering the objects of the Company;

- (b) altering the Articles; and
- (c) approving a change of the Company's name.

8.32 The Founder Shares do not carry any voting rights save in respect of the passing of a resolution to approve a voluntary winding up of the Company or on a resolution to authorise the Directors to issue any further Founder Shares.

Distribution of Assets on Winding Up

8.33 In the event that the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up, or credited as paid-up, share capital, the assets shall be distributed so that, as nearly as may be, the losses will be borne by the members in proportion to the capital paid-up or credited as paid-up at the commencement of the winding up on the shares held by them respectively. If, however, the assets available for distribution among the members are more than sufficient to repay the whole of the share capital as paid-up or credited as paid-up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital at the commencement of the winding up paid-up or credited as paid-up on the said share held by them respectively.

Unclaimed Dividends

8.34 If the Directors so resolve, any dividend which has remained unclaimed for 12 years from the date of its declaration shall be forfeited and cease to remain owing by the Company. The payment by the Directors of any unclaimed dividend or other monies payable in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. Any dividend, interest or other sum payable which remains unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

Untraced Shareholders

8.35 The Company may sell any shares in the Company on behalf of a holder of such shares, or person entitled by transmission to such shares, if:

- (a) at least three cash dividends have become payable on the shares during the previous 12 years;
- (b) no cash dividend payable on the shares has been claimed during the relevant period;
- (c) the Company has not received at any time during the relevant period any communication, so far as the Company at the end of the relevant period is then aware, from the holder of, or person entitled by transmission to, the shares;
- (d) on the expiry of the 12 year period, the Company has caused advertisements giving notice of its intention to sell the shares to be published in a leading daily Irish newspaper and in a newspaper circulating in the area of the address shown in the register of the holder of, or person entitled by transmission to, the untraced shares, and (in either such case) a period of three months has elapsed from the date of publication of the advertisement; and
- (e) the relevant stock exchange has been notified of the proposed sale.

Purchase of Own Shares

8.36 Subject to and in accordance with the provisions of the Companies Act 2014 and without prejudice to any relevant special rights attached to any class of shares the Company and any subsidiary of the Company may purchase all or any of its shares of any class so that any shares so acquired may be selected in any manner whatsoever and cancelled or held by the Company as treasury shares. The Company shall not make a purchase of shares in the Company unless the purchase has first been authorised by a special resolution of the Company and by a special resolution passed at a separate general meeting of the holders of each class of shares or a resolution passed by a majority representing 75 per cent. in nominal value of the issued shares of any class or classes at a separate general meeting

of the holders of Company's loan stock (if any), which, at the date on which the purchase is authorised by the Company in such general meeting, entitle them, either immediately or at any time subsequently, to convert all or any of the shares or loan stock of that class held by them into equity share capital of the Company.

Directors

- 8.37 Unless otherwise determined by the Company in a general meeting, the number of Directors shall not be more than ten or less than two. A Director is not required to hold shares in the Company. Two Directors present at a Directors' meeting shall be a quorum.
- 8.38 As at the date of this Document, the Directors are as set out in Part X (*Directors, Management Team and Corporate Governance*) of this Document. Any further Directors will be appointed pursuant to the Constitution or in accordance with the Companies Act 2014.
- 8.39 Under the Articles, at each annual general meeting of the Company one-third of the Directors are required to retire from office, and those required to retire are determined by reference to those longest in office since last re-appointment. Retiring Directors may be re-appointed. However, in accordance with best corporate governance practice, all Directors intend to put themselves forward for re-election at each annual general meeting.
- 8.40 No person other than a retiring Director may be appointed as a Director at any general meeting unless (i) such person has been recommended by the Directors; or (ii) a draft resolution for the appointment of such person, proposed by a member or members holding not less than three per cent. of the issued share capital representing not less than three per cent. of the voting rights of all the members who have a right to vote at the meeting, shall have been received by the Company (accompanied by appropriate details), in the case of an AGM, at least 42 days before the proposed date of the meeting, and, in the case of a general meeting other than an AGM, not less than 30 days before the proposed date of the meeting.
- 8.41 Any Director of the Company who holds any executive office or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.
- 8.42 The ordinary remuneration of the Directors shall be determined from time to time by the Board.
- 8.43 The Directors of the Company may provide benefits, whether by way of pensions, gratuities, or otherwise, for any Director, former Director or other officer or former officer of the Company, or to any person who holds or has held any employment with the Company or with any body corporate which is or has been a subsidiary or associated company of the Company or a predecessor in business of the Company or of any such subsidiary or associated company, and to any member of his family or any person who is or was dependent on him and may set up, establish, support, alter, maintain and continue any scheme for providing all or any of such benefits and for such purposes any Director accordingly may be, become or remain a member of, or rejoin, any scheme and receive and retain for his own benefit all benefits to which he may be or become entitled thereunder. The Directors of the Company may pay out of the funds of the Company any premiums, contributions or sums payable by the Company under the provisions of any such scheme in respect of any of the persons or class of persons above referred to who are or may be or become members thereof.
- 8.44 Subject to the provisions of the Companies Act 2014, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof or in which the Company or any subsidiary or associated company thereof is otherwise interested;

- (b) may be a Director or other officer of, or employed by or provide services to or have an interest in any service provider or contractual counterparty to the Company from time to time;
 - (c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company or any subsidiary or associated company thereof is otherwise interested; and
 - (d) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 8.45 Save as otherwise provided by the Articles, a Director shall not vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.
- 8.46 A Director shall be entitled (in the absence of some other material interest than is indicated below) to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely:
- (a) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
 - (b) the giving of any security, guarantee or indemnity to a third-party in respect of a debt or obligation of the Company or any of its subsidiary or associated companies for which he has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (c) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived) any such interest being deemed to be a material interest in all circumstances;
 - (e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval for taxation purposes by the appropriate revenue authorities;
 - (f) any proposal concerning the adoption, modification or operation of any scheme for enabling employees (including full time executive Directors if any) of the Company and/or any subsidiary thereof to acquire shares in the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits or may benefit; or
 - (g) any proposal concerning the giving of any indemnity of the type referred to under the heading "*Indemnity of Officers*" in paragraph 8.50 of this Part XVII (*Additional Information*) or the

discharge of the cost of any insurance cover which the Directors propose to purchase or maintain for the benefit of persons (including Directors) pursuant to the Articles.

- 8.47 In the event of any question arising as to the entitlement of any Director to vote at a Board meeting, the matter shall be decided by the chairman of the meeting.
- 8.48 The Company, by ordinary resolution of which extended notice of at least 28 days has been given in accordance with the provisions of the Companies Act 2014, may remove any Director before the expiry of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director. This does not prevent such a person from claiming compensation or damages in respect of the termination.

Borrowing Powers

- 8.49 The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property, assets and uncalled capital or any part thereof and, subject to the Companies Act 2014 to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third-party, without any limitation as to amount.

Indemnity of Officers

- 8.50 Subject to the provisions of, and so far as may be permitted by, the Companies Act 2014, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Irish High Court.

Disclosure of Shareholder Interests

- 8.51 In addition to any other right or power of the Company under the Companies Act 2014, the Directors of the Company may at any time and from time to time by notice in writing require any member, or any other person, appearing to the directors to be interested or to have been interested in shares in the Company to disclose to the Company in writing, within a prescribed period, such information relating to the ownership of or interests in those shares as the Directors shall require.
- 8.52 If at any time the Directors are satisfied that any member has been served with such a notice and is in default for the prescribed period in supplying to the Company the information thereby required, the Directors may in their absolute discretion at any time thereafter by notice to such member direct that in respect of the shares in relation to which the default occurred (which expression shall include any further shares which are issued in respect of such shares) the member shall not be entitled to attend or to vote either personally or by proxy at a general meeting of the Company.
- 8.53 In addition, where the shares in question represent at least 0.25 per cent. of the issued shares of that class, the Directors shall be entitled (to the extent permitted from time to time by the Listing Rules):
- (a) except in a liquidation of the Company, to withhold payment of any sums due from the Company on the shares in question, whether in respect of capital or dividend or otherwise, and the Company shall not have any liability to pay interest on any such payment when it is finally paid to the member; and/or
 - (b) to refuse to register any transfer of the relevant shares (other than a transfer made as part of a sale to a *bona fide* third-party unconnected with the member, including any such sale made

through the London Stock Exchange, on receipt by the Directors of evidence satisfactory to them that such is the case).

The Companies Act 2014

8.54 The Articles provide that, save as otherwise expressly provided therein, where a provision of the Articles covers substantially the same subject matter as an optional provision of the Companies Act 2014, the relevant provision of the Companies Act 2014 shall be deemed not to apply to the Company and the relevant provision of the Articles shall prevail.

9. DIRECTORS' SERVICE AGREEMENTS/LETTERS OF APPOINTMENT AND EMOLUMENTS

9.1 The Directors and their functions are set out in Part X (*Directors, Management Team and Corporate Governance*) of this Document. Each of the Executive Directors entered into a service agreement with the Company and each of the Non-Executive Directors entered into a letter of appointment with the Company.

9.2 *Executive Directors: Service agreements*

- (a) Michael Stanley entered into a service agreement dated 9 June 2015. Michael Stanley is entitled to receive a salary of €425,000 per annum under his service agreement. Michael Stanley is eligible to receive an annual bonus pursuant to the terms of an executive performance plan, to be determined by reference to qualitative and quantitative performance criteria assessed annually by the Remuneration Committee. Michael Stanley is further entitled to receive an annual pension contribution of ten per cent. and a car allowance of €10,000 per annum.

Michael Stanley's employment is terminable by the Company on 12 months' notice and by Michael Stanley on 12 months' notice. The Company is entitled to put Michael Stanley on garden leave during any period of notice. During such period Michael Stanley will be entitled to receive his salary and all contractual benefits.

Michael Stanley is subject to post termination of employment restrictive covenants in relation to (i) employment or engagement with a competing undertaking (12 months), (ii) solicitation of, and interference or dealing with, suppliers and/or customers (12 months), (iii) solicitation, employment or engagement of key employees and key consultants/contractors (12 months) and (iv) interference with any rights of sale purchase or agency (12 months).

- (b) Alan McIntosh entered into a service agreement dated 9 June 2015. Alan McIntosh is entitled to receive a salary of €325,000 per annum under his agreement. Alan McIntosh is eligible to receive an annual bonus pursuant to the terms of an executive performance plan, to be determined by reference to qualitative and quantitative performance criteria assessed annually by the Remuneration Committee. Alan McIntosh is further entitled to receive an annual pension contribution of ten per cent. and a car allowance of €10,000 per annum.

Alan McIntosh's employment is terminable by the Company on 12 months' notice and by Alan McIntosh on 12 months' notice. The Company is entitled to put Alan McIntosh on garden leave during any period of notice. During such period Alan McIntosh will be entitled to receive his salary and all contractual benefits.

Alan McIntosh is subject to post termination of employment restrictive covenants in relation to (i) employment or engagement with a competing undertaking (12 months), (ii) solicitation of and interference or dealing with suppliers and/or customers (12 months), (iii) solicitation, employment or engagement of key employees and key consultants/contractors (12 months) and (iv) interference with any rights of sale purchase or agency (12 months).

- (c) Eamonn O'Kennedy entered into a service agreement dated 9 June 2015. Eamonn O'Kennedy is entitled to receive a salary of €250,000 per annum under his service agreement. Eamonn O'Kennedy is eligible to receive an annual bonus pursuant to the terms of an executive

performance plan, to be determined by reference to qualitative and quantitative performance criteria assessed annually by the Remuneration Committee. Eamonn O’Kennedy is further entitled to receive an annual pension contribution of ten per cent. and a car allowance of €10,000 per annum.

Eamonn O’Kennedy’s employment is terminable by the Company on six months’ notice and by Eamonn O’Kennedy on six months’ notice. The Company is entitled to put Eamonn O’Kennedy on garden leave during any period of notice. During such period Eamonn O’Kennedy will be entitled to receive his salary and all contractual benefits.

Eamonn O’Kennedy is subject to post termination of employment restrictive covenants in relation to (i) employment or engagement with a competing undertaking (6 months), (ii) solicitation of and interference or dealing with suppliers and/or customers (6 months), (iii) solicitation, employment or engagement of key employees and key consultants/contractors (6 months) and (iv) interference with any rights of sale purchase or agency (6 months).

Eamonn O’Kennedy has been awarded 500,000 options over Ordinary Shares in the Company at an exercise price of €1 per Ordinary Share. 50 per cent. of the options will vest on the third anniversary of the IPO Admission and the remaining 50 per cent. will vest on the fourth anniversary of the IPO Admission.

- (d) No compensation is payable to a Director on leaving office.

9.3 *Non-Executive Directors: Letters of appointment*

- (a) John Reynolds entered into a letter of appointment with the Company effective from 28 April 2015. John Reynolds is entitled to receive an annual fee of €100,000 commencing 1 January 2016. He is not entitled to receive any compensation on termination of his appointment. The appointment is for an initial term of three years subject to re-election every year at the Annual General Meeting. However, both the Company and John Reynolds are entitled to terminate the appointment on one month’s written notice.
- (b) Andrew Bernhardt entered into a letter of appointment with the Company on effective from 28 April 2015. Andrew Bernhardt is entitled to receive an annual fee of €50,000. He is not entitled to receive any compensation on termination of his appointment. The appointment is for an initial term of three years subject to re-election every year at the Annual General Meeting. However, both the Company and Andrew Bernhardt are entitled to terminate the appointment on one month’s written notice.
- (c) Gary Britton entered into a letter of appointment with the Company effective from 28 April 2015. Gary Britton is entitled to receive an annual fee of €50,000. Gary Britton acts as the chair of the Audit Committee and as of 1 January 2016, he is entitled to receive an additional fee of €15,000 per annum in respect of this role. He is not entitled to receive any compensation on termination of his appointment. The appointment is for an initial term of three years subject to re-election every year at the Annual General Meeting. However, both the Company and Gary Britton are entitled to terminate the appointment on one month’s written notice.
- (d) Giles Davies entered into a letter of appointment with the Company effective from 28 April 2015. Giles Davies is entitled to receive an annual fee of €50,000. Giles Davis acts as senior independent Director and is entitled to receive an additional fee of €10,000 per annum from that time. He is not entitled to receive any compensation on termination of his appointment. The appointment is for an initial term of three years subject to re-election every year at the Annual General Meeting. However both the Company and Giles Davies are entitled to terminate the appointment on one month’s written notice.
- (e) Aidan O’Hogan entered into a letter of appointment with the Company effective from 18 May 2015. Aidan O’Hogan is entitled to receive an annual fee of €50,000. He is not entitled to receive any compensation on termination of his appointment. The appointment is for an initial

term of three years subject to re-election every year at the Annual General Meeting. However both the Company and Aidan O'Hogan are entitled to terminate the appointment on one month's written notice.

No additional fees are payable to any of the Non-Executive Directors for membership of any board committees. All of the Non-Executive Directors are entitled to be reimbursed for expenses reasonably incurred in the performance of their duties.

9.4 *Directors and Management Team Remuneration and Benefits*

Under the terms of their service agreements and letters of appointment, the Directors and the Management Team received the following remuneration for the financial year ended 31 December 2015 for services in all capacities to the Group:

Director/Management Team Member	2015 Basic Salary/ Fee Level	2015 Actual Salary/Fee	2015 Annual Bonus	2015 Other Remuneration	2015 Total
John Reynolds	80,000	56,000	–	–	56,000
Michael Stanley ⁽¹⁾	425,000	455,000	212,000	6,000	673,000
Alan McIntosh ⁽³⁾	325,000	372,000	162,000	6,000	540,000
Eamonn O'Kennedy ^{(1) (2)}	250,000	230,000	185,000	9,000	424,000
Andrew Bernhardt	50,000	35,000	–	–	35,000
Gary Britton	50,000	35,000	–	–	35,000
Giles Davies	60,000	42,000	–	–	42,000
Aidan O'Hogan	50,000	32,000	–	–	32,000
Management Team Remuneration⁽¹⁾⁽⁴⁾	720,000	502,000	225,000	6,000	733,000

(1) There are company pension contributions accrued at 31 December 2015 of €125,000. An analysis is as follows; (i) Michael Stanley €46,000; (ii) Eamonn O'Kennedy €23,000; and (iii) Management Team €56,000.

(2) The bonus paid to Eamonn O'Kennedy includes a bonus of €40,000 referred to in the IPO prospectus.

(3) Alan McIntosh receives an additional salary of €27,000 per annum in lieu of company pension contributions.

(4) The aggregated figures relate to Jude Byrne, Liam O'Brien, Kevin Stanley and Brian Carey.

Other than as set out above, there are no amounts set aside or accrued by the Group to provide pension, retirement or similar benefits to the Directors or the Management Team. However, as set out in paragraph 9.6 of this Part XVII (*Additional Information*) the Group does intend to operate a defined contribution scheme for the Management Team to be put in place on a future date.

The Board intends to review executive management annual compensation and ensure it is in line with comparable listed companies.

9.5 *Long-term Incentive Plan*

The Company intends to establish a long-term incentive plan (an "LTIP") to grant equity awards over its Ordinary Shares to full-time executive directors and other executives of the Company, (known as the "Participants"). The LTIP, during the Company's initial development phase, will grant Participants options over a number of Company shares, the face value of which at the date of grant will be equal to a maximum of 60 per cent. of the value of the annual incentive payment in respect of the previous financial year. The Founder Directors (being Michael Stanley and Alan McIntosh) and Kevin Stanley will not participate in the LTIP. As the Ordinary Shares of the Company are admitted to the standard listing segment of the Official List, the adoption of the LTIP does not require Shareholder approval.

9.5.1 *Administration*

The Remuneration Committee will administer the LTIP. It will select the individuals who are to receive awards under the LTIP and the terms of each award.

9.5.2 Awards

Awards made under the LTIP will be in the form of an option to acquire Ordinary Shares pursuant to the LTIP.

9.5.3 Timing of award grants

Awards may not be granted during a period in which directors and other insiders of the Company are restricted from dealing in the Company 'securities.

9.5.4 Overall share limits

No more than five per cent. of the issued ordinary share capital of the Company may be issued or reserved for issuance under the LTIP and any other executive or discretionary share scheme operated by the Company over any ten year period.

9.5.5 Vesting

Options will vest after two years from the date of grant provided the Remuneration Committee is satisfied that there has been a meaningful improvement in the Company's operations over the vesting period, the determination of which shall be at the discretion of the Remuneration Committee. Vested options may then be exercised, in full or in part, after a further two years from the date of vesting for a period of seven years from the date the option is granted.

9.5.6 Lapse of awards

An award shall lapse when a Participant ceases to be a director or employee of any member of the Company, on a winding-up of the Company, the seventh anniversary of the date of the grant, or on such earlier date as the Remuneration Committee may prescribe when granting an award under the LTIP.

9.5.7 Clawback policy

Awards to Participants may be subject to clawback for a period of three years from date of award in certain circumstances including:

- (i) a material restatement of the Company's audited financial statements;
- (ii) business or reputational damage to the Company or a subsidiary arising from a criminal offence, serious misconduct or gross negligence by the individual Executive, or
- (iii) a material breach of applicable health and safety regulations.

The rules of the LTIP shall allow for the giving of discretion to the Remuneration Committee to reduce or impose further conditions on awards prior to or subsequent to vesting in the circumstances outlined above.

9.5.8 Cessation of employment

Generally, an award will lapse immediately if the Participant's employment with the Company ends. However, if the reason for the employment ending is death, injury or disability, redundancy, the company by which the Participant is employed ceasing to be a member of the Company, or any other circumstances at the discretion of the Remuneration Committee, any option that has not already vested on the Participant's cessation date would be eligible for vesting on a date determined by the Remuneration Committee. The number of shares, if any, in respect of which the option vests would be determined by the Remuneration Committee.

In the event that a Participant ceases to be an employee by reason of a termination of his employment for serious misconduct, each option held by the Participant, whether or not vested, will automatically lapse immediately on the service of notice of such termination, unless the Remuneration Committee in its sole discretion determines otherwise.

To the extent that an option has vested on the participant's date of cessation, the participant may exercise the option during a specified period following such date but in no event may the option be exercised later than the expiry date as specified in the Award Certificate.

9.5.9 Merger, takeover or other reorganisation

In the event that the Company is a party to a merger, takeover or other reorganisation including but not limited to a court-sanctioned compromise or arrangement, or the Remuneration Committee considers this is about to occur, the Remuneration Committee will be entitled (without the Participant's consent unless the Remuneration Committee otherwise requires) at its discretion:

- (i) to request Participants to exercise outstanding Options in relation to the whole or a specified portion of the Shares to which such Options relate and within such time or times and subject to any other conditions or limitations as the Remuneration Committee may at its discretion determine; if a Participant does not comply with the aforementioned request such Options will lapse at the expiry of the time specified for exercise by the Remuneration Committee;
- (ii) to agree that outstanding Options will be assumed or substituted by the surviving company or its parent (or the acquiring company or its parent where a takeover occurs) for Options which are equivalent to the Options originally granted under the LTIP but which relate to shares in the surviving company or its parent (or the acquiring company or its parent where a takeover occurs);
- (iii) to arrange for the continuation by the Company of outstanding Options (if the Company is a surviving company or an acquiring company in a takeover);
- (iv) to make payment of a cash settlement to Participants equal, per Share, to the difference between the amount to be paid for one Share under the agreement of merger or takeover terms and the Option Price per Share;
- (v) to agree to accelerate the exercisability of such outstanding Options followed by the cancellation of Options not exercised;
- (vi) to otherwise vary the exercise of outstanding Options on such conditions as the Remuneration Committee may decide,

and the Remuneration Committee may determine that any one or any combination of the above will occur.

9.5.10 Reconstruction and Winding Up

In the event of any reorganisation of the capital of the Company or any reconstruction or amalgamation of the Company involving a material change in the nature of the Shares comprised in any option or the Company passing a resolution for its winding-up or an order being made for the compulsory winding-up of the Company, an optionholder may exercise any option with respect to the vested option shares within such time period as is specified by the Remuneration Committee. If they fail to do so, the Option will lapse.

9.5.11 Voting, dividend and other rights

Ordinary Shares allotted pursuant to an exercise of an option will rank *pari passu* with the existing Ordinary Shares with the exception of rights attaching by reference to a record date prior to the date of issue or vesting of the relevant award. Applications will be made to the relevant Stock Exchange for all such Ordinary Shares to be admitted to trading.

9.5.12 Awards not transferable

Awards are generally not transferable.

9.5.13 Alternative award structures

The Remuneration Committee may establish or otherwise further plans based on the LTIP, but modified to take account of local tax, exchange control or securities laws in overseas territories provided that Shares made available under such LTIPs shall be treated as counting against the limits in the LTIP.

9.5.14 Amending the LTIP

The Company may at any time by resolution of the Remuneration Committee alter, amend or revoke any provisions of the LTIP in such manner as may be thought fit (including any retrospective, prospective or coincident alteration, amendment or revocation).

The Remuneration Committee may also make minor amendments to benefit the administration of the LTIP, to take account of a change in the applicable legislation in any country or territory or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders or any Company.

9.6 **Pensions**

The Group intends to operate a defined contribution scheme for the Management Team and any other employees as it sees fit to be put in place on a future date. Contributions payable in respect of any such pension entitlements prior to the date on which the scheme is put in place will be paid into the scheme, once established. The assets of the scheme are intended to be held separately from those of the Group under a trust independently administered by trustees appointed to the arrangement.

10. **EMPLOYEES**

As at 31 December 2015, the Group had 21 employees. All of the Group's employees are currently located in Dublin and are employed full-time.

As at the Last Practicable Date, the Group had 27 employees across a variety of Group functions including executive, operations, finance and administration. The Group intends to continue to increase its number of employees as the Group grows. All employees are currently based in Dublin. Employees are not unionised.

The Group recognises that the calibre of its employees is one of its key strengths and is therefore committed to their development and training. As Cairn Homes Construction Limited, the entity undertaking the Group's construction activities, is registered with the CIRI, certain employees are required to attend regular continuing professional development courses hosted by the Construction Industry Federation. In addition, the Group intends to sponsor external courses for certain employees hosted by The Institute of Engineers of Ireland, The Society of Chartered Surveyors Ireland, The Royal Institute of the Architects of Ireland and other bodies, as appropriate. Related initiatives include regular reviews with staff; training programmes in sales, management, systems and IT, leadership development and anti-bribery regulation; and succession planning.

11. **WORKING CAPITAL**

The Company is of the opinion that, taking into account the Net Proceeds receivable by the Company, the working capital of the Group is sufficient for its present requirements, that is, for at least the period of 12 months from the date of this Document.

12. **SIGNIFICANT CHANGE**

Save for (i) the acquisition of the Hanover Quay Site as described in paragraph 12.1 below; (ii) the acquisition of the Cherrywood Site described in paragraph 12.2 below; (iii) the execution of the Maynooth Site Acquisition Agreement in respect of the Maynooth Site described in paragraph 12.3 below; (iv) the transfer of the Stillorgan Site (Blakes), the Blackrock Site and the Moyglare Site to the Group; and (v) the further debt drawdown, there has been no significant change in the financial or trading position of the Group

since 31 December 2015, being the end of the last period for which audited financial information has been prepared.

12.1 *Hanover Quay*

The Hanover Quay Site Acquisition Agreement was entered into on 4 January 2016 between a sub-fund of Target Investment Opportunities ICAV, in which NAMA, Bennett Construction and Oaktree have an economic interest, (as vendor) and the Company (as purchaser). The consideration paid by the Company in respect of the acquisition was €18 million. The Hanover Quay Site Acquisition Agreement was governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement. The acquisition completed on 22 March 2016.

12.2 *Cherrywood*

The Cherrywood Site Acquisition Agreement was entered into on 8 February 2016 between the Company and Hines Cherrywood Development ICAV acting on behalf of its sub-fund HCDF Land Development Fund. The consideration paid by the Company in respect of the acquisition was €21.5 million. The Cherrywood Site Acquisition Agreement was governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement. The Group also has an agreement to purchase the Cherrywood Option Site on receipt of the final grant of planning permission for that site. The site has an expected acquisition cost of approximately €9.2 million.

12.3 *Maynooth Site*

The Maynooth Site Acquisition Agreement was entered into on 7 March 2016 between the Company and Montlake QIAIF Platform ICAV, acting solely on behalf of its sub-fund York Property Fund. The consideration paid by the Company in respect of the acquisition was €27 million. The Maynooth Site Acquisition Agreement was governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement.

The unaudited pro forma balance sheet as at 31 December 2015 is contained in Part XIII (*Unaudited Pro Forma Financial Information*) of this Document. It has been prepared to illustrate the effect of (i) the Capital Raise; (ii) a further debt drawdown; (iii) the acquisition of the Hanover Quay Site; (iv) the acquisition of the Cherrywood Site; (v) the acquisition of the Maynooth Site; and (vi) the acquisition of the Argentum Sites, as if such transactions had occurred on 31 December 2015. The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the Group's actual financial position or results following the transactions. The unaudited pro forma financial information does not illustrate the effects of the potential acquisition of the Cherrywood Option Site, the South Dublin Site or the Dublin Commuter Belt Site.

13. RELATED PARTY TRANSACTIONS

From 12 November 2014 (being the Company's date of incorporation) up to and including the date of this Document, the following transactions with related parties have been entered into by the Group. The terms of all of these transactions are considered by the Non-Executive Directors to be (or in cases where members of the Group were not originally a party to the transaction, to have been) arms-length in nature:

- (a) the Emerley Properties Loan Agreement;
- (b) the Emerald Loan Agreement;
- (c) the Stanbro Loan Agreement;
- (d) the Emerley Acquisition Agreement;
- (e) the Butterly Site Acquisition Agreement;
- (f) the Galway Site Acquisition Agreement;

- (g) the Killiney Site Acquisition Agreement;
- (h) the Navan Site Acquisition Agreement;
- (i) the Founders Relationship Agreements; and
- (j) the Subscription Agreements and Subscription Forms.

A summary of the agreements listed above is contained in paragraph 4 of this Part XVII (*Additional Information*).

14. MATERIAL CONTRACTS

The following is a summary of the material contracts (other than contracts entered into in the ordinary course of business) which have been entered into by the Group since incorporation and any other contracts which have been entered into by the Group which contain any provision under which the Group has any obligation or entitlement which is or may be material to the Group at the date of this Document.

The agreements described in paragraphs 14.25 to 14.28, relating to the initial acquisition agreements for the Butterly Site, the Galway Site, the Killiney Site and the Navan Site, were not entered into by the Group and the Group has no obligations or entitlements in respect of these agreements. These agreements were, however, entered into by certain persons connected with the Founders, who are acting as vendors in the sale of the Butterly Site, the Galway Site, the Killiney Site and the Navan Site to the Group and have been summarised in paragraph 14 to provide information on the background to the acquisition of the sites by the Group.

14.1 *Placing and Open Offer Agreement*

On 21 March 2016, the Company and the Banks entered into the Placing and Open Offer Agreement. Pursuant to the Placing and Open Offer Agreement:

- (i) the Company appointed Goodbody and BofAML as Joint Global Co-ordinators and Joint Bookrunners and Davy as Co-Bookrunner in connection with Admission and the Capital Raise;
- (ii) subject to certain conditions that are typical for an agreement of this nature, the Company agreed to issue the New Ordinary Shares at the Issue Price;
- (iii) the Banks severally agreed, subject to certain conditions, to use their respective reasonable endeavours to procure subscribers or purchasers for the Firm Placed Shares and the Placing Shares;
- (iv) in respect of their services in connection with the Capital Raise, the Company has agreed to pay the Banks a commission of 2.35 per cent. of the product of the Issue Price and the number of New Ordinary Shares, payable in agreed proportions to each Bank. In addition, the Company has agreed to pay the Placees who participate in the Conditional Placing a commission of 1.25 per cent. of their participation (subject to clawback to satisfy valid applications under the Open Offer) being the product of the Issue Price and the number of New Ordinary Shares in the Placee's participation in the Conditional Placing. For the avoidance of doubt, no commission will be paid to Placees in the Firm Placing;
- (v) the obligations of the Banks to use their respective reasonable endeavours to procure subscribers or purchasers for the Firm Placed Shares and the Placing Shares on the terms of the Placing and Open Offer Agreement was subject to certain customary conditions. These conditions included the absence of any breach of representation or warranty under the Placing and Open Offer Agreement and Admission occurring on or before 8.00 a.m. on 19 April 2016 (or such later time and/or date as the Joint Global Co-ordinators and the Company may agree, being no later than 29 April 2016). In addition, the Joint Global Co-ordinators had the right to terminate the Placing and Open Offer Agreement, exercisable in certain circumstances, prior to Admission;

- (vi) the Company gave certain representations, warranties and undertakings to the Banks. The liability of the Company is unlimited as to amount and time;
- (vii) the Company gave certain indemnities to the Banks and their respective affiliates;
- (viii) the parties to the Placing and Open Offer Agreement gave certain representations, warranties and undertakings regarding compliance with certain laws and regulations affecting the making of the Capital Raise in relevant jurisdictions; and
- (ix) the Company also undertook to each of the Joint Global Co-ordinators, amongst other things, that, subject to certain exceptions, during the period commencing on the date of the Placing and Open Offer Agreement and ending on the date 180 days from the Placing and Open Offer Agreement, it would not, without the prior written consent of the Joint Global Co-ordinators, issue, offer, lend, mortgage, assign, charge, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (or publicly announce any such issuance, offer, loan, mortgage, assignment, charge, pledge, sale, contract, purchase or disposal) directly or indirectly, any Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

14.2 *Accelerated Book Build Placing Agreement*

On 1 December 2015, the Company, Credit Suisse and Goodbody (acting as 'Joint Bookrunners' in connection with the Accelerated Book Build Placing) entered into the Accelerated Book Build Placing Agreement. Pursuant to the Accelerated Book Build Placing Agreement:

- (i) the Company appointed Credit Suisse and Goodbody as 'Joint Bookrunners' in connection with the Accelerated Book Build Placing;
- (ii) subject to certain conditions that are typical for an agreement of this nature, the Company agreed to issue the Accelerated Book Build Placing Shares at the Accelerated Book Build Placing offer price;
- (iii) Credit Suisse and Goodbody severally agreed, subject to certain conditions, to use their respective reasonable endeavours to procure subscribers or purchasers for the Accelerated Book Build Placing Shares at the Accelerated Book Build Placing offer price;
- (iv) Credit Suisse and Goodbody were entitled to deduct from the proceeds of the Accelerated Book Build Placing a commission of two per cent. of the product of the Accelerated Book Build Placing offer price and the number of Ordinary Shares issued by the Company pursuant to the Accelerated Book Build Placing;
- (v) the obligations of Credit Suisse and Goodbody to use their respective reasonable endeavours to procure subscribers or purchasers for the Accelerated Book Build Placing Shares on the terms of the Accelerated Book Build Placing Agreement were subject to certain customary conditions, each of which was satisfied at the time of admission of the Accelerated Book Build Placing Shares;
- (vi) the Company gave certain representations, warranties and undertakings to Credit Suisse and Goodbody. The liability of the Company is unlimited as to amount and time;
- (vii) the Company gave certain indemnities to each of Credit Suisse and Goodbody and their respective affiliates; and
- (viii) the parties to the Accelerated Book Build Placing Agreement gave certain representations, warranties and undertakings regarding compliance with certain laws and regulations affecting the making of the offer to acquire Ordinary Shares under the Accelerated Book Build Placing in relevant jurisdictions; and

- (ix) the Company undertook, amongst other things, that it would not without the prior written consent of the Joint Global Co-ordinators (such consent not to be unreasonably withheld or delayed), during the period ending on 2 March 2016 (i) directly or indirectly, issue, offer, lend, mortgage, assign, charge, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any interest in Ordinary Shares or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or any interest in Ordinary Shares or file any registration statement under the U.S. Securities Act or file or publish any prospectus with respect to any of the foregoing; (ii) enter into any swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares, whether any such swap or transaction is to be settled by delivery of the Ordinary Shares or such other securities, in cash or otherwise; or (iii) agree or offer to do any of the foregoing during such period of 90 days.

14.3 *Project Clear – Mortgage Sale Deed*

On 6 December 2015, a subsidiary of the Company, Cairn Homes Finance DAC (“Cairn Finance”), together with an acquisition vehicle of Lone Star, LSF Irish Holdings 72 DAC (“LSF”) entered into a mortgage sale deed with Ulster Bank Ireland Limited, Ulster Bank Limited, UB SIG (NI) Limited and UB SIG (ROI) Limited (the “Vendors”) pursuant to which Cairn Finance and LSF agreed to purchase and accept an absolute and unconditional assignment and/or transfer of and/or declaration of trust and/or sub-participation over all rights to, under or in connection with those assets forming part of the Project Clear Loan Portfolio (the “Mortgage Sale Deed”).

In total, Cairn Finance acquired approximately 75 per cent. of the portfolio for which it paid cash consideration of €378 million (excluding €4.3 million of construction bonds). The Group’s Loan Portfolio consists of 120 loans secured against 1,200 acres of land, across 28 residential development sites, and across 21 borrower connections.

The Mortgage Sale Deed contains an anti-embarrassment clause providing that, in circumstances where any mortgage asset is sold or the outstanding balance is settled for an amount that is greater than or equal to 130 per cent. of the price allocated to such mortgage asset by Cairn Finance, the Vendors are entitled to be paid 20 per cent. by the Company or LSF, as applicable, of the amount by which the sale or settlement price exceeds 130 per cent. of such allocated price. The anti-embarrassment provisions expire on 16 August 2016.

Completion of the transaction under the Mortgage Sale Deed was conditional upon:

- (i) none of the Vendors, Cairn Finance or LSF being insolvent, subject to any insolvency proceedings, or any insolvency officer having been appointed in respect of any such party (in respect of the Vendors, this condition was capable of waiver by Cairn Finance and LSF and vice-versa); and
- (ii) a guarantee in the agreed form being executed by Lone Star in respect of the payment obligations of LSF under the Mortgage Sale Deed on 7 December 2015.

In connection with the Mortgage Sale Deed and the transaction, members of the Group gave certain customary representations and undertakings to the Vendors including in relation to due incorporation, capacity, power and authority, satisfaction of all consents, approvals and authorisations required, and no breach of its constitutional documents, any statute or law and/or any court order, decree or determination of any governmental authority.

In connection with the Mortgage Sale Deed and the transaction, the Vendors severally gave certain representations and undertakings to Cairn Finance and LSF respectively in connection with the Project Clear Loan Portfolio including that:

- (i) they were the sole legal and beneficial owner of the mortgage assets free from encumbrances and the Vendors had not made any prior sale, transfer, assignment or sub-participation of their interest in the loans;
- (ii) they had no undrawn commitments or equivalent obligations to any obligors;
- (iii) they had not received any notice or claim in writing that the mortgage assets had not been originated in accordance with applicable laws or are invalid or void nor had they been notified in writing by any obligor of any threat to take steps to challenge the validity of the mortgage assets, including, in particular, on the grounds of an obligor being a consumer for the purposes of certain consumer protection laws, nor had they been notified in writing by any obligor of any threat to take steps to assert any right of set-off, rescission or counter-claim under or in connection with the mortgage assets;
- (iv) to the best of their knowledge and belief they had not waived in writing any default of the obligor under any of the finance documents or were not aware of any such waiver in writing;
- (v) to the best of their knowledge and belief, no litigation, arbitration or administrative proceedings or pending proceedings of or before any court in Ireland or Northern Ireland (other than was disclosed);
- (vi) to the best of their knowledge and belief they had not agreed in writing with any obligor(s) to waive or amend the right to receive payments of interest, principal or any other amount due to be paid by the obligors, or to release any security, in respect of the loans;
- (vii) all their rights, benefits or interests (including proprietary rights under any relevant security documentation) in or under the finance documents which the parties had agreed would be assigned or otherwise effectively sold to Cairn Finance pursuant to the Mortgage Sale Deed were capable of being so assigned or otherwise sold;
- (viii) certain details provided to Cairn Finance and LSF regarding amounts outstanding to the Vendors were true, complete and accurate in all material respects;
- (ix) to the best of their knowledge and belief there were no documents executed by the Vendors in the six months prior to 30 September 2015 which had not been disclosed, which were in the possession of the Vendors and which would have a material and adverse effect on the value of the mortgage assets;
- (x) neither Vendor was aware of any fraud committed by a Vendor in respect of the mortgage assets; and
- (xi) the Vendors were not party to any interest rate swap agreements which were currently in force in relation to the loans (other than as was disclosed).

The liability of the Vendors for any breach of warranty was subject to the following limitations in respect of any claims made by Cairn Finance:

- (i) a de minimus threshold whereby the value of the claim must have exceeded an amount equal to two per cent. of the purchase price paid by Cairn Finance;
- (ii) the maximum aggregate liability of the Vendors could not exceed an amount equal to 20 per cent. of the purchase price paid by Cairn Finance (as adjusted), except for certain fundamental warranties (being those set out at (i) and (viii) above, where the cap was set at 100 per cent. of the purchase price paid by Cairn Finance (as adjusted)). The caps did not apply where the Vendors were guilty of fraud; and

- (iii) a claim could only have been made within the period of 15 months commencing on 11 December 2015.

The Mortgage Sale Deed further provided that in circumstances where in the opinion of the Vendors (acting reasonably), there existed or occurred any legal or regulatory basis (in any relevant jurisdiction) preventing or restricting the Vendors from transferring, sub-participating or holding in trust for the benefit of Cairn and LSF the mortgage assets including but not limited to any enactment or rule of law or court order or similar judgment or decree or any ongoing pending or threatened litigation relating to any mortgage assets (including but not limited to any injunctive relief being sought or granted) or as a result of any direction, notice, instruction or ruling issued by any governmental authority or regulatory entity or similar body to which any Vendor was subject (including any such direction, notice, instruction or ruling issued by any governmental authority or regulatory entity or similar body which may not be legally binding on the relevant Vendor but which was issued by a relevant governmental authority or regulatory entity or similar body and where directions, notices, instructions or rulings the Vendor customarily complied with), then the Vendors could serve notice on Cairn Finance or LSF (as the case may be) that the relevant mortgage asset was excluded from the sale. In such circumstances, Cairn or LSF (as the case may be) are entitled to be repaid the price allocated to such mortgage asset by Cairn Finance (where an entire loan connection is excluded), or on the basis of an agreed valuation (which is subject to independent determination in the absence of agreement).

14.4 *Project Clear – Sub-participation Agreement entered into between Ulster Bank Ireland Limited, Ulster Bank Limited and Cairn Finance on 11 December 2015*

Pursuant to the terms of the Mortgage Sale Deed, Cairn Finance (and LSF) agreed to enter into a sub-participation (and/or a declaration of trust) in respect of certain mortgage assets comprising part of the Project Clear Loan Portfolio (the “Sub-Participation Assets”).

Pursuant to the terms of the sub-participation agreement, Cairn Finance was granted a participation in respect of certain of the mortgage assets contained within the Project Clear Loan Portfolio. The consideration for the granting of the participation entitlement was the purchase price paid by Cairn Finance under the Mortgage Sale Deed.

Under the terms of the sub-participation agreement, the relevant grantor (being one of Ulster Bank Ireland Limited or Ulster Bank Limited (each a “Grantor”)) agreed that it would:

- (i) perform in a timely manner its obligations under the Sub-Participation Asset finance documents and administer and service the Sub-Participation Assets to substantially the same standard and in substantially the same manner as it had done during the 12 month period immediately prior to completion;
- (ii) provide services in respect of the Sub-Participation Assets in accordance with an agreed servicing standard and policies;
- (iii) discuss with Cairn Finance in a timely manner any consensual refinancing or restructuring proposal made by an obligor in respect of each Sub-Participation Asset;
- (iv) use its reasonable endeavours to facilitate an introductory meeting between the borrower associated with any Sub-Participation Assets and Cairn Finance, if requested by Cairn Finance;
- (v) act promptly in accordance with the reasonable directions given to it by Cairn Finance in relation to the Sub-Participation Assets;
- (vi) to the extent permitted by law and contract, allow Cairn Finance to participate in all meetings or telephone calls with an obligor in connection with the Sub-Participation Assets; and
- (vii) to the extent it is lawfully able to do so and without acting in breach of any obligation of confidentiality owed to any person, or any law or regulation (including for the avoidance of

doubt data protection laws), provide Cairn Finance with copies of material communications with an obligor.

In respect of the Sub-Participation Assets, the Grantor agreed that it would not:

- (i) sell, transfer or otherwise dispose or agree to any sale, transfer or disposal of any of the Sub-Participation Assets;
- (ii) create any encumbrance over or in respect of any of the Sub-Participation Assets;
- (iii) novate, assign, release, forgive, refinance, re-structure, terminate or waive, amend, supplement or vary any of the Sub-Participation Assets or any Sub-Participation Asset finance documents or release any of the related security;
- (iv) waive in writing any breach by a borrower or obligor under any Sub-Participation Asset;
- (v) initiate, settle, compromise or terminate any litigation or proceedings, in its capacity as claimant or plaintiff, in respect of any of the Sub-Participation Assets against an obligor;
- (vi) accelerate any financial indebtedness of a borrower in respect of the Sub-Participation Asset finance documents;
- (vii) take any step in connection with the winding-up, administration, examinership, bankruptcy, receivership, dissolution or termination or any other analogous arrangement, in each case, in respect of any borrower under any Sub-Participation Asset finance documents;
- (viii) take any enforcement action in respect of any Sub-Participation Asset security; or
- (ix) advance any new monies to any obligor pursuant to any Sub-Participation Asset finance document, other than additional revolver drawdowns under existing facilities,

in each case without the prior written consent given by or on behalf of Cairn Finance.

The Sub-Participation Agreement provided that where a Sub-Participation Asset was repaid or was disposed, the participation would end. Furthermore, the Sub-Participation Agreement provided that where consent to the transfer, novation or assignment of a Sub-Participation Asset was obtained from an obligor, or where no such consent was required a period of 75 days from 11 December 2015 expired, the participation in respect of such Sub-Participation Asset terminated, and the parties would effect a transfer of the legal and beneficial interest in such asset to Cairn Finance.

14.5 *Declaration of Trust entered into between Ulster Bank Ireland Limited, Ulster Bank Limited and Cairn Finance on 11 December 2015*

Pursuant to the terms of the Mortgage Sale Deed, Cairn Finance (and LSF) agreed to enter into a trust arrangement in respect of certain mortgage assets comprising part of the Project Clear Loan Portfolio (the "Trust Assets").

Pursuant to the terms of the declaration of trust, UBIL and UBL agreed to hold the Trust Assets, all rights thereunder and all proceeds thereof on trust for Cairn Finance. The consideration for the granting of the trust participation was the purchase price paid by Cairn Finance under the Mortgage Sale Deed.

Under the terms of the declaration of trust, the Transferors agreed they would:

- (i) perform in a timely manner its obligations under the Trust Asset finance documents and administer and service the Trust Assets to substantially the same standard and in substantially the same manner as it had done during the 12 month period immediately prior to completion;
- (ii) provide services in accordance with an agreed servicing standard and policies;

- (iii) discuss with Cairn Finance in a timely manner any consensual refinancing or restructuring proposal made by an obligor in respect of each Trust Asset;
- (iv) use its reasonable endeavours to facilitate an introductory meeting between the borrower and Cairn Finance;
- (v) act promptly in accordance with the reasonable directions given to it by Cairn Finance in relation to the Trust Assets;
- (vi) to the extent permitted by law and contract, allow Cairn Finance to participate in all meetings or telephone calls with an obligor in connection with the Trust Assets;
- (vii) to the extent that it was lawfully able to do so and without acting in breach of any obligation of confidentiality owed to any person, or any law or regulation (including for the avoidance of doubt data protection laws), provide Cairn Finance with copies of material communications with an obligor;

In respect of the Trust Assets, the Grantor agreed that it would not:

- (i) sell, transfer or otherwise dispose or agree to any sale, transfer or disposal of any of the Trust Assets;
- (ii) create any encumbrance over or in respect of any of the Trust Assets;
- (iii) novate, assign, release, forgive, refinance, re-structure, terminate or waive, amend, supplement or vary any of the Sub-Participation Assets or any Trust Asset finance documents or release any of the related security;
- (iv) waive in writing any breach by a borrower or obligor under any Trust Asset;
- (v) initiate, settle, compromise or terminate any litigation or proceedings, in its capacity as claimant or plaintiff, in respect of any of the Trust Assets against an obligor;
- (vi) accelerate any financial indebtedness of a borrower in respect of the Trust Asset finance documents;
- (vii) take any step in connection with the winding-up, administration, examinership, bankruptcy, receivership, dissolution or termination or any other analogous arrangement, in each case, in respect of any borrower under any Trust Asset finance documents;
- (viii) take any enforcement action in respect of any Trust Asset security; or
- (ix) advance any new monies to any obligor pursuant to any Trust Asset financial document,

in each case without the prior written consent given by or on behalf of Cairn Finance.

The Declaration of Trust provided that where a Trust Asset was repaid or was disposed, the participation would end. Furthermore, the Declaration of Trust provided that where consent to the transfer, novation or assignment of a Trust Asset was obtained from an obligor, or where no such consent was required a period of 75 days from the 11 December 2015 expired, the participation in respect of such Trust Asset terminates, and the parties would effect a transfer of the legal and beneficial interest in such asset to Cairn Finance.

14.6 ***Project Clear – Guarantee and Indemnity***

In connection with the acquisition of the Project Clear Loan Portfolio, the Company entered into a deed of guarantee and indemnity with Ulster Bank Limited, Ulster Bank Ireland Limited (together with Ulster Bank Limited (the “Sellers” and each a “Seller”) and Cairn Finance on 6 December 2015 (the “Guarantee “), which provided, *inter alia*, that pursuant to the terms and conditions of the Mortgage Sale Deed the Company was required to guarantee the obligations and liabilities of Cairn

Finance under the Mortgage Sale Deed. The Guarantee was governed by Irish law and its terms continued in full force and effect until the final payment in full of the Guaranteed Obligations.

Pursuant to the terms of the Guarantee, the Company irrevocably and unconditionally (i) guaranteed due and punctual payment of the Guaranteed Obligations by Cairn Finance to the Sellers, (ii) undertook to pay and discharge any amount due and payable by Cairn Finance where Cairn Finance failed to discharge any Guaranteed Obligations forthwith on demand being made on it by a Seller to do so and (iii) agreed to indemnify each Seller against any loss suffered as a result of any of the Guaranteed Obligations becoming unenforceable or ineffective as against Cairn Finance.

If any sum due and payable by the Company was not paid on the due date, the Company was required to pay interest at a rate determined by the Sellers in accordance with the terms of the Mortgage Sale Deed. All payments made under the Guarantee were required to be made without set off and clear of any deductions unless the Company had to make a payment subject to the deduction or withholding of tax.

The Company had given and made a number of customary representations and warranties to the Sellers, including without limitation that: the Company was duly incorporated and validly existing; all necessary corporate action had been taken to authorise its execution, delivery and performance of the Guarantee; the Guarantee constituted legal, valid and binding obligations on the Company; the execution and delivery of the Guarantee and the performance and observance by the Company of its obligations under the Guarantee would not violate or breach any power granted to the Company or any of its directors under (1) any applicable law, statute, rule or regulation, (2) any judgment, order, injunction, determination, award or ruling of any court, arbitrator or any authority to or by which it was bound, (3) its constitutional documents or (4) any instrument to which it was a party or which may have been binding upon it or which may have materially affected its business or any of its properties or assets nor did the execution and delivery of the Guarantee result in an obligation to create any security over its assets; and every consent, licence, approval, authorisation, exemption, recording or filing required in connection with the execution and delivery of the Guarantee was obtained, made and continued in full force and effect.

The Company also provided a number of indemnities to the Sellers including against any loss or damage arising as a result of a breach of covenant, undertaking or agreement on the part of the Company under the Guarantee or any representation or warranty being materially incorrect or untrue when made or deemed to be made, against all actions, losses, claims, proceedings, costs, demands and liabilities suffered by the Seller under the Guarantee and against losses or liabilities suffered by the Seller as a result of the deemed disposition of property of Cairn Finance within the meaning of the Companies Act 2014.

14.7 *Argentum Exclusivity Agreement and amendments to the Argentum Exclusivity Agreement*

On 23 December 2015, the Company entered into an exclusivity agreement in connection with the proposed acquisition by the Company of the entire issued share capital of Argentum Property HoldCo Limited (“Argentum”) (the “Argentum Exclusivity Agreement”).

Appended to the Argentum Exclusivity Agreement was a form of transaction documents in connection with the proposed acquisition. The Argentum Exclusivity Agreement provided that the parties thereto may enter into an acquisition transaction in accordance with the terms of the agreed form transaction documents and the terms of the Argentum Exclusivity Agreement.

On execution of the Argentum Exclusivity Agreement, the Company paid a deposit of €5 million to the bank account of the Argentum shareholders’ solicitors, to be held in accordance with the terms of the agreement.

The Argentum Exclusivity Agreement provided for an exclusivity period, commencing on the date of that agreement, being 23 December 2015, until 29 February 2016 (the “Exclusivity Period”) and, in certain circumstances, for a further period of 12 months until 1 March 2017 (the “Extended Exclusivity Period”).

Pursuant to the terms of the agreement, the Argentum shareholders undertook to the Company that they would not:

- (i) enter into or continue or facilitate any discussions or negotiations with any other party, or solicit any offer, relating to the possible purchase of Argentum or any of its subsidiaries or the business or part of the business of the Argentum group;
- (ii) provide any information relating to the Argentum group to any party who expressed an interest in acquiring Argentum or any part of the Argentum group;
- (iii) during the Exclusivity Period only, without the prior approval of the Company, do any act or omit to do any act, which may have frustrated the ability or affected the willingness of the Company to enter into the acquisition transaction or which affected the profitability or material assets of the Argentum group; or
- (iv) in respect of the Exclusivity Period only, the Argentum shareholders would not do or omit to do anything which led to a breach for non-performance or non-observance, or termination of certain contracts to which members of the Argentum group are party.

During the Exclusivity Period, if the Company notified the Argentum shareholders of its desire to complete the transaction and the Argentum shareholders replied positively, the transaction was to be entered into within five Business Days on the terms of the agreed form transaction documents.

If the Argentum shareholders failed to respond, or decline to enter into the transaction, the deposit was to be returned to the Company and the Extended Exclusivity Period was to apply. If the Company did not notify the Argentum shareholders of its desire to complete the transaction the deposit was to be released to the Argentum shareholders and the Extended Exclusivity Period was not to apply.

On 17 February 2016, the Argentum Exclusivity Agreement was amended by (i) the extension of the exclusivity period to 18 March 2016; (ii) the payment of an additional amount by way of deposit of €2.5 million; and (iii) and the crediting of an amount of €100,000 to the Argentum shareholders to be integrated into the completion accounts mechanism. All other provisions of the Argentum Exclusivity Agreement remained unchanged. On 14 March 2016 the Argentum Exclusivity Agreement was further amended by the parties by the extension of the exclusivity period to 21 April 2016 and the crediting of an amount of €300,000 to the Argentum Shareholders to be integrated into the completion accounts mechanism (all other provisions of the Argentum Exclusivity Agreement remained unchanged).

14.8 *Senior Debt Facilities Agreement and Amendment and Restatement Agreement*

On 30 November 2015, the Company together with all of its subsidiaries (other than Cairn Homes Finance DAC (“Cairn Finance”), which had not yet been incorporated) and Allied Irish Banks (as mandated lead arranger, original lender, agent and security agent) entered into a senior debt facilities agreement (the “Senior Debt Facilities Agreement”). On 8 December 2015, Cairn Finance acceded to the Senior Debt Facilities Agreement as a borrower. Pursuant to the Senior Debt Facilities Agreement, Allied Irish Banks made available to the Company and Cairn Finance (each acting as a borrower and each entitled to draw down separately (the Company and Cairn Finance together the “Borrowers” and each a “Borrower”)) a term loan facility of up to €100 million (the “Term Loan Facility”) and a revolving credit facility of up to €50 million (the “Revolving Credit Facility” and together with the Term Loan Facility, the “Senior Debt Facilities” and each a “Senior Debt Facility”) for the purposes of financing the acquisition of real property, loan purchases and/or general corporate and working capital purposes. The maturity date of both the Term Loan Facility and the Revolving Credit Facility was four years from the first drawdown date (the “Termination Date”). The Term Loan Facility and the Revolving Credit Facility were partially drawn on 8 December 2015. The availability period for the Revolving Credit Facility is up to one month prior to the maturity date.

The Term Loan Facility was to be repaid in one bullet repayment on the Termination Date and no more than four term loans may be outstanding at any one time. The Revolving Credit Facility provided that

each Borrower which had drawn down a loan under the Revolving Credit Facility was to repay that loan on the last day of each three-month interest period (or such longer period as agreed between the parties for that loan). On repayment of a revolving loan, provided that no event of default continued or resulted from drawdown of the proposed revolving loan(s), a Borrower was entitled to draw down a further revolving loan(s), which is to be treated as if applied in or towards the repayment of the maturing loan (subject to a maximum eight revolving loans outstanding at any one time). Mandatory prepayment of the Senior Debt Facilities have arisen in the event of the Change of Control of the Company (being a circumstance where a person or persons acting in concert gain direct or indirect control of the Company) or the sale of all or a substantial part of its assets as well as upon the disposal of an asset but only if an event of default was occurring at the time of disposal. Similarly, the proceeds of any insurance claim and claim made in the context of an acquisition (net of certain excluded proceeds) were also to be applied for the mandatory prepayment.

Corporate guarantees were given by each of the Borrowers and by each other subsidiary of the Company, which guarantees were to continue and extend to the ultimate balance of sums payable by either Borrower, regardless of any intermediate payment or discharge in whole or in part.

First-ranking security for the Amended Senior Debt Facilities was given by way of floating charges granted by each of member of the Group over all of the Group's assets and also by way of a fixed charge granted by: (i) the Company over the shares in each of its subsidiaries as may from time to time have existed and over its interest in the shareholder loan agreement between the Company as lender and Cairn Finance as borrower; and (ii) by Cairn Finance over a bank account held with Allied Irish Banks in which a minimum balance of €27 million must be maintained.

Interest was payable for each interest period on each loan at an annual percentage rate which was the aggregate of a margin, EURIBOR and an additional percentage which was to be determined by Allied Irish Banks as its reserve asset cost. The margin was a ratchet rate based on the following ratios of cash to total debt: 2.5 per cent. if the ratio was equal or greater than 1.5:1, 2.75 per cent. if the ratio was less than 1.5:1 and equal to or more than 1:1 and 3.0 per cent. if the ratio was less than 1:1. Interest at a rate of two per cent. per annum above the interest rate was payable on overdue amounts and was immediately payable on demand by Allied Irish Banks. A commitment fee of 40 per cent. of the margin per annum on undrawn amounts under the Revolving Credit Facility was payable.

The Amended Senior Debt Facilities contains restrictions which related, but are not limited to, the creation of security over the assets of the Group; the Group structure and nature of its business; asset disposals and the geographic location of property acquisitions; and a 12-month period from acquisition to 'convert' at least 60 per cent. loan sale security assets into directly owned assets of an obligor.

The Amended Senior Debt Facilities contained various representations, warranties, undertakings and covenants given by members of the Group as well as various indemnities to Allied Irish Banks.

The financial covenants under the Senior Debt Facilities were:

- (i) the ratio of debt to gross asset value would not, at any time, exceed 40 per cent. The Company could have within 15 Business Days of such a breach, cure same by prepaying the loans in an amount to reduce the debt to gross asset value to less than or equal to 40 per cent.;
- (ii) the ratio of senior debt to gross asset value would not at any time, exceed 26 per cent. (which has been increased to 30 per cent. under the Amended Senior Debt Facilities);
- (iii) the ratio of loan purchases to gross asset value would not, at any time, exceed 70 per cent. in year one of the Senior Debt Facilities, 35 per cent. in year two and 20 per cent. in year three;
- (iv) the ratio of excluded properties value to gross asset value would not, at any time, exceed 50 per cent.; and

- (v) at all times, a minimum cash balance of €27 million was maintained in a bank account held with Allied Irish Banks which was subject to transaction security.

The Group would be deemed to be in default under the agreement if any one of a number of events of default occurs. Such events of default included, but are not limited to, failure to repay, breach of financial covenants, cross default in respect of any other financial indebtedness of the Group, misrepresentation, the occurrence of certain insolvency related events and where Allied Irish Banks determined that there has been a material adverse change in circumstances. The occurrence of an event of default entitled Allied Irish Banks to accelerate the facilities, cancel its commitments, or require that the facilities were immediately repayable on demand.

The Senior Debt Facilities also oblige the Group to acquire at least 60 per cent. of real property subject to security granted in respect of a purchased loan within 12 months of the Group's acquisition of that purchased loan. This obligation is tested at 12 months and again at 18 months post acquisition of the loan and if less than 60 per cent. has been acquired, a limited fee is payable to the lenders (with a maximum fee of €200,000 payable). An event of default under the Senior Debt Facilities Agreement will occur if (i) the Group fails to acquire at least 60 per cent. of real property subject to security granted in respect of a purchased loan; and (ii) the Group fails to acquire at least 95 per cent. any real property which is subject to security granted in respect of a purchased loan within 24 months of the purchase of that loan.

Pursuant to an Amendment and Restatement Agreement entered into on 3 March 2016 between, amongst others, the Company and Allied Irish Banks, Ulster Bank Ireland Limited ("UBIL") and The Royal Bank of Scotland plc ("RBS"), the Senior Debt Facilities Agreement was amended and restated to provide for certain amendments including the following key amendments: (i) the Term Loan Facility will increase to €150,000,000 and the Revolving Credit Facility will remain at €50,000,000; (ii) Allied Irish Banks will transfer €34,000,000 of its existing Facility A Commitment and €17,000,000 of its Facility B Commitment to UBIL; (iii) Allied Irish Banks will provide an additional Facility A Commitment of €33,000,000 and UBIL, as lender, will provide an additional Facility A Commitment of €17,000,000; (iv) UBIL shall be appointed as a mandated lead arranger; (v) Allied Irish Banks will resign as Agent and Security Agent and RBS will be appointed as replacement Agent and Security Agent.

14.9 *IPO Underwriting Agreement*

On 10 June 2015, the Company, the Directors and Credit Suisse and Goodbody (acting as joint global co-ordinators in connection with the IPO) entered into the IPO Underwriting Agreement. Pursuant to the IPO Underwriting Agreement:

- (i) the Company appointed Credit Suisse and Goodbody as joint global co-ordinators in connection with the IPO and IPO Admission;
- (ii) subject to certain conditions that are typical for an agreement of this nature, the Company agreed to issue 440 million Ordinary Shares at the IPO Issue Price;
- (iii) Credit Suisse and Goodbody severally agreed, subject to certain conditions, to use their respective reasonable endeavours to procure subscribers or purchasers for (or, failing which, to subscribe for or purchase themselves) the relevant Ordinary Shares at the IPO Issue Price;
- (iv) Credit Suisse and Goodbody were entitled to deduct from the proceeds of the IPO a commission of 2.35 per cent. of the product of the IPO Issue Price and the number of Ordinary Shares issued by the Company pursuant to the IPO. In addition, an additional commission of up to 0.6 per cent. was, at the sole and absolute discretion of the Company, payable by the Company to Credit Suisse and Goodbody on the amount equal to the IPO Issue Price multiplied by the number of Ordinary Shares issued by the Company pursuant to the IPO;
- (v) the obligations of Credit Suisse and Goodbody to use their respective reasonable endeavours to procure subscribers or purchasers for or, failing which, to themselves subscribe for or purchase

the relevant Ordinary Shares on the terms of the IPO Underwriting Agreement were subject to certain customary conditions, each of which was satisfied at IPO Admission;

- (vi) each of the Company and the Directors gave certain representations, warranties and undertakings to Credit Suisse and Goodbody. The liability of the Company is unlimited as to amount and time. The liability of the Directors is limited as to amount and time;
- (vii) the Company and each of the Founders gave certain indemnities to each of Credit Suisse and Goodbody and their respective affiliates; and
- (viii) the parties to the IPO Underwriting Agreement gave certain representations, warranties and undertakings regarding compliance with certain laws and regulations affecting the making of the offer to acquire Ordinary Shares under the IPO in relevant jurisdictions.

14.10 *Lock-up Agreements*

On 10 June 2015, the Founders and Kevin Stanley entered into the Lock-up Agreements. Pursuant to the Lock-up Agreements, the Founders and Kevin Stanley agreed that, subject to certain customary exceptions, during the period 365 days from the date of IPO Admission (i.e. until 14 June 2016), neither they nor any member of the Founder Group would, without the prior written consent of the Goodbody and Credit Suisse, offer, sell or contract to sell, or otherwise dispose of such Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. The Founders and Kevin Stanley further agreed that in relation to Ordinary Shares they receive on conversion of Founder Shares and subject to certain customary exceptions, during the period of 365 days from conversion, neither they nor any member of the Founder Group would, without the prior written consent of the Board, offer, sell or contract to sell, or otherwise dispose of such Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing. For a second period of 365 days commencing one year following conversion of Founder Shares into Ordinary Shares, the Founders and Kevin Stanley (or any member of the Founder Group) were entitled to offer, sell, or contract to sell, or otherwise dispose of 50 per cent. of such Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing but the lock-up restriction described above will continue to apply to the remaining 50 per cent. of such Ordinary Shares during that second period of 365 days. For the purposes of the Lock-up Agreements, only 40.5 per cent. of the Ordinary Shares held at the time of the agreement by Stanbro at the date of the IPO were to be affected, representing the Ordinary Shares in which Michael Stanley and Kevin Stanley were interested.

Pursuant to his Lock-up Agreement, Kevin Stanley undertook to the Company, save with the prior written consent of the Company and with effect from IPO Admission, and for (i) the period of 12 months from IPO Admission; or (ii) for so long as Kevin Stanley was a director of a member of the Group and for a period of 12 months thereafter, not to, and to procure that each member of the Controlled Founder Group (so far as he was able to do so having used all reasonable endeavours) that no member the Founder Group would be, subject to certain exceptions:

- (a) carry on, directly or indirectly, or be a consultant to, a Competing Business (as defined in paragraph 14.11 below), save that he would have been entitled to:
 - (i) carry on such activities in relation to any site acquired or to be acquired by him for development as a personal residence in Ireland;
 - (ii) own, purely for financial investment purposes, shares in any company whose shares are traded on a recognised stock exchange (including, for the avoidance of doubt, companies that carry on the Competing Businesses) provided that such securities do not exceed three per cent. of the voting rights attaching to the value of the securities in that company (or of any class of its securities and neither he nor any of his connected persons have an executive position, board seat or any management influence in such company without the prior written consent of the independent Directors); and

- (iii) pursue activities of a Competing Business to the extent that such activities are *de minimis* or immaterial in the opinion of the independent Directors; or
- (b) solicit or endeavour to entice away from the employment of the Group, or employ or offer employment to certain named senior employees of the Group, save where the employee had left the employment of the Group, or given notice to do so.

14.11 *Founders Relationship Agreements*

On 10 June 2015, the Founders entered into the Founders Relationship Agreements. Pursuant to the Founders Relationship Agreements, each of the Founders had undertaken to the Company, save with the prior written consent of the Company and with effect from IPO Admission, and for either (i) the period the Founder was a director on the Board and for 12 months following him leaving such a position; or (ii) for so long as the Founder had appointed a director to the Board in accordance with the nomination right summarised below and for a period of 12 months thereafter, not to, and to procure that each member of the Controlled Founder Group would not and (so far as he was able to do so having used all reasonable endeavours) that no member of the Founder Group would, subject to certain exceptions:

- (a) carry on, directly or indirectly, or be a consultant to, a business engaging in the bidding for, or the acquisition or disposal of greenfield and/or brownfield sites in Ireland for residential development, whether through a company, an undertaking, an investment, a business operation or other enterprise or entity or in any other manner whatsoever (provided that this shall not apply to a company or undertaking whose business solely comprises the construction, development and/or operation of nursing homes in Ireland) (the “Competing Business”), save that any Founder would have been entitled to:
 - (i) carry on such activities in relation to any site acquired or to be acquired by a Founder for development as a personal residence in Ireland;
 - (ii) own, purely for financial investment purposes, shares in any company whose shares were traded on a recognised stock exchange (including, for the avoidance of doubt, companies that carry on the Competing Businesses) provided that such securities did not exceed three per cent. of the voting rights attaching to the value of the securities in that company (or of any class of its securities and neither the Founder nor any of his connected persons had an executive position, board seat or any management influence in such company without the prior written consent of the independent Directors); and
 - (iii) pursue activities of a Competing Business to the extent that such activities were *de minimis* or immaterial in the opinion of the independent Directors (and, for the avoidance of doubt, where the value or GDV of the investment or Competing Business exceeds €1 million, it was not be deemed *de minimis* or immaterial); or
- (b) solicit or endeavour to entice away from the employment of the Group, or employ or offer employment to certain named senior employees of the Group, save where the employee had left the employment of the Group, or given notice to do so.

The Founders Relationship Agreements further provided that for so long as the Founders and members of the Founder Group were, alone or together, entitled to exercise, or to control, directly or indirectly, ten per cent. or more of the voting share capital of the Company, the Founders would be entitled to appoint, remove or reappoint one person as a director of the Company.

The Founders Relationship Agreements also include provisions to ensure that the Company was capable of carrying on its business and making decisions independently of the Founders and that transactions and other arrangements between them are at arm’s length and on normal commercial terms. The Founders Relationship Agreements further provide that where any conflict of interest arises in relation to any Founder, the matter will be determined (insofar as the Company is concerned) by the Non-Executive Directors and otherwise in accordance with the Articles.

The Founders Relationship Agreements are governed by English law.

14.12 ***Foxrock Site Acquisition Agreements***

The Foxrock Site Acquisition Agreements were entered into on 23 June 2015 between Eugene O’Neill and Bill Doyle (acting through a receiver) and Launceston Property Finance Limited (as vendors) and the Company (as purchaser) in respect of the first agreement and Trinity General One Limited (as general partner of the Barrington Development Limited Partnership) and Davy Investment Fund Services (acting in respect of Trinity River Developments Fund) (as vendors) and the Company (as purchaser) in respect of the second agreement. The consideration paid by the Company in respect of the acquisition was €20.4 million. The Foxrock Site Acquisition Agreements were each governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement. The transfer of the Foxrock Site completed on 25 June 2015. A further agreement was entered into on 8 October 2015 between Leonora Dand (as vendor) and the Company (as purchaser) in respect of a third adjoining site on Brennanstown Road. The consideration paid by the Company in respect of the acquisition was €1.8 million. This agreement was also governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement. The transfer of the third site completed on 10 November 2015.

14.13 ***Rathgar Site Acquisition Agreement***

The Rathgar Site Acquisition Agreement was entered into on 25 June 2015 between Scala (an unlimited liability company registered in Ireland) and Dan Baragry (as vendors) and the Company (as purchaser). The consideration paid by the Company in respect of the acquisition was €43 million. The Rathgar Site Acquisition Agreement was governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement. The completion of this acquisition occurred on 7 September 2015.

14.14 ***Hanover Quay Site Acquisition Agreement***

The Hanover Quay Site Acquisition Agreement was entered into on 4 January 2016 between a sub-fund of Target Investment Opportunities ICAV, in which NAMA, Bennett Construction and Oaktree have an economic interest, (as vendor) and the Company (as purchaser). The consideration paid by the Company in respect of the acquisition was €18 million. The Hanover Quay Site Acquisition Agreement was governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement. The acquisition completed on 22 March 2016.

14.15 ***Cherrywood Site Acquisition Agreement***

The Cherrywood Site Acquisition Agreement was entered into on 8 February 2016 between the Company and Hines Cherrywood Development ICAV acting on behalf of its sub-fund HCDF Land Development Fund. The consideration paid by the Company in respect of the acquisition was €21.5 million. The Cherrywood Site Acquisition Agreement was governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement.

14.16 ***Hudson Loan Servicing Agreement***

Pursuant to the terms of a Loan Asset Management Agreement between Cairn Finance and Hudson Advisors Ireland Limited (“Hudson”) on 27 January 2016. Hudson agreed to provide certain asset management services to Cairn Finance in relation to a number of loans and related security, including the Project Clear Loan Portfolio. Pursuant to the terms of the asset management agreement, Hudson has to be paid a fee of €200,000 per annum. The Agreement has an initial period of 12 months (which may be extended for a three month period if not terminated by one month notice in writing prior to the end of each term).

14.17 *Maynooth Site Acquisition Agreement*

The Maynooth Site Acquisition Agreement was entered into on 7 March 2016 between the Company and Montlake QIAIF Platform ICAV, acting solely on behalf of its sub-fund York Property Fund. The Maynooth Site Acquisition Agreement was governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement. The consideration paid by the Company in respect of the acquisition was approximately €27 million. The completion of this acquisition is anticipated to occur on 20 April 2016.

14.18 *Registrar Agreement*

The Company and the Registrar entered into the Registrar Agreement dated 9 June 2015, pursuant to which the Registrar agreed to act as registrar to the Company and to provide transfer agency services and certain other administrative services to the Company in relation to its business and affairs.

The Registrar was entitled to receive an annual fee for the provision of its services under the Registrar Agreement. The annual fee was calculated on the basis of the number of holders of shares in the Company and the number of transfers of such shares, subject to a minimum fee. In addition to the annual fee, the Registrar was entitled to reimbursement for all out-of-pocket expenses incurred by it in the performance of its services.

The Registrar Agreement was to continue for an initial period of three years and thereafter could be terminated upon the expiry of three months' written notice given by either party. In addition, the agreement could be terminated immediately if either party committed a material breach of the agreement which was not been remedied within 30 days of a notice requesting the same, or upon an insolvency event in respect of either party.

The Company had agreed to indemnify the Registrar against, and hold it harmless from, any damages, losses, costs, claims or expenses incurred by the Registrar in connection with or arising out of the Registrar's performance of its obligations in accordance with the terms of the Registrar Agreement, save to the extent that the same arises from some act of fraud or wilful default on the part of the Registrar.

The Registrar could delegate the carrying out of certain matters which the Registrar considers appropriate without giving prior written notice to the Company.

The Registrar Agreement is governed by Irish law.

14.19 *Subscription Agreements and Subscription Forms*

On 2 April 2015, subscription agreements and letters were entered into between the Company and each of New Emerald LP, Michael Stanley and Kevin Stanley. Pursuant to these subscription letters and subscription agreements the following subscriptions were entered into and the shares allotted by the Company on 2 April 2015:

New Emerald LP 50 Ordinary Shares of €0.001 each for the sum of €50,000
 10,000 "A" Ordinary Shares of €1.00 each for the sum of €10,000
 50,000,000 Founder Shares of €0.001 each for the sum of €100,000

Michael Stanley 50 Ordinary Shares of €0.001 each for the sum of €50,000
 10,000 "A" Ordinary Shares of €1.00 each for the sum of €10,000
 35,000,000 Founder Shares of €0.001 each for the sum of €70,000

Kevin Stanley 15,000 Founder Shares of €0.001 each for the sum of €30,000

All amounts payable to the Company by New Emerald LP, Michael Stanley and Kevin Stanley in respect of the above subscriptions were paid to the Company between 2 April and 8 April 2015.

On 5 June 2015, further subscription agreements in connection with the Founder Subscriptions were entered into between the Company, New Emerald LP, Michael Stanley and Kevin Stanley pursuant to

which a further 2,039,950 Ordinary Shares were subscribed by New Emerald LP at the IPO Issue Price, 414,950 Ordinary Shares were subscribed by Michael Stanley at the IPO Issue Price and 125,000 Ordinary Shares were subscribed by Kevin Stanley at the IPO Issue Price. Each of New Emerald LP, Michael Stanley and Kevin Stanley paid the subscription amounts payable in respect of these further subscriptions (amounting to an aggregate sum of €2,579,900) on IPO Admission.

On 2 and 3 June 2015, further subscription forms were entered into by the Additional Persons (the “Additional Subscriptions”) for an aggregate subscription for 380,000 Ordinary Shares at the IPO Issue Price. Such Ordinary Shares were issued on IPO Admission.

All of the subscription agreements, forms and letters described above were governed by Irish law.

14.20 *Balgriffin Trade and Asset Transfer Agreement*

The Balgriffin Trade and Asset Transfer Agreement were entered into on 9 December 2014 between Balgriffin Park and Cairn Homes Properties (then Emerley Properties Limited) and provided for the transfer of trade, assets and liabilities, including the Parkside Site, from Balgriffin Park to Cairn Homes Properties, for a cash consideration of €18,516,000. Pursuant to the agreement, the transfer of the Parkside Site, which completed on 9 December 2014, was governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement.

14.21 *Emerley Properties Loan Agreement*

The Emerley Properties Loan Agreement was entered into on 9 December 2014 between Cairn Homes Properties (then Emerley Properties Limited) as borrower, Prime Developments as lender and Cairn Homes Holdings (then Emerley Holdings Limited), Emerley 59 Limited, Cairn Homes Construction (then Emerley Construction Limited) and Alacan Limited as guarantors (together the “Guarantors” and with Cairn Homes Properties, the “Obligors”). The loan, together with all accrued interest, was repayable on 30 June 2018 and was repaid in full in December 2015. As described in paragraph 4.2.1 of Part IX (*Information on the Group*) of this Document, the proceeds of the Emerley Properties Loan were used to discharge the consideration for the Balgriffin Trade and Asset Transfer, which consideration was used by Balgriffin Park in the discharge of the third party debt associated with the Parkside Site. In this manner the Emerley Properties Loan facilitated the acquisition by the Emerley Group of the Parkside Site. On 22 December 2014, Prime Developments assigned this loan to Northern Trust Fiduciary Services Ireland Limited (acting in its capacity as trustee of the Emerald QIAIF). On 8 June 2015, an Amendment Agreement was entered into between the Emerald QIAIF and Cairn Homes Properties, under which certain of the provisions in the Emerley Properties Loan Agreement were amended, including the deletion of certain borrower covenants, and Emerley 59 Limited and Alacan Limited were released as guarantors and obligors.

The loan was secured by a debenture incorporating a first fixed and floating charge over all of the assets of Cairn Homes Properties including a first legal charge over the Parkside Site. The loan was further secured by a guarantee from each of the Guarantors (other than Emerley 59 Limited and Alacan Limited whose security obligations under the Emerley Properties Loan have been released on the disposal of those entities out of the Emerley Group) whereby they agreed to guarantee the performance of all payment obligations of Cairn Homes Properties when they fell due. The obligations of the Guarantors under that guarantee were supported by debentures incorporating a first fixed and floating charge over all of the assets of Cairn Homes Holdings and Cairn Homes Construction.

14.22 *Emerald Loan Agreement*

The Emerald Loan Agreement was entered into on 9 December 2014 between Cairn Homes Holdings (then Emerley Holdings Limited) and Prime Developments. On 22 December 2014, Prime Developments assigned this loan to Northern Trust Fiduciary Services Ireland Limited (acting in its capacity as trustee of the Emerald QIAIF). Emerald QIAIF’s interest in the Emerald Loan Agreement was subsequently novated on 2 June 2015 to New Emerald LP, a limited partnership in which the Emerald QIAIF is the sole economic beneficiary. Under the Emerald Loan Agreement (as assigned

and novated), Cairn Homes Holdings borrowed €5,150,000 for working capital purposes, interest free and unsecured. The Emerald Loan is provided to be repayable as soon as practicable, but on the basis that Cairn Homes Holdings' cash flow requirements are not negatively impacted.

The amount repayable under the Emerald Loan Agreement was capitalised by way of the issue of shares in Cairn Homes Holdings on 8 June 2015 and such shares were exchanged for Ordinary Shares in the capital of the Company on the completion of the acquisition of Cairn Homes Holdings by the Company.

14.23 *Stanbro Loan Agreement*

The Stanbro Loan Agreement was entered into on 9 December 2014 between Cairn Homes Holdings (then Emerley Holdings Limited) and Stanbro. Under the Stanbro Loan Agreement, Stanbro lent €2,150,000 for working capital purposes to Cairn Homes Holdings, interest free and unsecured. The Stanbro Loan is provided to be repayable as soon as practicable after the date of the Stanbro Loan Agreement, but on the basis that Cairn Homes Holdings' cash flow requirements are not negatively impacted.

The amount repayable under the Stanbro Loan Agreement was capitalised by way of the issue of shares in Cairn Homes Holdings on 8 June 2015 and such shares were exchanged for Ordinary Shares in the capital of the Company on the completion of the acquisition of Cairn Homes Holdings by the Company.

14.24 *Emerley Acquisition Agreement*

On 9 June 2015, the Emerley Acquisition Agreement was entered into between the Company, New Emerald LP, and Stanbro. Pursuant to the Emerley Acquisition Agreement 14,828,612 ordinary shares in Cairn Homes Holdings (then Emerley Holdings Limited), representing 55.6 per cent. of the entire issued share capital of Cairn Homes Holdings were transferred by New Emerald LP to the Company, and 11,828,612 Ordinary Shares in Cairn Homes Holdings representing 44.4 per cent. of the entire issued share capital of Cairn Homes Holdings were transferred by Stanbro to the Company.

The above share transfers resulted in the Company holding a 100 per cent. interest in Cairn Homes Holdings and accordingly in the ownership by the Group of the assets and liabilities of the Emerley Group, including the Parkside Site and the Emerley Properties Loan payable.

The consideration for these transfers was the issue to New Emerald LP of 14,828,612 Ordinary Shares, representing 3.5 per cent. of the issued ordinary share capital upon IPO Admission, and the issue to Stanbro of 11,828,612 Ordinary Shares, representing 2.8 per cent. of the Existing Issued Ordinary Share Capital upon IPO Admission.

As stated above, the consideration for the transfer to the Company of the entire issued share capital of Cairn Homes Holdings is the issue by the Company to Cairn Homes Holdings transferors of, in aggregate, 26,657,224 Ordinary Shares, which at the IPO Issue Price equated to a value of €26,657,224. This consideration amount of €26,657,224 in turn equated to the estimated market value of Cairn Homes Holdings and its subsidiaries as at 10 April 2015, plus an adjustment to add back the value of certain expenses incurred by Cairn Homes Holdings prior to its acquisition by the Company totalling €2.9 million, because the Directors believed that the expenses created value for the Company and its shareholders. The expenses were incurred on salary costs, interest on loans and costs relating to the IPO.

A range of warranty protections, including in respect of title to shares, property, tax, financial, corporate and contractual matters, were provided by the vendors. These warranties were provided as at the date of entry into the agreement and were also repeated as at the date of completion of the acquisition, being the date of IPO Admission. The period in respect of which claims can be notified for any breach of warranty is 12 months from the date of IPO Admission except that for a claim relating to the tax warranties the period was five years from the end of the accounting period in which the corporation tax return relating to the accounting period of the Company current at IPO Admission

was due to be filed. Certain other limitations applied in relation to warranty claims including that the vendors would not be liable unless the amount of the liability in respect of an individual claim exceeds €250,000 and that a minimum aggregate amount of €1,000,000 for all claims had been reached. The maximum aggregate liability of the vendors for all claims under the warranties and the tax deed was €7,000,000. The warranties were provided by the Vendors on a several basis and other than the warranties provided in respect of capacity to enter into the agreement and title to shares the liability of each vendor was capped by reference to the proportion of the overall liability cap represented by their respective proportionate shareholding in Cairn Homes Holding. The limitations and exclusions contained in the agreement did not apply to any warranty claim relating to the vendors' title to or the status or validity of the title to the shares or to any statutory or criminal fine or to the extent arising as a result of any fraudulent acts, omission or misrepresentation or any wilful misconduct, wilful concealment or wilful misstatement by the vendors or their agents.

In addition to the warranty protections contained in the Emerley Acquisition Agreement, the vendors entered into the deed of tax indemnity with the Company. Under the deed of tax indemnity, subject to the limitations summarised below, the vendors agreed to indemnify the Company in respect of tax liabilities in the Emerley Group to the extent that they arose in respect of actions taken by any company in the Emerley Group prior to the acquisition of Cairn Homes Holdings by the Company, to the extent that such liabilities were not provided for in the accounts of the Emerley Group. The indemnity was provided on a several basis by the vendors and was limited to claims in excess of €100,000 subject to a total maximum claim under both the deed of tax indemnity and Emerley Acquisition Agreement of €7,000,000. The time period in which a claim under the deed of tax indemnity could be notified was four years from the end of the financial year in which the relevant tax return was filed.

14.25 *Navan Site Acquisition Agreement*

The Navan Site Acquisition Agreement was entered into on 4 June 2015 between Navan Newco (as purchaser) and Sonbrook Property Moathill Limited (as vendor) and provided for the transfer to Navan Newco of the Navan Site conditional upon the occurrence of IPO Admission (which condition has been satisfied) and the receipt of the Navan Planning Approval. The Navan Site Acquisition Agreement was governed by the General Conditions of Sale save in so far as they were amended by special conditions in the agreement. It is provided in the agreement that the consideration for the acquisition should be 80 per cent. of a valuation of the Navan Site to be carried out by an appropriate property valuer at the time, and the closing date should be 14 days from the date of confirmation of such valuation. Kevin Stanley, a brother of Michael Stanley and a member of the Management Team of the Company, is a director, and indirectly holds ten per cent., of the issued share capital of Sonbrook Property Moathill Limited, with the remaining 90 per cent. of the issued share capital being indirectly held by the spouse of Kevin Stanley.

15. GOVERNMENT, LEGAL OR ARBITRAL PROCEEDINGS

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had, during the 12 months preceding the date of this Document, a significant effect on the Group's financial position or profitability.

16. PROPERTY, PLANT AND EQUIPMENT

The Group's principal properties are:

Item	Uses	Tenure	Size acre (approx.)
Parkside Site (Dublin North)	Development land	Freehold	50.00
Killiney Site (Dublin South)	Development land	Freehold	2.00
Butterly Site (Artane, Dublin North)	Development land	Freehold	7.9
Galway Site (Rahoon)	Development land	Freehold	20.96
Navan Site (Greater Dublin Area) ⁽¹⁾	Development land	Freehold	14.03
Foxrock Site (Dublin South)	Development land	Freehold	9.1

Item	Uses	Tenure	Size acre (approx.)
Rathgar Site (Dublin South)	Development land	Freehold	8.1
Stillorgan Site (Ard na Glaise) (Dublin South)	Development land	Freehold	2
Hanover Quay Site (Dublin South).....	Development land	Freehold	1.05
Cherrywood Site	Development land	Freehold	10.5

(1) The acquisition of the Navan Site is conditional on receipt of the Navan Planning Approval.

17. CAPITALISATION AND INDEBTEDNESS

On 30 November 2015, the Company together with all of its subsidiaries (other than Cairn Finance, which had not yet been incorporated) and Allied Irish Banks entered into a senior debt facilities agreement. On 8 December 2015, Cairn Finance acceded to the Senior Debt Facilities Agreement as a borrower. Pursuant to the Senior Debt Facilities Agreement, Allied Irish Banks has made available to the Company and Cairn Finance a term loan facility of up to €100 million and a revolving credit facility of up to €50 million for the purposes of financing the acquisition of real property, loan purchases and/or general corporate and working capital purposes. The maturity date of the facility is four years from the first drawdown date. This facility has now been amended and restated to a €200 million facility with Allied Irish Banks and UBIL consisting of a term loan facility of up to €150 million and a revolving credit facility of up to €50 million which has a four year term secured against a corporate level debenture. UBIL joined the Senior Debt Facilities by way of an amendment and restatement on 3 March 2016. As at the Last Practicable Date, the Group had a principal drawn balance of €115.5 million (gross) and an overall variable interest rate of EURIBOR and margin ranging from 2.5-3 per cent.

The following table sets forth the Group's actual and net indebtedness as at 31 December 2015 and has been extracted from the accounting records underlying the historical financial information for the period ended 31 December 2015. For further information see Part XII (*Historical Financial Information*) of this Document. The Group's capitalisation will change as a result of the Capital Raise. For further information on the proceeds of the Capital Raise, see Part IV (*Capital Raise Statistics*) of this Document. As at 31 December 2015, the Group had no indebtedness other than the Senior Debt Facilities and had shareholders' equity as follows:

Historical Condensed Consolidated Statement of Financial Position as at 31 December 2015 €'000

Total current debt	—
<i>Of which:</i>	
Guaranteed	—
Secured.....	—
Unguaranteed/ Unsecured.....	—
Total non-current debt	<u>(63,543)</u>
<i>Of which:</i>	
Guaranteed	—
Secured.....	—
Unguaranteed/Unsecured.....	<u>(63,543)</u>
Shareholder's equity	
<i>Of which:</i>	
Issued share capital	637
Share premium account	521,390
Share-based payment reserve.....	29,118
Total	<u>551,145</u>

**Historical Condensed Consolidated Statement
of Financial Position as at 31 December 2015
€'000**

Net Indebtedness in the short and medium term	
Cash.....	6,551
Restricted cash	27,000
Trading securities.....	–
Liquidity	33,551
<hr/>	
Current financial receivable	–
<hr/>	
Current bank debt.....	–
Current portion of non-current debt.....	–
Other current financial debt	–
Current financial debt	–
<hr/>	
Net current financial indebtedness	33,551
<hr/>	
Non-current bank loans.....	(63,543)
Bonds Issued	–
Other non-current loans	–
Non-current financial indebtedness	(63,543)
<hr/>	
Net financial indebtedness	(29,992)
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18. CONSENTS

KPMG Ireland (a member of the Institute of Chartered Accountants in Ireland) has given and has not withdrawn its written consent to the inclusion in this Document of its Accountants' Report(s) and its letters set out in Part XII (*Historical Financial Information*) and Part XIII (*Unaudited Pro-forma Financial Information*) of this Document, in the form and context in which they appear and has authorised the contents of those parts of this Document which comprise its reports for the purpose of paragraph 2(2)(f) of Schedule 1 to the Prospectus Regulations. As the New Ordinary Shares have not been and will not be registered under the U.S. Securities Act, KPMG Ireland has not filed and will not file a consent under the U.S. Securities Act.

19. EXPENSES

The estimated commissions, fees and expenses relating to the Capital Raise payable by the Company are estimated to amount to approximately €7.6 million, assuming the maximum amount of the Joint Global Co-ordinators' incentive commission and the discretionary element of the Group's other advisers fees will be paid (excluding VAT).

20. GENERAL

- 20.1 The financial information set out in Part XII (*Historical Financial Information*) of this Document does not constitute statutory financial statements within the meaning of Section 340 of the Companies Act 2014. KPMG Ireland is a member of the Institute of Chartered Accountants in Ireland.
- 20.2 Goodbody Stockbrokers, trading as Goodbody, is registered in Ireland and its registered office is at Ballsbridge Park, Ballsbridge, Dublin 4. Goodbody is regulated in Ireland by the Central Bank and is acting in the capacity of Joint Global Co-ordinator to the Company.
- 20.3 Merrill Lynch International is registered in England and Wales under number 2312079 and its registered office is at 2 King Edward Street, London EC1A 1HQ. Merrill Lynch International is authorised by the PRA and regulated in the United Kingdom by the PRA and the FCA and is acting in the capacity of Joint Global Co-ordinator to the Company.

21. DOCUMENTS AVAILABLE FOR INSPECTION

21.1 Copies of the following documents will be available for inspection in physical form during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the offices of Pinsent Masons LLP at 30 Crown Place, London, EC2A 4ES, United Kingdom up to and including Admission:

- (a) the Constitution of the Company;
- (b) the written consents referred to in paragraphs 18 and 20 of this Part XVII (*Additional Information*);
- (c) the report on the Company's financial information by KPMG;
- (d) the report on the pro forma financial information by KPMG; and
- (e) this Document.

21.2 Copies of this Document will also be available for download in electronic form from www.cairnhomes.com, subject to certain access restrictions applicable to persons resident outside of Ireland and the United Kingdom. The contents of the Company's website or any website directly or indirectly linked to the Company's website do not form part of this Document and investors should not rely on such contents.

This Document is dated 23 March 2016.

PART XVIII

DEFINITIONS AND GLOSSARY

PART A: DEFINITIONS

The following defined terms apply throughout this Document, unless the context requires otherwise:

“\$” or “U.S.\$” or “U.S. dollars” or “cents”	the lawful currency of the United States
“£” or “Sterling” or “pounds” or “pence”	the lawful currency of the United Kingdom
“€” or “EUR” or “Euro”	the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Union, as amended
“A” Ordinary Shares”	the “A” Ordinary Shares of €1.00 each in the capital of the Company as described in the Articles
“Abbey Lane Site”	the site at Abbey Lane, County Cork, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Accelerated Book Build”	the equity fundraising completed by the Company in December 2015 by way of an ‘accelerated book build’ process, pursuant to which €52.1 million in equity was raised by the Company
“Accelerated Book Build Placing Shares”	the 46,926,749 Ordinary Shares issued by the Company by way of the Accelerated Book Build Placing
“Acquired Sites”	the sites acquired and/or conditionally acquired by the Group in Ireland for development being the Parkside Site, the Killiney Site, the Butterly Site, the Navan Site (conditional on the receipt of the Navan Planning Approval), the Galway Site, the Foxrock Site, the Rathgar Site, the Stillorgan Site (Ard na Glaise), the Hanover Quay Site and the Cherrywood Site
“Adamstown Site”	the site at Adamstown, Dublin West, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Additional Persons”	certain employees of the Emerley Group and other persons designated by Cairn Homes Holdings as Additional Persons as at 1 June 2015, including Eamonn O’Kennedy, Gary Britton, Giles Davies and Aidan O’Hogan, Directors of the Company
“Additional Subscriptions”	the subscription by Additional Persons of in aggregate 380,000 Ordinary Shares at the IPO Issue Price conditional upon IPO Admission, as further described at paragraph 14.19 of Part XVII (<i>Additional Information</i>) of this Document
“Adjusted Issue Price”	the IPO Issue Price as adjusted to reflect any subsequent consolidation or subdivision of Ordinary Shares or any allotment of Ordinary Shares pursuant to a capitalisation of profits or reserves
“Admission”	the admission of the New Ordinary Shares to the standard listing segment of the Official List, and to trading on the London Stock

	Exchange's main market for listed securities, becoming effective in accordance with the Listing Rules
“AGM”	the annual general meeting of the Company
“Allied Irish Banks”	Allied Irish Banks p.l.c., a company incorporated under the laws of Ireland with registered number 24173 and with its registered address at Bankcentre, Ballsbridge, Dublin 4, D04 NV02
“Amendment and Restatement Agreement”	that amendment and restatement agreement in respect of the Senior Debt Facilities Agreement and entered into between the Company, Allied Irish Banks and UBIL
“Amended Senior Debt Facilities”	the Senior Debt Facilities entered into by the Company with Allied Irish Banks and UBIL on 30 November 2015 as amended pursuant to the Amendment and Restatement Agreement more particularly described in paragraph 14.8 of Part XVII (<i>Additional Information</i>) of this Document
“An Bord Pleanála”	the body established to deal with appeals under the Irish Planning and Development Acts 2000 to 2014
“Application Form”	the personalised application form being sent to Qualifying Non-CREST Shareholders for use in connection with the Open Offer
“Argentum Exclusivity Agreement”	the agreement dated 23 December 2015 in connection with the proposed acquisition by the Company of the entire issued share capital of Argentum Property HoldCo Limited further details of which are set out at paragraph 14.20 of Part XVII (<i>Additional Information</i>) of this Document
“Argentum Property HoldCo Limited”	a company incorporated under the laws of Ireland with registered number 544203 and with its registered address at Office G03, Fitzwilliam Business Centre, 77, Sir John Rogerson's Quay, Dublin 2, D02 T804
“Argentum Sites”	those sites located in Greystones, Ashbourne, Naas, Griffith Avenue, Clontarf, and Swords which are the subject of the Argentum Exclusivity Agreement
“Articles”	the articles of association of the Company, a summary of which is set out in paragraph 8 of Part XVII (<i>Additional Information</i>) of this Document
“Balgriffin Park”	Balgriffin Park Limited, a former subsidiary of Cairn Homes Properties
“Balgriffin Trade and Asset Transfer Agreement”	the agreement dated 9 December 2014 for the transfer of trade and assets and liabilities of Balgriffin Park to Cairn Homes Properties (then Emerley Properties Limited), further details of which are set out at paragraph 14.20 of Part XVII (<i>Additional Information</i>) of this Document
“Balgriffin Trade and Asset Transfer”	the transfer of the trade, assets and liabilities of Balgriffin Park to Cairn Homes Properties (then Emerley Properties Limited) pursuant to the Balgriffin Trade and Asset Transfer Agreement
“Bank of Ireland”	the Governor and Company of the Bank of Ireland

“Banks”	BofAML, Goodbody and Davy
“Blackrock Site”	the site at Blackrock, County Dublin, which was collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio and which was acquired outright by the Group on 14 March 2016
“Blessington Site”	the site at Blessington, County Wicklow, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Board”	the directors of the Company from time to time
“BofAML” or “BofA Merrill Lynch”	Merrill Lynch International of 2 King Edward Street, London, EC1A 1HQ, United Kingdom
“Borrowers”	the Company and Cairn Finance, as borrowers under the Senior Debt Facilities, and the Amended Senior Debt Facilities
“Building Control (Amendment) Regulations 2014”	the Building Control (Amendment) Regulations 2014 (S.I. 09/2014) which came into force on 1 March 2014
“Business Day”	a day on which banks are open for business in Ireland and the city of London (excluding Saturdays, Sundays and public holidays)
“Butterly Newco”	Cairn Homes Butterly Limited, the owner of the Butterly Site
“Butterly Site Acquisition Agreement”	the acquisition agreement in relation to the acquisition of the Butterly Site by Butterly Newco, and entered into on 4 June 2015
“Butterly Site”	the site at Butterly, Artane acquired by the Group on 15 June 2015
“Cairn Finance”	Cairn Homes Finance DAC
“Cairn Homes Construction”	Cairn Homes Construction Limited (formerly Emerley Construction Limited), a subsidiary of Cairn Homes Holdings
“Cairn Homes Holdings”	Cairn Homes Holdings Limited (formerly Emerley Holdings Limited), a subsidiary of the Company
“Cairn Homes Properties”	Cairn Homes Properties Limited (formerly Emerley Properties Limited), a subsidiary of Cairn Homes Holdings
“Capital Raise”	the Firm Placing and the Placing and Open Offer
“Capital Resolutions”	the resolutions, relating to the Capital Raise (being resolutions 1 and 2), to be proposed at the Extraordinary General Meeting
“CCPC”	the Irish Competition and Consumer Protection Commission
“Central Bank”	the Central Bank of Ireland or its successor body(ies)
“certificated form” or “in certificated form”	not in uncertificated form (that is, not in CREST)
“Chairman”	the chairman of the Board, being John Reynolds
“Change of Control Price”	the price per Ordinary Share offered to Shareholders in an offer resulting from or linked to a Change of Control
“Change of Control”	the acquisition of Control following Admission but on or before 30 June 2022 by any person or party (or by any group of persons

	and/or parties who are acting in concert (as such expression is defined in the Irish Takeover Rules from time to time)
“Charlesland Site”	the site at Charlesland, County Wicklow, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Cherrywood Option Site”	the plot of 5.8 acres at Cherrywood (in respect of which the Group has a conditional contract to purchase, subject to receipt of planning permission)
“Cherrywood Site”	the site at Cherrywood, Dublin 18 acquired by the Group on 12 February 2016
“Cherrywood Site Acquisition Agreement”	the acquisition agreement dated 11 February 2016 in relation to the acquisition of the Cherrywood Site, further details of which are set out in paragraph 4.2.7 of Part IX (<i>Information on the Group</i>) of this Document
“Circular”	the document dated on or around the date of this Document, including a notice convening the EGM, which comprises a circular to Shareholders pursuant to the Listing Rules
“City Code”	the City Code on Takeovers and Mergers (issued by the Panel on Takeovers and Mergers in the United Kingdom and by any successor or replacement body thereof)
“Clonburris Site”	the site at Clonburris, west of Dublin city centre, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Closing Price”	the closing mid-market price of an Ordinary Share on the London Stock Exchange on the relevant day, as shown on Bloomberg financial markets
“Co-Bookrunner”	Davy
“Code”	U.S. Internal Revenue Code of 1986
“Code of Conduct for Business Lending to Small and Medium Enterprises”	the code issued by the Central Bank which includes rules relating to the withdrawal of credit lines to small and medium businesses by regulated entities, and which came into effect on 1 January 2012, replacing an earlier version of the code issued in 2009
“Code of Conduct on Mortgage Arrears”	the code issued by the Central Bank, which includes rules to ensure that borrowers are treated in a fair way by mortgage lenders where the borrowers are struggling with mortgage repayments, and which came into effect on 1 July 2013 and replaced earlier versions of the code issued in 2009, 2010 and 2011
“Companies Act 2014”	the Irish Companies Act 2014 which came into force on 1 June 2015
“Companies Acts”	the Irish Companies Acts 1963 to 2013 or, following the commencement of the relevant provisions of the Companies Act 2014 or otherwise, the Companies Act 2014 and every statutory modification, replacement and re-enactment thereof for the time being in force
“Company”	Cairn Homes p.l.c., a public limited company incorporated under the laws of Ireland with registered number 552564 and with its

	registered address at 7 Grand Canal, Grand Canal Street Lower, Dublin 2, D02 KW81
“Competing Business”	has the meaning given in paragraph 14.10 of Part XVII (<i>Additional Information</i>) of this Document
“Constitution”	the Constitution of the Company (as adopted with effect from Admission)
“Control”	(i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of, 30 per cent. or more of the maximum number of votes that might be cast at a general meeting of the Company; or (b) appoint or remove all, or the majority, of the directors of the Company; and/or (ii) the holding beneficially 30 per cent. or more of the issued share capital of the Company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital)
“Consumer Credit Act 1995”	the act commenced on 13 May 1996 (and which has since been amended on a number of occasions), and which includes requirements for certain communications with borrowers and restrictions on the right of enforcement
“Consumer Protection Code”	the code issued by the Central Bank which sets out rules on how regulated entities conduct their dealings with consumers to ensure that consumers enjoy a similar level of protection regardless of the type of financial services provider, and which came into effect on 1 January 2012 and replaced an earlier code issued in 2006
“Core Sites”	those sites specified in paragraph 3.1 of Part IX (<i>Information on the Group</i>) of this Document
“Credit Suisse”	Credit Suisse Securities (Europe) Limited of One Cabot Square, London E14 4QJ, United Kingdom
“CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.168 of 1996)
“CREST Rules”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July, 1996 and as amended since that date)
“CREST”	the computerised settlement system operated by Euroclear UK & Ireland which facilitates the transfer of title to shares in uncertificated form
“CSO”	the Central Statistics Office
“Danske Bank”	Danske Bank A/S (trading in Ireland as Danske Bank), a Danish company registered in Copenhagen, Denmark
“Davy”	J&E Davy, an unlimited company incorporated in Ireland (registered number 106680) and whose registered address is Davy

	House, 49 Dawson Street, Dublin 2, D02 PY05 and/or (as the context may require) its affiliate Davy Corporate Finance
“Deferred Shares”	the shares of €0.001 each in the capital of the Company as described in the Articles
“Directors”	the directors of the Company as at the date of this Document, whose names are set out on page 118 of this Document
“Disclosure and Transparency Rules”	the disclosure and transparency rules made by the FCA under Part VI of FSMA
“Disqualified Founder”	means either: (i) a holder of Founder Shares who is disqualified from acting as a director or who breaches any non-compete obligation contained in his Founders Relationship Agreement, or, in the case of Kevin Stanley, contained in his Lock-up Agreement; or (ii) any holder of Founder Shares who transfers an interest in Founder Shares to any person other than a Permitted Transferee
“DKM”	DKM Economic Consultants Limited
“Document”	this document issued by the Company in relation to Admission and approved under the Prospectus Directive
“Dublin Bankers Clearing Committee”	a committee operating a clearing exchange, supplementary to that operated by the Central Bank.
“Dublin Commuter Belt Site”	a proposed site that the Group has identified for acquisition in the Dublin commuter belt
“EBS”	EBS Limited
“EBS/DKM Affordability Index”	an analysis of developments in affordability for first time buyers in the Irish housing market, published by DKM Economic Consultants Limited
“EEA”	the European Economic Area, being the European Union, Iceland, Norway and Liechtenstein
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at The Conrad Hotel, Earlsfort Terrace, Dublin, D02 V562 on 18 April 2016 including any adjournment thereof, and notice of which is set out at the end of the Circular
“Emerald Loan Agreement”	the loan agreement between (1) Cairn Homes Holdings (then Emerley Holdings Limited) and (2) Prime Developments Limited, further details of which are set out in paragraph 14.22 of Part XVII (<i>Additional Information</i>) of this Document
“Emerald Loan”	the loan in the principal amount of €5,150,000 subject to the Emerald Loan Agreement
“Emerald QIAIF”	the Emerald Opportunity Investment Fund, a sub-fund of Davy Opportunity Trust, an umbrella unit trust authorised by the Central Bank, the units of which sub-fund are held by Prime Developments
“Emerley Acquisition Agreement”	the agreement for the Company to acquire Cairn Homes Holdings (then Emerley Holdings Limited) by way of a share for share exchange, further details of which are set out in paragraph 14.24 of Part XVII (<i>Additional Information</i>) of this Document

“Emerley Group”	Cairn Homes Holdings (formerly Emerley Holdings Limited) and its subsidiaries, Cairn Homes Properties (formerly Emerley Properties Limited) and Cairn Homes Construction (formerly Emerley Construction Limited)
“Emerley Properties Loan Agreement”	the loan agreement between (1) Cairn Homes Properties (then Emerley Properties Limited) and (2) Prime Developments, further details of which are set out in paragraph 14.21 of Part XVII (<i>Additional Information</i>) of this Document
“Emerley Properties Loan”	the loan in the principal amount of €18,130,000 subject to the Emerley Properties Loan Agreement
“Enlarged Issued Ordinary Share Capital”	the Existing Issued Ordinary Share Capital together with the Firm Placed Shares, the Placing Shares and the Open Offer Shares
“ESRI”	the Economic and Social Research and Social Institute of Ireland
“EURIBOR”	the European Interbank Offered Rate, being the benchmark rate determined by reference to the average of the rates at which Euro interbank term deposits within the Eurozone are offered by a panel of certain European banks
“Euroclear”	Euroclear UK & Ireland Limited (formerly named CRESTCo Limited), the operator of CREST
“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales and the operator of CREST
“European Securities and Markets Authority”	an independent EU authority that contributes to safeguarding the stability of the European Union’s financial system by enhancing the protection of investors and promoting stable and orderly financial markets
“European Union” or “EU”	an economic and political union of 28 Member States located in Europe
“Eurozone”	the 19 European Union member states that have adopted the Euro as their common currency and sole legal tender under the legislation of the European Union
“Excluded Territory Shareholder”	a Shareholder who is resident in, or whose registered address is in, an Excluded Territory
“Excluded Territory”	United States, Australia, Canada, Japan, Switzerland, South Africa and any other jurisdiction where the extension or availability of the Capital Raise would breach any applicable law, or any one of them as the context required
“Existing Issued Ordinary Share Capital”	the aggregate of the Existing Ordinary Shares, being 516,663,977 Ordinary Shares
“Existing Ordinary Shares”	the existing Ordinary Shares in the capital of the Company at the date of this Document
“FCA”	the UK Financial Conduct Authority
“Financial Action Task Force”	an international inter-governmental body established to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system

“Firm Placed Shares”	the 46,875,000 New Ordinary Shares which are subject to the Firm Placing
“Firm Placees”	those persons with whom the Firm Placed Shares are to be placed
“Firm Placing”	the placing of the Firm Placed Shares with the Firm Placees at the Issue Price
“Form(s) of Proxy”	the form of proxy for use by Shareholders in connection with the EGM
“Founder Group”	the associates of the Founders (or Kevin Stanley, as the case may be) from time to time but excluding any member of the Group
“Founder Share Value”	has the meaning given in paragraph 4 of Part XVII (<i>Additional Information</i>) of this Document
“Founder Shares”	the convertible, redeemable shares of €0.001 each in the capital of the Company as described in the Articles
“Founder Subscriptions”	the subscriptions by New Emerald LP, Michael Stanley and Kevin Stanley for Ordinary Shares, as further described at paragraph 4 of Part XVII (<i>Additional Information</i>) of this Document
“Founders Relationship Agreements”	agreements entered into between each of the Founders and the Company, as further described at paragraph 14.11 of Part XVII (<i>Additional Information</i>) of this Document
“Founders”	Alan McIntosh and Michael Stanley, and each a “Co-Founder”
“Foxrock Site”	the plots comprising a total of 9.1 acres of development land in Foxrock, South County Dublin, acquired by the Group on 25 June 2015 and 10 November 2015
“Foxrock Site Acquisition Agreements”	the acquisition agreement dated 23 June 2015 in relation to the acquisition of the Foxrock Site, further details of which are set out in paragraph 4.2.4 of Part IX (<i>Information on the Group</i>) of this Document
“FSMA”	the United Kingdom Financial Services and Markets Act 2000, as amended
“Galway Newco”	Cairn Homes Galway Limited, the owner of the Galway Site
“Galway Site Acquisition Agreement”	the acquisition agreement in relation to the acquisition of the Galway Site by Galway Newco, and entered into on 4 June 2015
“Galway Site”	the site at Ragoon, Galway acquired by the Group on 15 June 2015
“General Conditions of Sale”	the General Conditions of Sale (2009 Edition) produced by the Law Society of Ireland more particularly described in paragraph 11 of Part VI (<i>Presentation of Information</i>) of this Document
“Glenamuck Road Site”	the site at Glenamuck, Carrickmines, Dublin 18, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Goodbody”	Goodbody Stockbrokers, trading as Goodbody, Ballsbridge Park, Ballsbridge, Dublin 4
“Group”	the Company and its subsidiaries

“Group Audit Committee”	the audit committee of the Group as described in paragraph 2 of Part X (<i>Directors, Management Team and Corporate Governance</i>) of this Document
“Group’s Loan Portfolio”	the portion of the Project Clear Loan Portfolio acquired by the Group, as more particularly described in paragraph 3 of Part IX (<i>Information on the Group</i>) of this Document
“Guarantee”	the deed of guarantee and indemnity entered into by the Company, Cairn Finance, Ulster Bank Limited and Ulster Bank Ireland on 6 December 2015, in connection with the acquisition of the Project Clear Loan Portfolio
“Guaranteed Obligations”	all obligations, indebtedness and liabilities covenanted and agreed to be paid, observed, performed and discharged by the Company under the Guarantee
“Hanover Quay Site”	the 1.05 acre site at Hanover Quay, Dublin 2 which the Company contracted to acquire on 4 January 2016 and completed on 22 March 2016
“Hanover Quay Site Acquisition Agreement”	the acquisition agreement dated 4 January 2016 in relation to the acquisition of the Hanover Quay Site, further details of which are set out in paragraph 4.2.6 of Part IX (<i>Information on the Group</i>) of this Document
“Highest Average Closing Price”	means: (i) in respect of any Test Period where the Performance Condition is satisfied for exactly 15 consecutive Business Days, the average of the Closing Price achieved for those 15 consecutive Business Days; and (ii) in respect of any Test Period where the Performance Condition is satisfied for more than 15 consecutive Business Days, the highest average Closing Price achieved in that Test Period when measured over a period of 15 consecutive Business Days
“HMRC”	Her Majesty’s Revenue and Customs of the United Kingdom
“Hudson”	Hudson Advisors Ireland Limited
“IFRS”	International Financial Reporting Standards (including International Accounting Standards) as adopted in the EU
“Initial Butterly Site Acquisition Agreement”	the acquisition agreement entered into between Padraic Monaghan and Butterly Capital Investment Limited dated 17 November 2014, further details of which are set out at paragraph 14.29 of Part XVII (<i>Additional Information</i>) of this Document
“Initial Galway Site Acquisition Agreement”	the acquisition agreement entered into between Kapstone Limited and Emerald Investment Partners Limited dated 9 October 2014, further details of which are set out at paragraph 14.30 of Part XVII (<i>Additional Information</i>) of this Document
“Initial Killiney Site Acquisition Agreement”	the acquisition agreement entered into between Killiney Hill Developments Limited and Zoe Financial Limited dated 26 November 2014, further details of which are set out at paragraph 14.31 of Part XVII (<i>Additional Information</i>) of this Document
“Initial Market Capitalisation”	the IPO Issue Price multiplied by the number of Ordinary Shares in issue immediately following IPO Admission

“Initial Navan Site Acquisition Agreement”	the acquisition agreement entered into between Aidan Mulvey and Theresa Mulvey and Kevin Stanley (in trust) dated 23 December 2014, further details of which are set out at paragraph 14.32 of Part XVII (<i>Additional Information</i>) of this Document
“IPO”	means the initial public offering of the Ordinary Shares of the Company
“IPO Admission”	means the admission of the Ordinary Shares issued pursuant to the Company’s IPO to the standard listing segment of the Official List and trading on the London Stock Exchange’s main market for listed securities, which occurred on 15 June 2015
“IPO Issue Price”	€1.00
“IPO Underwriting Agreement”	the conditional agreement dated 10 June 2015, between the Company, the Directors, Goodbody and Credit Suisse relating to IPO Admission, details of which are set out in paragraph 14.9 of Part XVII (<i>Additional Information</i>) of this Document
“Ireland”	the island of Ireland excluding Northern Ireland, and the word “Irish” shall be construed accordingly
“Irish Government”	the government of Ireland
“Irish Revenue”	the Revenue Commissioners of Ireland
“Irish Takeover Panel”	the Irish Takeover Panel, established under the Irish Takeover Panel Act 1997
“Irish Takeover Rules”	the Irish Takeover Panel Act 1997, Takeover Rules 2013, as amended
“ISA”	means a tax advantaged savings account available to residents of the United Kingdom
“ISIN”	International Securities Identifying Number
“Issue Price”	the price at which each New Ordinary Share is to be issued under the Capital Raise being €1.12 per New Ordinary Share
“Issue”	the issue of New Ordinary Shares pursuant to the Capital Raise
“Joint Bookrunners”	BofAML and Goodbody
“Killiney Newco”	Cairn Homes Killiney Limited, the owner of the Killiney Site
“Killiney Site Acquisition Agreement”	the conditional acquisition agreement in relation to the acquisition of the Killiney Site by Killiney Newco and entered into on 4 June 2015
“Killiney Site”	the site at Killiney Hill Road (units 1-17), Killiney/Shanganagh Road, Ballybrack (units 18-20), South Dublin acquired by the Group on 15 June 2015
“Kilkenny Site”	the site at Kilkenny, County Kilkenny, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Last Practicable Date”	the last practicable date prior to the publication of this Document, being 21 March 2016 (unless otherwise stated)

“Lenders”	Allied Irish Banks and UBIL
“Listing Rules”	listing rules of the UK Listing Authority under Section 73A of the FSMA
“Lock-up Agreements”	the lock-up agreements between the Company and each of the Founders and Kevin Stanley, further details of which are set out at paragraph 14.10 of Part XVII (<i>Additional Information</i>) of this Document
“London Stock Exchange”	London Stock Exchange plc
“Lone Star”	Lone Star, a global private equity firm that invests in real estate, equity, credit and other financial assets
“Long-term incentive plan” or “LTIP”	has the meaning given to such term in paragraph 9.5 of Part XVII (<i>Additional Information</i>) of this Document
“LSF”	LSF Irish Holdings 72 DAC, an acquisition vehicle of Lone Star for the purposes of the Project Clear Loan Portfolio acquisition
“Management Team”	the senior management team of the Company as at the date of this Document, whose names are set out on page 91 of this Document
“Market Abuse Rules”	the rules issued by the Central Bank from time to time
“Market Capitalisation”	the market capitalisation of the Company, calculated by multiplying the applicable Closing Price (or in the case of a Change of Control, the Change of Control Price) by the number of Ordinary Shares in issue on the relevant date
“Maynooth Site”	the site at Mariaville, County Kildare, to be acquired by the Group pursuant to the Maynooth Site Acquisition Agreement
“Maynooth Site Acquisition Agreement”	the binding acquisition agreement in relation to the Maynooth Site, further details of which are set out at paragraph 14.17 of Part XVII (<i>Additional Information</i>) of this Document
“Member State”	a member state of the European Economic Area
“Model Code”	the model code established by Annex IR to Listing Rule 9 of the Listing Rules
“Money Laundering Legislation”	the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and 2013
“Mortgage Sale Deed”	the mortgage sale deed entered into between Cairn Finance, Ulster Bank Ireland Limited, Ulster Bank Limited, UB SIG (NI) Limited and UB SIG (ROI) Limited in connection with the assignment and/or transfer of and/or declaration of trust and/or sub-participation over those assets forming part of the Project Clear Loan Portfolio
“Moyglare Site”	the site at Moyglare, Maynooth, County Kildare, which was collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio and which was acquired outright by the Group on 14 March 2016
“N11”	a national primary road in Ireland, running for 135 kilometres along the east side of Ireland from County Dublin to County Wexford

“Naas Site”	the site at Naas, County Dublin, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Navan Newco”	Cairn Homes Navan Limited, which will, upon receipt of the Navan Planning Approval, be the owner of the Navan Site
“Navan Planning Approval”	the occurrence of a successful grant of planning consent for the development of circa 100 homes on the Navan Site
“Navan Site Acquisition Agreement”	the conditional acquisition agreement in relation to the Navan Site by Navan Newco, further details of which are set out at paragraph 14.25 of Part XVII (<i>Additional Information</i>) of this Document
“Navan Site”	the site at Moathill, Navan to be acquired by the Group upon receipt of the Navan Planning Approval pursuant to the Navan Site Acquisition Agreement
“Net Proceeds”	the aggregate value of all the New Ordinary Shares issued pursuant to the Capital Raise less commissions, fees and expenses relating to the Capital Raise
“Newbridge Site”	the site at Newbridge, County Kildare, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Newcastle Manor Site”	the two plots at Newcastle, County Dublin, which are collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“New Emerald LP”	Emerald Everleigh Limited Partnership, a limited partnership in which Everleigh Investment Partners Limited is the general partner and the Emerald QIAIF is the sole limited partner and economic beneficiary
“New Ordinary Shares”	the 157,588,709 New Ordinary Shares to be issued pursuant to the Capital Raise
“Non-Executive Directors”	the non-executive Directors for the time being, other than (i) those holding executive office with any member of the Group; (ii) the Founders
“Oaktree”	Oaktree Capital Management, L.P.
“Official List”	the official list of the FCA maintained by the UKLA
“Old Carrigaline Site”	the site at Old Carrigaline, County Cork which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Open Offer Entitlement”	an entitlement of a Qualifying Shareholder to apply for 3 Open Offer Shares for every 14 Existing Ordinary Shares held by him or her or it on the Record Date pursuant to the Open Offer
“Open Offer Shares”	the 110,713,709 New Ordinary Shares to be offered to Qualifying Shareholders pursuant to the Open Offer
“Open Offer”	the offer to Qualifying Shareholders constituting an invitation to apply for the Open Offer Shares at the Issue Price on the terms and

	subject to the conditions set out in this Document, and in the case of the Qualifying Non-CREST Shareholders, the Application Form
“Ordinary Shares”	the ordinary shares of €0.001 each in the capital of the Company as described in the Articles (which includes the Existing Ordinary Shares and the New Ordinary Shares)
“Overseas Shareholder”	Shareholders who are resident in, or citizens of, or who have registered addresses in territories other than Ireland or the United Kingdom
“PRA”	the Prudential Regulation Authority
“Parkside Site”	the site at Parkside, Dublin North acquired by the Group on 15 June 2015
“Participants”	has the meaning given to such term in paragraph 9.5 of Part XVII (<i>Additional Information</i>) of this Document
“Performance Condition”	for a period of 15 or more consecutive Business Days during the relevant Test Period, the Closing Price exceeds such figure as is derived by increasing the Adjusted Issue Price by 12.5 per cent. for each Test Period starting with the first in 2016 and ending with the last in 2022, such increase to be on a compound basis
“Permitted Transferee”	has the meaning given to such term in paragraph 4.2 of Part XVII (<i>Additional Information</i>) of this Document
“Pipeline Sites”	the Argentum Sites, the Cherrywood Option Site, the Maynooth Site, the South Dublin Site, and the Dublin Commuter Belt Site
“Placees”	those persons with whom the Placing Shares are to be placed (each a “Placee”)
“Placing”	the conditional placing of the Placing Shares at the Issue Price by Goodbody, BofAML and Davy in accordance with the Placing and Open Offer Agreement
“Placing and the Open Offer”	the Placing and the Open Offer
“Placing and Open Offer Agreement”	the placing and open offer agreement between the Company and the Banks dated 21 March 2016, a summary of which is set out in paragraph 14.1 of Part XVII (<i>Additional Information</i>) of this Document
“Placing Shares”	the 46,875,000 New Ordinary Shares which are the subject of the Placing
“Planning Guidelines on Design Standards for New Apartments”	the guidelines issued by the Minister for the Environment, Community and Local Government under Section 28 of the Planning and Development Act 2000 (as amended by the Planning and Development (Amendment) Act 2015) on 21 December 2015
“Prime Developments”	Prime Developments Limited, a company incorporated in Guernsey in which the economic interest is indirectly held by Alan McIntosh, a Director and Founder, and his spouse
“Project Clear Loan Portfolio”	the portfolio of loans acquired by the Company and Lone Star from Ulster Bank, as more particularly described in paragraph 4 of Part IX (<i>Information on the Group</i>) of this Document

“Project Clear”	the sale of the Project Clear Loan Portfolio by Ulster Bank
“Prospectus Directive Regulations”	Commission Regulations (EC) No. 809/2004 of 29 April 2004
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 (and amendments thereto, including Directive 2010/73/EU)
“Prospectus Regulations”	the Prospectus (Directive 2003/71 EC) Regulations 2005 of Ireland (as amended)
“Prospectus Rules”	rules issued by the Central Bank from time to time
“QIAIF”	a qualifying investor alternative investment fund, being a Central Bank regulated alternative investment fund structure introduced in Ireland upon the implementation of the Alternative Investment Fund Managers Directive in Ireland
“qualified institutional buyer” or “QIB”	a qualified institutional buyer within the meaning of Rule 144A
“Qualified Investors”	persons in certain member states of the European Economic Area (“member states”) who are “qualified investors” within the meaning of article 2(1)(e) of the Prospectus Directive
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Ordinary Shares are held in uncertified form in CREST on the Record Date
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders whose Ordinary Shares are in certificated form on the Record Date
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company on the Record Date, with the exception of certain Overseas Shareholders
“Rathgar Site Acquisition Agreement”	the acquisition agreement dated 25 June 2015 in relation to the acquisition of the Rathgar Site, further details of which are set out in paragraph 4.2.5 of Part IX (<i>Information on the Group</i>) of this Document
“Rathgar Site”	the 8.11 acre site located in Marianella, Orwell Road, in Rathgar, South Dublin which the Group contracted to acquire in June 2015
“Receiving Agent”	Computershare Investor Services (Ireland) Limited, or such other receiving agent as the Company may appoint from time to time
“Record Date”	the date on which the entitlement of Qualifying Shareholders to subscribe for Open Offer Shares will be determined by reference to the register of members of the Company, expected to be 5.00 p.m. on 18 March 2016
“Registrar Agreement”	the agreement dated 9 June 2015 between the Company and the Registrar details of which are set out in paragraph 14.18 of Part XVII (<i>Additional Information</i>) of this Document
“Registrar”	Computershare Investor Services (Ireland) Limited
“Regulation S”	Regulation S under the U.S. Securities Act

“Regulatory Information Service” or “RIS”	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulated information from listed companies
“Relevant Member State”	each member state of the European Economic Area which has implemented the Prospectus Directive
“Remuneration Committee”	the remuneration committee of the Group as described in paragraph 2 of Part X (<i>Directors, Management Team and Corporate Governance</i>) of this Document
“Revolving Credit Facility”	the revolving credit facility of up to €50 million made available to the Company under the Senior Debt Facilities Agreement
“Rule 144A”	Rule 144A under the U.S. Securities Act
“Saggart Site”	the site at Saggart, County Dublin, which is collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio
“Security Agent” or “Agent”	Royal Bank of Scotland plc in its capacity as the security agent pursuant to the Senior Debt Facilities Agreement
“Senior Debt Facilities Agreement”	the agreement entered into between the Company and Allied Irish Banks in connection with the Senior Debt Facilities, as more particularly described in paragraph 14.8 of Part XVII (<i>Additional Information</i>) of this Document
“Senior Debt Facilities”	the Term Loan Facility and the Revolving Credit Facility entered into by the Company with Allied Irish Banks in November 2015 as more particularly described in paragraph 14.8 of Part XVII (<i>Additional Information</i>) of this Document
“Shareholder”	a holder of Ordinary Shares in the Company
“SME”	a small or medium sized enterprise
“Sonbrook Property Moathill Limited”	a company from which Navan Newco has contracted to acquire (conditional upon the receipt of the Navan Planning Approval) the Navan Site and in which Kevin Stanley, a member of the Management Team, indirectly holds ten per cent. of the issued share capital and is a director, with the remaining 90 per cent. of the issued share capital being indirectly held by the spouse of Kevin Stanley
“South Dublin Docklands Strategic Development Zone”	an area of Dublin’s docklands designated by the Irish Government as a regeneration area
“South Dublin Site”	a proposed site that the Group has identified for acquisition in South County Dublin
“Stanbro Loan Agreement”	the loan agreement between (1) Cairn Homes Holdings (then Emerley Holdings Limited) and (2) Stanbro, further details of which are set out in paragraph 14.23 of Part XVII (<i>Additional Information</i>) of this Document
“Stanbro Loan”	the loan in the principal amount of €2,150,000 subject to the Stanbro Loan Agreement

“Stanbro”	Stanbro Property Holdings Limited, a company of which over 96 per cent. of the ultimate beneficial interest is held by Michael Stanley, a Director and Founder, together with family members including Kevin Stanley, a member of the Management Team of the Company
“Stillorgan Site (Ard na Glaise)”	the two acre site at Ard na Glaise, Stillorgan acquired by the Group in August 2015
“Stillorgan Site (Blakes)”	the site at Stillorgan, South County Dublin, which was collateral for the related loan acquired by the Group on 19 February 2016 as part of the Group’s Loan Portfolio and which was acquired outright by the Group on 14 March 2016
“Subscription Agreements and Subscription Forms”	the subscription agreements and subscription forms described at paragraph 14.19 of Part XVII (<i>Additional Information</i>) of this Document
“Substantial Acquisition Rules”	the Substantial Acquisition Rules 2007, issued by the Irish Takeover Panel pursuant to the Takeover Panel Act 1997
“Takeover Directive”	Directive 2004/25/EC of the Parliament and Council of the European Union dated 21 April 2004 on takeover bids
“TCA”	the Irish Taxes Consolidation Act 1997, as amended
“Term Loan Facility”	the term loan facility of up to €150 million made available to the Company under the Senior Debt Facilities Agreement
“Termination Date”	the maturity date of the Senior Debt Facilities under the Senior Debt Facilities Agreement, being four years from the first drawdown date
“Test Periods”	shall be construed as follows: (a) the first test period shall be the period between 1 March 2016 and 30 June 2016; and (b) thereafter each test period shall be the period between 1 March and 30 June in each subsequent year and so that the final test period shall be the period between 1 March 2022 and 30 June 2022, and “Test Period” shall be construed accordingly
“Total Shareholder Return” or “TSR”	the sum of (i) the increase in the Market Capitalisation (as adjusted to exclude the effect of any shares issued as a result of an equity fundraising) in the relevant period and (ii) the Value Return in the relevant period
“Transparency Regulations”	means the Transparency (Directive 2004/109/EC) Regulations 2007 (SI No. 277 of 2007), as amended
“Transparency Rules”	the transparency rules as issued by the Central Bank under Section 1383 of the Companies Act 2014
“Treaty”	the Convention Between the Government of the United States of America and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital Gains
“UBIL”	Ulster Bank Ireland Limited
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia

“U.S. Exchange Act”	the U.S. Securities Exchange Act of 1934, as amended
“U.S. Person”	U.S. persons within the meaning of Regulation S
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended
“U.S. Shareholder”	has the meaning given in paragraph 3 of Part XVI (Taxation) of this Document
“UK Corporate Governance Code”	the revised code on the principles of good corporate governance and best practice published in September 2012 by the Financial Reporting Council
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“UKLA” or “UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VIII of FSMA
“Ulster Bank”	refers to Ulster Bank Limited and Ulster Bank Ireland Limited
“uncertificated form” or “in uncertificated form”	recorded in the register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001 (2001/3755), may be transferred by means of CREST
“Value Return”	the amount of any value paid by the Company (whether in the form of cash or otherwise) and received by (or issued to) holders of Shares on or in respect of that holding including dividends, other distributions and returns of capital but excluding the value of any Founder Shares which have been redeemed
“VAT”	value added tax

PART B: GLOSSARY

The following technical terms when used throughout this Document have the meanings given below, unless the context requires otherwise:

“BER”	A building energy rating which is the calculated energy for use for space and hot water heating, ventilation and lighting based on the standard occupancy, of a home
“Black Scholes Valuation Model”	a mathematical valuation model of a financial market containing derivative investment instruments
“brownfield”	previously developed land, including disused industrial or commercial facilities
“CAT”	Capital Acquisitions Tax
“CGT”	Capital Gains Tax
“CIF”	the Construction Industry Federation
“CIRI”	the Construction Industry Register Ireland
“contractor’s all risk”	an insurance policy that is designed for builders and construction trades which typically covers work for a property under construction
“Dublin commuter belt”	towns in the neighbouring counties of Meath, Kildare, Wicklow and Louth with good transport connections to Dublin City including in most cases a direct rail link to central Dublin
“dwelling”	a house, apartment or other place of residence
“EBITDA”	means earnings before interest, tax, depreciation and amortisation
“Forfás”	the national policy advisory board for enterprise, trade, science, technology and innovation in Ireland
“GAV”	gross asset value
“GDP”	gross domestic product
“GDV”	has the meaning given under the heading “Gross Development Value” in paragraph 5 of Part VI (<i>Presentation of Information</i>) of this Document
“GNP”	gross national product
“Greater Dublin Area” or “GDA”	County Dublin, County Meath, County Kildare and County Wicklow
“greenfield”	land which has not previously been developed
“land bank”	as the context requires, either (i) the short-term land bank or the medium-to-long-term bank; or (ii) the short-term land bank and the medium-to-long-term bank
“LTV”	loan to value ratio
“ICAV”	means an Irish collective asset-management vehicle registered as such under the ICAV Act 2015

“IRR”	the internal rate of return on an investment or project is the annualized effective compounded return rate or rate of return that makes the net present value of all estimated cash flows (both positive and negative) from a particular investment equal to zero
“medium-to-long-term land bank”	that part of the land bank which consists of sites which are owned or controlled by the Group and which, in the Group’s opinion, require changes to the consent to improve the site’s development potential or which are zoned for development in a local authority’s local area plan but which do not currently have planning consent, and which are therefore likely to be developed over a time horizon of greater than 12 months
“mixed use”	used to describe a development in which homes are being used for different purposes (e.g. where some homes are used as dwellings while others are used for commercial purposes)
“NAMA”	National Asset Management Agency, and where the context permits, other members of NAMA’s group including subsidiaries and associated companies
“NDV”	has the meaning given under the heading “Gross Development Value” in paragraph 5 of Part VI (<i>Presentation of Information</i>) of this Document
“NRV”	the estimated selling price of assets owned by the Group less any estimated selling costs
“off-market”	where the property is not advertised and marketed in the usual manner
“PMI”	Purchasing Managers Index, which is an indicator of the economic health of the manufacturing sector
“prime assets”	a highly regarded property asset due to, amongst other things, its location or quality of construction. An example of prime property asset would be a modern office building in the central business district of a major city
“pyrite”	a mineral compound that naturally occurs in rock and was often used as part of the composition of aggregate and infill in the construction of buildings
“pyrite heave”	the effects of pyrite swelling over time, including buckling in concrete floor slabs, differential flooring levels, cracking in internal walls and movement in outside walls
“Quality Bus Corridor”	dedicated road space and traffic signal priority for busses
“Red Book”	the Valuation-Professional Standards (January 2014) (or the version thereof current as at the relevant valuation date) of the Royal Institute of Chartered Surveyors
“REITs”	real estate investment trusts

<p>“short-term land bank”</p>	<p>that part of the land bank which consists of sites which are owned by the Group and which have the benefit of a viable planning consent and are therefore ready for construction to commence</p>
<p>“Strategic Development Zone” or “SDZ”</p>	<p>an area of land that is proposed to contain developments of economic or social importance to the Irish Government</p>
<p>“unit”</p>	<p>a structure or part of a structure on a developed plot which is capable of being individually sold and used for either residential or commercial purposes.</p>