

A copy of this document (the "Prospectus"), which comprises a prospectus by Amedeo Air Four Plus Limited (the "Company") for the issue of Shares in the Company, prepared in accordance with the Prospectus Rules of the UK Listing Authority made pursuant to section 73A of the Financial Services and Markets Act 2000, has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

If you are in any doubt as to the action you should take or the contents of this Prospectus, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000, as amended (the "FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

The Shares are only suitable for investors (i) who understand and can bear the potential risk of a substantial or entire capital loss of their investment and who can accept that there may be limited liquidity in the Shares and the underlying investments of the Company (ii) for whom an investment in the Shares is part of a diversified investment programme and (iii) who fully understand and are willing to assume the risks involved in such an investment programme.

Application will be made to the London Stock Exchange for the Shares of the Company, issued and to be issued in connection with the Placing, to be admitted to the Specialist Fund Market of the London Stock Exchange.

The Company and the Directors, whose names appear on page 37 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Amedeo Limited accepts responsibility for the information contained in this document attributed to it and for the information and opinions contained under the headings "Current market opportunity" and "Distribution policy" of Part I of this Prospectus and for Parts IV to VIII of this Prospectus. To the best of the knowledge of Amedeo, which has taken all reasonable care to ensure such is the case, the information contained in this document attributed to it and the information and opinions contained under the headings "Current market opportunity" and "Distribution policy" of Part I of this Prospectus and in Parts IV to VIII of this Prospectus is in accordance with facts and contains no omission likely to affect its import.

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**Amedeo Air Four Plus Limited**

*(a non-cellular company limited by shares incorporated  
under the laws of Guernsey with registered number 59675)*

**Placing of 202,000,000 Shares at an Issue Price of 100 pence per Share**

**Placing Agent**

**Nimrod Capital LLP**

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**The attention of potential investors is drawn to the Risk Factors set out on pages 18 to 29 of this Prospectus. The latest time and date for applications under the Placing is 3.00 p.m. on 7 May 2015. Further details of the Placing are set out in Part III of this Prospectus.** Capitalised terms contained in this prospectus shall have the meanings set out in Part X of this Prospectus.

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or Nimrod Capital LLP. The offer and sale of Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, South Africa or Japan. Subject to certain exemptions, the Shares may not be offered to or sold within Australia, Canada South Africa or Japan or to any national, resident or citizen of Australia, Canada, South Africa or Japan.

The Shares have not been and will not be registered under the US Securities Act of 1933 (the "**US Securities Act**") or with any securities regulatory authority of any state, territory or other jurisdiction of the United States. The Shares may not be offered, sold, pledged, or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US person (as defined in Regulation S under the US Securities Act, "**US Person**"). In connection with the Placing, the Shares are being offered and sold only outside the United States to, or for the account or benefit of, investors that are not US Persons in "offshore transactions" within the meaning of, and in reliance upon, Regulation S under the US Securities Act.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**US Investment Company Act**") and, as such, investors will not be entitled to the benefits of the US Investment Company Act. No purchase, sale or transfer of the Shares may be made except in circumstances in which such purchase, sale or transfer will not result in the Company being required to register as an investment company under the US Investment Company Act.

In addition, prospective investors should note that, except with the express written consent of the Company given in respect of an investment in the Company, the Shares may not be acquired by: (i) investors using assets of: (A) an "employee benefit plan" as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") that is subject to Title I of ERISA; (B) a "plan" as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**US Tax Code**"), including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law. Investors may be required to bear the financial risks of this investment in the Shares for an indefinite period of time. In addition, the shares are subject to restriction on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. For a description of restrictions on offers, sales and transfers of Shares, see "*Purchase and Transfer Restrictions*" beginning on page 58 of this Prospectus.

**Neither the US Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved or passed upon or endorsed the merits of the offering of the shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.**

Nimrod Capital LLP (which is authorised and regulated by the Financial Conduct Authority) is acting for the Company in connection with the Placing and will not regard any other person (whether or not a recipient of this document or other information) as its customer in relation thereto. Any prospective purchaser of Shares is recommended to seek its own professional advice.

30 April 2015

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## 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'.

<i>Section A – Introduction and warnings</i>		
<b>Element</b>	<b>Disclosure requirement</b>	<b>Disclosure</b>
A1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. 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 Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.
A2	Consent for Resale	Not Applicable. The Company has not given its consent to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.
<i>Section B – Issuer</i>		
<b>Element</b>	<b>Disclosure requirement</b>	<b>Disclosure</b>
B1	Legal and commercial name	Amedeo Air Four Plus Limited.
B2	Domicile and legal form	The Company is a non-cellular company limited by shares, registered and incorporated in Guernsey under the Companies Laws on 16 January 2015, with registered number 59675.
B5	Group description	The Company intends to establish one or more wholly-owned subsidiaries for efficient portfolio management, but has no subsidiaries at the date of this Prospectus.
B6	Notifiable interests / voting rights	Not applicable. No interest in the Company's capital or voting rights is notifiable under the Company's national law. Save as set out below, the Company is not aware as at the date of this Prospectus of any person who is or will, immediately following Admission, be directly or indirectly interested in 5 per cent. or more of the Shares as at Admission. Amedeo Capital, the ultimate parent company of Amedeo Limited, will directly or through one or more of its affiliates acquire at least 5 per cent. of the Shares to be issued

		<p>pursuant to the Placing.</p> <p>None of the Company's Shareholders has voting rights attached to the Shares they hold different from the voting rights attached to any other Shares in the same class in the Company. As at the date of this document the Company, insofar as it is aware, is not directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.</p>
B7	Key financial information	Not applicable. The Company has been recently incorporated, has not commenced operations and no financial statements have been made up.
B8	Key <i>pro forma</i> financial information	Not applicable. The Company has been recently incorporated, has not commenced operations and no financial statements have been made up.
B9	Profit forecast	Not applicable. No profit estimate or forecast is made.
B10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The Company has been recently incorporated, has not commenced operations and no financial statements have been made up.
B11	Explanation if working capital not sufficient for present requirements	<p>The Company does not have sufficient working capital available to it for its present requirements, that is, for at least the next 12 months from the date of this Prospectus. However, the shortfall in working capital relates exclusively to working capital required in order to acquire the Initial Assets. Such financing is subject to the completion of the Placing and, in relation to the First Tranche Assets, the Company entering into the First Tranche Finance Transfer Agreements and, in relation to the Second Tranche Assets, the Company agreeing the terms of and entering into the Second Tranche Finance Agreements (or employing an alternative means of debt financing).</p> <p><i>Relative timing</i></p> <p>The Placing is not being underwritten and the Placing will not proceed if the Net Placing Proceeds would be less than £199,463,125. In respect of the First Tranche Assets, the Company's entry into the First Tranche Purchase Agreements and the First Tranche Leases is conditional on the Company entering into the First Tranche Finance Transfer Agreements. In respect of the Second Tranche Assets, the Company's entry into the Purchase Agreement Assignments and the Second Tranche Leases is conditional on financing being available to the Company under the Second Tranche Finance Agreements or pursuant to an alternative means of debt financing. The Company's liability to fund the relevant Asset Purchase Price in relation to each of the First Tranche Assets and proceed with the acquisition of each of the First Tranche Assets will be conditional upon the Company having entered into the First Tranche Leases and the First Tranche Finance Transfer Agreements. The Company's liability to fund the relevant Asset Purchase Price in relation to each of the Second Tranche Assets and proceed with the acquisition of each of the Second Tranche Assets will not arise until the</p>

		<p>Company has executed the relevant Purchase Agreement Assignment and the Company will not do so until it has entered into the Second Tranche Finance Agreements (or raised debt by alternative means). Similarly, the Company's entry into the relevant Lease is conditional on the Company having entered into the First Tranche Finance Transfer Agreements in respect of the First Tranche Assets or the Company having entered into the Second Tranche Finance Agreements (or having raised any financing by alternatives) in respect of the Second Tranche Assets.</p> <p><i>Shortfall</i></p> <p>Assuming completion of the Placing, the shortfall in working capital equates to the balance of the Asset Purchase Price for each Initial Asset that is not funded out of the Net Placing Proceeds. On the basis that the estimated Net Placing Proceeds are £199,463,125, the shortfall required to be funded from the Finance Agreements (or any other form of debt financing) is expected to be approximately US\$197,439,310 per Initial Asset (the "<b>Required Debt</b>"). In the opinion of the Board, there is no shortfall in respect of the working capital required for the Company's existing operations other than the acquisition of the Initial Assets, as set out above, and accordingly there is no requirement for additional funding for such existing operations.</p> <p><i>Implications</i></p> <p>If the Company is unable to successfully raise the Required Debt by way of the Finance Agreements (or any other form of debt financing), then the Company would need to arrange alternative debt finance to fund the acquisition of the Initial Assets. If such funding is ultimately not available then the Company will be unable to purchase one or more of the Initial Assets. In such circumstances, the Directors will return any unused capital (less abort costs) to Shareholders. Should the Company be able to purchase the First Tranche Assets but unable to purchase the Second Tranche Assets, the Company will either: (i) put proposals to Shareholders for the acquisition of alternative Assets; or (ii) return the relevant unused capital to Shareholders.</p>
B34	Investment objective and policy	<p><b>Investment objective</b></p> <p>The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft.</p> <p><b>Investment policy</b></p> <p>To pursue its investment objective, the Company will seek to use the net proceeds of placings and/or other equity capital raisings, together with debt facilities (or instruments), to acquire widebody, or other, aircraft which will be leased to one or more major airlines. Any material change to the investment policy of the Company will be made only with the approval of Shareholders by ordinary resolution.</p>
B35	Borrowing limits	<p>The Directors intend to restrict borrowing, other than the debt financing necessary to complete the funding of the acquisition of the Assets, to an amount not exceeding 15 per cent. of the NAV of the Company at the time of drawdown. Borrowing facilities, which may include an overdraft facility for efficient cash management including the payment of extraordinary expenses, will only be drawn down with the approval of the Directors on a case by case basis. With the exception of any debt financing entered into in connection with the purchase of any Assets, the Directors have no intention as at the date of this Prospectus to use such borrowings for structural investment</p>

		purposes. The Board may exercise all the powers of the Company to implement any form of debt financing, including loans, the purpose of which is to finance the acquisition of aircraft.
B36	Regulatory status	The Company is not authorised or regulated by the Financial Conduct Authority, the Guernsey Financial Services Commission or any other regulatory agency.
B37	Typical investors	Typical investors in the Company are expected to be institutional investors, professional investors, private client fund managers and private client brokers.
B38	Investment of 20% or more in single underlying asset or investment company	Not applicable. No investment will represent more than 20 per cent. of the gross assets of the Company in any single underlying issuer.
B39	Investment of 40% or more in single underlying asset or investment company	Not applicable. No investment will represent more than 40 per cent. of the gross assets of the Company in another collective investment undertaking.
B40	Applicant's service providers	<p><i>Asset Manager</i></p> <p>The Company, Amedeo Limited and Amedeo Services (UK) Limited have entered into the Asset Management Agreement, dated on or about the date of this Prospectus, whereby Amedeo Limited is appointed as the Company's exclusive agent and representative in respect of the Assets and the leases with, subject to the terms and conditions set out in the Asset Management Agreement, the authority to fully represent the Company and each Lessor in all matters relating to the exercise of the rights (and, to the extent required, the observance of the obligations) of the Company and the Lessors with respect to the leases and the Assets. Under the terms of the Asset Management Agreement, Amedeo Limited will: (i) monitor and, to the extent required pursuant to the terms and conditions set out in each lease, administer each relevant lessee's performance of its obligations under the relevant lease (including such lessee's obligations relating to the insurance of the Asset); (ii) as the Company's exclusive remarketing agent in respect of the Assets, use all reasonable endeavours to solicit offers to lease or sell each of the Assets on the best terms reasonably obtainable having due regard to the then current market conditions (including current industry and market practice); (iii) carry out mid-lease inspections of the Assets; (iv) provide the Company with information and analysis with respect to each Asset, including a quarterly asset monitoring report which will include recent developments and a forward looking statement including inspection results, events, any material information, significant changes, decisions which have been made or need to be made, events affecting distributions, and other major or pending events, issues or outcomes as far as known to Amedeo Limited; and (v) if requested by the Company, acting reasonably, a financial model that would allow the Board to prepare or re-assess target distributions based on the</p>

		<p>Asset Manager's view of projected cash flows and liabilities. The Asset Management Agreement additionally provides that, to the extent that the Company requests that any services be provided under the Asset Management Agreement which represent 'asset management activities' (as such term is given meaning pursuant to the UCITS Directive), the Company shall only request that such activities be undertaken by Amedeo Services (UK) Limited and not by Amedeo Limited. In consideration for providing the services pursuant to the Asset Management Agreement the Company will pay Amedeo Limited a management and advisory fee of £247,500 per annum per Initial Asset (adjusted annually for inflation commencing from 1 January 2016 onwards at 2.5 per cent. per annum), payable monthly in arrear (the "<b>Annual Fee</b>"). The Annual Fee for each Initial Asset shall accrue from the date of Admission.</p> <p>With respect to the Disposition of the Initial Assets, the Company shall pay to Amedeo Limited Disposition Fees calculated as follows:</p> <p>(a) upon the Disposition of each Initial Asset, the Company shall pay to Amedeo Limited a base fee equal to 1.75 per cent. of the Realised Value of such Initial Asset (the "<b>Base Disposition Fee</b>") (the aggregate of the Base Disposition Fees to be paid by the Company to Amedeo Limited with respect to the Initial Assets being the "<b>Aggregate Base Disposition Fees</b>");</p> <p>(b) in addition to the Base Disposition Fee, upon the completion of the Disposition of the fourth and final Initial Asset, if the aggregate of Aggregate IARV less the Aggregate Junior Loan Balances (such amount being the "<b>Adjusted IARV</b>") equals or exceeds the aggregate amount represented by:</p> <p>(i) the Additional Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate); plus</p> <p>(ii) the aggregate of: (x) the Aggregate Base Disposition Fees; plus (y) the amount equal to 1 per cent. of the Aggregate IARV, (the total of (i) and (ii) above being the "<b>Additional Reference Amount</b>") then the Company shall pay to Amedeo Limited an additional disposition fee equal 2.75 per cent. of the Aggregate IARV less the Aggregate Base Disposition Fees (the "<b>Additional Disposition Fee</b>"). If the Adjusted IARV is less than the Additional Reference Amount but more than the Additional Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate), Amedeo Limited and the Company agree that the Additional Disposition Fee to be paid by the Company to Amedeo Limited shall be calculated using the same methodology as set out above save that the amount described in (y) shall be calculated using such percentage less than 1 per cent. required in order to allow the net amount to be retained by the Company following the payment of the Aggregate Base Disposition Fees and the Additional Disposition Fee to Amedeo Limited to equal the Additional Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate); and</p> <p>(c) in addition to the Base Disposition Fee and the Additional Disposition Fee, upon the completion of the Disposition of the fourth and final Initial Asset, if the Adjusted IARV equals or exceeds the aggregate amount represented by:</p> <p>(i) the Incentive Threshold (converted into Dollars at the then prevailing</p>
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		<p>Sterling/Dollar exchange rate); plus</p> <p>(ii) the aggregate of: (x) the Aggregate Base Disposition Fees; plus (y) the Additional Disposition Fee; plus (z) the amount equal to 1.25 per cent. of the Aggregate IARV,</p> <p>(the total of (i) and (ii) above being the "<b>Incentive Reference Amount</b>") then the Company shall pay to Amedeo Limited an incentive disposition fee equal to 4 per cent. of the Aggregate IARV less the aggregate of the Aggregate Base Disposition Fees and the Additional Disposition Fee (the "<b>Incentive Disposition Fee</b>"). If the Adjusted IARV is less than the Incentive Reference Amount but more than the Incentive Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate), Amedeo Limited and the Company agree that the Incentive Disposition Fee to be paid by the Company to Amedeo Limited shall be calculated using the same methodology as set out above save that the amount described in (z) shall be calculated using such percentage less than 1.25 per cent. required in order to allow the net amount to be retained by the Company following the payment of the Aggregate Base Disposition Fees, the Additional Disposition Fee and the Incentive Disposition Fee to Amedeo Limited to equal the Incentive Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate).</p> <p>The Company and Amedeo Limited further agree that, if an Initial Asset is the subject of a Disposition prior to the end of its 12 year lease term:</p> <p>(a) the Company shall pay to Amedeo Limited a disposition fee equal to: (i) 3 per cent. of the Realised Value which results from any such Disposition; or, (ii) if the Disposed Asset's Realised Value is equal to or greater than the amount equal to one quarter of the Incentive Threshold, 4 per cent. of the Realised Value which results from any such Disposition; and</p> <p>(b) the Additional Disposition Fee and the Incentive Disposition Fee with respect to the remaining Initial Assets shall remain due and payable by the Company to Amedeo Limited; however, the Additional Threshold and the Incentive Threshold shall, respectively, be reduced proportionally with reference to the actual number of Initial Assets which were Disposed of at the end of their 12 year lease terms. By way of example; if one Initial Asset is Disposed of in advance (whether by sale / lease or as the result of a Total Loss), the Additional Threshold and Incentive Threshold shall be reduced by a factor of one quarter to an amount equal to three quarters of the original amounts as such were calculated with reference to all four Initial Assets.</p> <p>With respect to any aircraft which are acquired by the Company in addition to the Initial Assets, the Company and Amedeo Limited agree that, with respect to the Disposition of such Asset, the Company shall pay to Amedeo Limited on an Asset-by-Asset basis a disposition fee equal to 3 per cent. of the Realised Value of such Asset.</p> <p>If Amedeo Limited arranges the disposal of an Asset by arranging a long term re-lease of the same (the "<b>Re-Leased Aircraft</b>"), rather than by arranging the sale of the Asset, then for the purposes of the calculation of fees payable to Amedeo Limited in relation to such re-lease the Disposition of the Re-Leased Aircraft shall be taken to have occurred on the date of commencement of such long-term re-lease. The Company and Amedeo Limited, each acting reasonably, shall agree the Realised Value attributable to such re-lease, the</p>
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		<p>calculation of which shall be agreed by reference to various factors, including, amongst other things, the periodic amount of rent paid under, and for the full term of, such subsequent lease. No further Disposition Fee, as determined pursuant to the Asset Management Agreement, shall be payable on the eventual sale of the Re-Leased Aircraft (without prejudice to the Asset Manager's ability to be paid under any separate arrangements agreed in the future in respect of such sale in the event that Amedeo Limited subsequently arranges the sale). A Total Loss (and any subsequent receipt of proceeds) in respect of an Asset shall be considered a Disposition for the purposes of the Asset Management Agreement.</p> <p><i>Agency Services provider</i></p> <p>The Company and Amedeo Limited have entered into the Agency Agreement, dated on or about the date of this Prospectus, whereby Amedeo Limited has agreed to assist the Company and each Lessor (as relevant), and shall act as the sole and exclusive agent to the same, in relation to:</p> <ul style="list-style-type: none"> <li>(a) the arrangement, negotiation, review and, following the approval and execution by the Company, the management of the acquisition of the Initial Assets as well as any other Assets which may be acquired by the Company subsequent to the Initial Assets;</li> <li>(b) the borrowings (including any Debt Financing Documentation); and</li> <li>(c) each lease and ensuring that the Material Agreements are consistent with market practice in the aviation industry.</li> </ul> <p>In consideration for providing the services pursuant to the Agency Agreement, the Company shall (for itself and on behalf of each Lessor) upon Admission pay to Amedeo an upfront lease and debt arrangement fee of £2,438,125 (the "<b>Upfront Fee</b>"). The Company shall also upon Admission reimburse Amedeo Limited for all expenses reasonably and properly incurred by Amedeo Limited in connection with the performance of the services provided under the Agency Agreement in advance of Admission (including, without limitation, all commitment and arrangement fees with respect to the First Tranche Assets).</p> <p><i>Liaison and Administration Oversight Agent</i></p> <p>The Company and Amedeo Services (UK) Limited have entered into the Liaison and Administration Oversight Agreement, dated on or about the date of this Prospectus, whereby Amedeo Services (UK) Limited has agreed to assist, in an administrative role, Amedeo and the Administrator in the provision of their services to the Company. The Company shall pay Amedeo Services (UK) Limited a fee of £10,000 (exclusive of any applicable taxes), adjusted annually for inflation from 1 January 2016 onwards at 2.5 per cent. per annum for its services under the Liaison and Administration Oversight Agreement. The initial payment of the Liaison and Administration Oversight fee shall be due upon the date of Admission, with each subsequent payment being payable annually in advance on each anniversary of the date of Admission.</p> <p><i>Administrator</i></p> <p>JTC (Guernsey) Limited has been appointed as Administrator of the Company pursuant to the Administration Agreement. The Administrator will be responsible for the Company's general administrative functions, such as</p>
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the calculation of the Net Asset Values, compliance services and maintenance of the Company's accounting and statutory records. The Administrator is entitled to fees as set out below in consideration for the services to be provided: (a) an establishment fee for establishing the Company, capped at £15,000 (plus an establishment fee for establishing a subsidiary capped at £1,800 per subsidiary); (b) an administration fee for the Company of £18,000 per annum and for each subsidiary of £2,500 per annum; (c) a secretarial fee for the Company of £25,000 per annum assuming quarterly board meetings, four dividend declaration meetings and an annual general meeting each year, and for each subsidiary of £2,400 per annum for four routine dividend board meetings and an annual general meeting each year. Where a meeting is held outside of Guernsey a charge of £1,500 per day for each person attending from the Administrator will be levied; (d) a value fee of 0.015 per cent of the Gross Asset Value of the Company, in excess of the first £100 million, capped at £15,000 per annum per Asset; (e) a financial reporting fee capped at £25,000 per annum with a supplement of no more than £1,000 for each Asset; (f) a working capital model and target return calculation fee capped at £12,500; and (g) an aircraft transaction fee calculated on a time-charge basis for each specific transaction as follows: (i) for the documenting and completion of a bank debt facility arrangement, a fee not exceeding £2,500; (ii) for corporate matters in connection with the acquisition and/or lease of an Asset, a fee not exceeding £2,500; and (iii) for matters arising on the sale or transfer of an Asset or a subsidiary, a fee not exceeding £3,000 per Asset or subsidiary. The fees described in sub-paragraph (a) shall be payable by the Company upon presentation of an invoice by the Administrator to the Company once the event referred to has occurred. The fees described in sub-paragraphs (b) to (e) shall be payable by the Company monthly in arrears and shall be automatically subject to an annual increase by reference to the States of Guernsey Retail Price Index capped at a mean average of 2.5 per cent. per annum applied pro rata on 1 April 2016 and annually thereafter. The Administrator will be entitled to recover from the Company its reasonable out-of-pocket expenses.

*Registrar*

Anson Registrars Limited has been appointed as Registrar of the Company. The Registrar will be responsible for the maintenance of the Company's register of members, dealing with routine correspondence and enquiries and the performance of all the usual duties of a registrar in relation to the Company. The Registrar will be entitled to an annual basic fee from the Company equal to the higher of: (i) £4,000 per annum, or (ii) £1,500 per Register per annum, or part thereof, or (iii) £2.00 per shareholder per annum or part thereof. Other registrar activities will be charged for in accordance with the Registrar's normal tariff as listed in the Registrar Agreement. The fee of the Registrar is payable on a per Shareholder basis. Since the number of Shareholders on the register of the Company may vary during the fee year, there is no maximum fee payable to the Registrar.

*Corporate and Shareholder Adviser*

Nimrod Capital LLP (which is authorised and regulated by the Financial Conduct Authority) has been appointed as the corporate and shareholder

		adviser by the Company pursuant to the Corporate and Shareholder Advisory Agreement. The Company shall pay to Nimrod for its services as Corporate and Shareholder Adviser an annual fee of £702,128 (which represents 0.35 per cent. of the Placing Proceeds), payable quarterly in arrear and adjusted annually for inflation from 2016 onwards at 2.5 per cent. per annum. This annual fee shall accrue from the date of Admission.
B41	Regulatory status of investment manager, investment adviser and custodian	<p>Not applicable. The Company will not have an investment or portfolio manager. The Directors will have responsibility for compliance with the investment policy.</p> <p>The Asset Manager, Amedeo Limited, is a company incorporated in Ireland with registered number 530544. The Asset Manager's registered office is situated at The Oval, Shelbourne Road, Ballsbridge, Dublin 4, Ireland.</p>
B42	Calculation of Net Asset Value	<p>The Company will, prior to the acquisition of the Initial Assets, and on an annual basis thereafter throughout the term of the Company's ownership of the Assets, engage the Independent Expert Valuers to provide third party valuation consultancy services to the Company and to assist it in assessing the fair value of the Assets. The Company will be valued by the Administrator (following consultation with the Asset Manager and the Auditors) annually in accordance with prevailing accounting standards. The NAV and the NAV per Share will be published in the Company's annual report and accounts, in each case determined in accordance with IFRS. The NAV will also be published in the Company's half-year report. In circumstances where the Directors, as advised by the Asset Manager, are of the opinion that the NAV or NAV per Share, as calculated under applicable accounting standards, is not appropriate or could give rise to a misleading calculation, the Directors, in consultation with the Administrator, the Asset Manager and the Auditors may determine, at their discretion, an alternative method for calculating the value of the Company and shares in the capital of the Company, which they consider more accurately reflects the value of the Company. In such circumstances, the resulting net asset value and net asset value per share (the "<b>Adjusted NAV and Adjusted NAV per Share</b>") will be published in addition to the NAV and NAV per Share (as calculated in accordance with IFRS). Valuations of the Assets by the Independent Expert Valuers will be considered in any valuation of the Company's assets. The Independent Expert Valuers will produce for the Company a valuation of the Assets on an annual basis, prior to the calculation of the Company's NAV (and, if applicable, the Adjusted NAV and Adjusted NAV per Share). The Directors will consider the valuations of the Independent Expert Valuers and may, if such valuations suggest a permanent diminution in value of one or more of the Assets, determine in consultation with the Administrator, the Auditors and the Asset Manager an appropriate adjustment to the NAV and NAV per Share of the Company (and, if applicable, the Adjusted NAV and Adjusted NAV per Share). The Company may, however, at its discretion, arrange for additional valuations to be carried out from time to time if market conditions warrant.</p>
B43	Cross liability	The Company is not an umbrella collective investment undertaking.
B44	No financial statements have	Not applicable. The Company has not commenced operations and no financial statements have been made up as at the date of the Prospectus.

	been made up	
B45	Portfolio	Not applicable. The Company has not commenced operations and so has no portfolio as at the date of this Prospectus.
B46	Net Asset Value	Not applicable. The Company has not commenced operations and so has no Net Asset Value as at the date of this Prospectus.
<i>Section C - Securities</i>		
<b>Element</b>	<b>Disclosure requirement</b>	<b>Disclosure</b>
C1	Type and class of securities	The Shares being offered are redeemable ordinary shares of no par value in the capital of the Company. Application will be made for the Shares to be admitted to the London Stock Exchange's Specialist Fund Market. The ISIN for the Shares is GG00BWC53H48 and the SEDOL is BWC53H4.
C2	Currency of the securities issue	Sterling.
C3	Number of securities in issue	As at the date of this Prospectus, there is 1 redeemable ordinary share of no par value in issue. The maximum issued share capital of the Company (all of which will be fully paid or deemed fully paid) immediately following the Placing will consist of 202,000,000 Shares. There are no non-paid up Shares in issue. The Shares have no par value.
C4	Description of the rights attaching to the securities	<p><b><i>Dividends and other distributions</i></b></p> <p>Shareholders are entitled to receive, and participate in any dividends out of income; other distributions of the Company available for such purposes and resolved to be distributed in respect of any accounting period; or other income or right to participate therein.</p> <p><b><i>Voting Rights</i></b></p> <p>The Shareholders shall have the right to receive notice of and to attend, speak and vote at general meetings of the Company and each holder of Shares being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of each Share held by him.</p> <p><b><i>Return of Capital</i></b></p> <p>In the event of a winding up of the Company the surplus assets of the Company available for distribution to Shareholders remaining after payment of all other debts and liabilities of the Company (and of the costs, charges and expenses of any such winding up) shall be applied in the following manner and order of priority: (1) first, in paying to each holder of Shares in respect of each Share of which it is the holder a sum equal to the amount paid up or credited as paid up thereon; and (2) second, the balance of such assets (if any) shall be distributed amongst the holders of the Shares (in proportion to the numbers of Shares held by them).</p>

C5	Restrictions on the free transferability of the securities	<p>Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his or her Shares in any manner which is permitted by the Companies Law or in any other lawful manner which is from time to time approved by the Board.</p> <p><i>Restrictions due to lack of registration under the US Securities Act and the US Investment Company Act</i></p> <p>The offer and sale of the Shares has not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States or under the securities laws of Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Shares may not be offered, sold, exercised, resold, pledged or otherwise transferred or delivered, directly or indirectly, into or within the United States, Australia, Canada, South Africa or Japan or to, or for the account or benefit of, any US Person, or to any national, resident or citizen of Australia, Canada, South Africa or Japan. There will be no public offer of the Shares in the United States.</p> <p>In connection with the Placing, the Shares are being offered and sold subject to certain exceptions, only outside the United States to non-US Persons in "offshore transactions" with the meaning of, and in reliance on, the safe harbour from registration provided by Regulation S under the US Securities Act. The Company has not been and will not be registered under the US Investment Company Act and, as such, investors will not be entitled to the benefits of the US Investment Company Act. No purchase, sale or transfer of the Shares may be made except in circumstances in which such purchase, sale or transfer will not result in the Company being required to register as an investment company under the US Investment Company Act or potentially being in violation of such Act or the rules and regulations promulgated thereunder.</p> <p>The Shares and any beneficial interest therein may only be transferred in an offshore transaction within the meaning of, and in reliance on, the safe harbour from registration provided by Regulation S (i) to a person outside the United States and not known to the transferor to be a US Person; or (ii) to the Company or a subsidiary thereof.</p>
C6	Admission to trading on a regulated market	<p>Application will be made to the London Stock Exchange for the Shares issued, and to be issued pursuant to the Placing, to be admitted to trading on the London Stock Exchange's Specialist Fund Market. It is expected that Admission will become effective and that dealings will commence on 13 May 2015.</p>
C7	Dividend policy	<p>The Company will receive income in the form of Lease Rentals. It is anticipated that income distributions will be made to Shareholders quarterly, subject to compliance with applicable laws and regulations. From the first dividend payment in July 2015, the Company will target a distribution to investors of 2.0625 pence per Share per quarter (amounting to a yearly distribution of 8.25 per cent. as pro rated from the date of Admission to 31 December 2015, based on the Issue Price of 100 pence per Share) at least until such time as any aircraft other than the Initial Assets are acquired. The above target distributions are targets only and are based on various</p>

		<p>projections and assumptions at the time of modelling and are therefore subject to change. The income the Company may receive cannot be accurately predicted and is subject to risks including, but not limited to, a default by a lessee on its obligations under a lease, late delivery of any of the Assets and the effect of loan bullet payments falling due (which may cause the Board to consider if a distribution can lawfully be made under Guernsey law). Moreover, should Shareholders approve the acquisition of further aircraft or the sale proceeds of one or more of the First and Second Tranche Assets be re-invested, there can be no guarantee that the terms on which such further aircraft are leased will support the level of target dividends described above. There can therefore be no guarantee that dividends will be paid to Shareholders and, if dividends are paid, as to the timing and amount of any such dividend. Any distribution of dividends to Shareholders will be subject always to compliance with the Companies Laws. <b>Investors should not place any reliance on such target return in deciding whether to invest in the Company.</b> Before recommending any dividend, the Board will consider the capital position of the Company and the impact on such capital of paying the proposed dividend. The Company expects to declare and pay any dividends in Sterling.</p>
<i>Section D - Risks</i>		
<b>Element</b>	<b>Disclosure requirement</b>	<b>Disclosure</b>
D1 D2	Key information on the key risks specific to the issuer or its industry	<p>The Company is recently established and has no operating history. Accordingly, there are no historical financial statements or other meaningful operating or financial data with which to evaluate the Company and its performance. An investment in the Company is subject to all of the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of the investors' investment could decline substantially or entirely as a consequence.</p> <p>The success of the Company will depend on Amedeo's ability to advise the Company appropriately on its investment in (and disposal of) the Assets, in accordance with the Company's investment objective and policy. There can be no assurance that they will be able to do so or that the Company will be able to generate any investment returns for Shareholders or indeed avoid investment losses.</p> <p>The target returns set out in this Prospectus are targets only and are based on financial projections which are themselves based on assumptions regarding market conditions and economic environment. There can be no guarantee that these target returns of the Company can be achieved at the level set out in this Prospectus.</p> <p>The Airbus A380 is, in industry terms, a relatively recently developed generation of aircraft, the first of which was delivered in October 2007. With such a recent design, in particular in respect of innovative materials and technologies, and the size of the aircraft, there is at present not sufficient experience and data to give a complete assessment of the long-term use and operation of the aircraft. There is a risk that the newly developed materials</p>

		<p>may be found to be less efficient or durable than expected, thereby leading to lower overall operating hours of the Asset and higher maintenance and repair costs.</p> <p>During the term of the Leases, the returns on an investment in the Shares will depend in large part on the Lease Rentals received under the Leases. A failure by a Lessee to comply with its payment obligations under the Leases may lead to lower distributions paid on the Shares than had been targeted and may affect ability to meet investment objective.</p> <p>The Company's investment in the Assets is designed to be long-term. The Assets cannot be easily sold or transferred given their nature and the absence of a liquid market in aircraft. The market price and value of the Assets may fluctuate due to a number of factors beyond the Company's control, including actual or anticipated fluctuations in the results of the airline industry, market perceptions concerning the airline industry or the Assets, general economic, social or political developments, changes in industry conditions, changes in government regulation, and other material events, such as acts of God, terrorism, storms or strikes. These factors may mean that the Company is unable to realise one or more of the Assets on satisfactory terms. This would materially adversely affect the value of the Shares and any potential capital distribution and result in the substantial loss of an investor's investment. In addition, the servicing of any outstanding debt or outstanding fees and expenses relating to the Assets adversely affect distributions to Shareholders and affect the ability of the Company to meet its investment objective.</p> <p>The airline industry is particularly sensitive to changes in economic conditions. For example, unfavourable economic conditions, such as higher unemployment rates, reduced sales revenues for many companies and increased business operating costs, may reduce spending for both leisure and business travel, as potential customers of the airlines cut back on travel expenses. Unfavourable economic conditions can also impact the ability of airlines to raise fares to counteract increased fuel, labour and other costs. The airline industry is also subject to other risks including competition between the airlines, dependency on rapidly evolving technology, inability to obtain additional equipment or support for aircraft and engine suppliers, availability and price of fuel, staff and employee related issues (including employee strikes), security concerns and the threat of terrorism, airport capacity constraints and air traffic control inefficiencies, changes in or additional governmental regulations relating to air travel and acts of God (including adverse weather and natural disasters). Any of these risks could materially affect the ability of Emirates or any other lessee to comply with its payment obligations under a Lease (or any other subsequent lease), which may adversely affect the ability of the Company to meet its investment objective.</p>
D3	Key information on the key risks specific to the securities	<p>An investment in the Shares of the Company carries the risk of loss of capital. The value of a Share can go down as well as up and Shareholders may receive back less than the value of their initial investment and could lose all of their investment.</p> <p>The Shares may trade at a discount to NAV per Share for a variety of reasons, including due to market conditions, short-term currency fluctuations</p>

		<p>or to the extent investors undervalue the management activities of the Company. While the Directors may seek to mitigate any discount to NAV per Share, the Company has no formal discount control mechanism such as a share buyback programme and there can be no guarantee that their attempts to mitigate the discount will be successful. The Directors accept no responsibility for any failure of any such strategy to effect a reduction in any discount.</p> <p>Subject to Guernsey law, and all other legal and regulatory requirements, the Company may issue additional Shares. Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the relevant Shares to decline. There are no provisions of Guernsey law which confer rights of pre-emption in respect of the issue of additional Shares (and C Shares which are convertible into Shares). If the Company were to issue additional Shares, such issue may be on a non-pre-emptive basis and may dilute the shareholdings of the existing Shareholders.</p>
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*Section E – Offer*

<b>Element</b>	<b>Disclosure requirement</b>	<b>Disclosure</b>
E1	The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror	On the basis that 202,000,000 Shares are issued under the Placing, net proceeds after costs are expected to be £199,463,125. The initial expenses of the Company will be those connected to the Placing and Admission. The Company does not expect initial expenses to exceed 1.27 per cent. of the Placing Proceeds. These expenses will be paid on or around Admission (unless stated otherwise) and will include fees payable under the Placing Agreement, the fees and expenses of any sub-placing agents, registration, listing and admission fees, settlement arrangements, printing, advertising and distribution costs, legal fees and any other applicable expenses. All such expenses will be immediately written off.
E2a	Reasons for the offer and use of proceeds	This document constitutes a prospectus of the Company prepared in accordance with the Prospectus Rules of the UK Listing Authority made pursuant to section 73A of the Financial Services and Markets Act 2000, in connection with the admission of the Shares to trading on the SFM, a regulated market. The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft. The Company intends to use the Net Placing Proceeds to fund the purchase of four Airbus A380 aircraft, two of which it is expected will be acquired shortly after Admission and two of which are expected to be acquired in August and November 2015.
E3	Terms and Conditions of the offer	202,000,000 Shares of no par value are being marketed and are available under the Placing. Shares will be issued under the Placing at a price of 100 pence per Share. The Placing is not being underwritten. No fractions of Shares will be issued. If a fractional entitlement to a Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number. Any rounding will be retained for the benefit of the Company. The Company, the Asset Manager and Nimrod have entered into the Placing Agreement whereby Nimrod (which is authorised and regulated

		by the Financial Conduct Authority) has agreed, as Placing Agent for the Company, to use its reasonable endeavours to procure subscribers for Shares under the Placing at the Issue Price. The Company will not proceed with the Placing if the Placing Proceeds are less than the Placing Amount. If the Placing does not proceed, subscription monies received will be returned without interest at the risk of the applicant. Applications under the Placing must be for a minimum subscription amount of £10,000.
E4	Material interests	Not applicable. No interest is material to the Placing.
E5	Name of person or entity offering to sell securities  Lock-up agreements: the parties involved and indication of the period of the lock up	Not applicable. No person is selling securities.  Amedeo Capital has undertaken that, subject to certain standard exceptions (such as the acceptance of any general offer for the issued share capital of the Company made in accordance with the Takeover Code, pursuant to any sale or transfer required by applicable law or regulation, pursuant to an offer by the Company to purchase its own Shares where such offer is made on identical terms to all holders of Shares in the Company), for the period ending on the second anniversary of Admission it will not, without the prior written consent of the Company, make a disposal of Shares acquired by it in the Placing (the " <b>Lock-up</b> "). The Lock-up is subject to the following conditions: (i) it shall apply only to such number of Shares acquired by it in the Placing which together represent up to 10 per cent. of the Shares issued on Admission; and (ii) in respect of any Shares held in excess of 5 per cent. of those issued on Admission, it shall cease to apply where Amedeo Capital, acting in good faith, notifies the Company that it or any Amedeo group entity intends to use the proceeds of the disposal of such Shares to fund the furtherance of its business activities (which may include the acquisition of further shares in the Company on subsequent capital raisings). A disposal for these purposes shall mean any sale, transfer, mortgage, assignment, grant of options over, charge, pledge, or other disposal or alienation or effecting of a reduction of an interest (including selling short), or entry into a derivative transaction or an agreement to sell, transfer, mortgage, assign, grant options over, charge, pledge, or otherwise dispose, effect a reduction, enter into a derivative transaction or any transaction which has the same economic effect as any of the foregoing. Amedeo Capital has further agreed that it may only dispose of Shares acquired by it in the Placing to a person connected to it if such transferee first executes a deed of adherence in favour of the Company in terms identical to the Lock-up Agreement and agrees to be bound by the provisions of the Lock-up Agreement.
E6	Dilution	Not applicable. No dilution will result from the Placing.
E7	Estimated expenses charged to the investor by the issuer or the offeror	The initial expenses of the Company are those which are necessary for the Placing and will be borne out of the Placing Proceeds received from investors. The Company does not expect initial expenses to exceed 1.27 per cent. of the Placing Proceeds. These expenses will be paid on or around Admission (unless stated otherwise) and will include fees payable under the Placing Agreement, registration and admission fees, settlement arrangements, printing costs, legal fees, accountant's fees and any other applicable expenses. All such expenses will be immediately written off.

## RISK FACTORS

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in the Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the Shares but are not the only risks relating to the Shares or the Company. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Shares, or that the Company will achieve any target returns set out in this Prospectus. It should be remembered that the price of securities and the income from them can go down as well as up.

An investment in the Company should be regarded as long term in nature. Investment in the Company is suitable only for persons who can bear the economic risk of a substantial or entire loss of their investment and who can accept that there may be limited liquidity in the Shares.

Additional risks and uncertainties of which the Company is presently unaware or that the Company currently believes are immaterial may also adversely affect its business, financial condition, results of operations or the value of the Shares.

Prospective investors should note that the risks relating to the Company, its industry and the Shares summarised in the section of this Prospectus headed "Summary" 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 Shares. However, as the risks which the Company 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 the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

Potential investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an application for Shares.

### Risks relating to the Company

#### ***No operating history***

The Company is recently established and has no operating history. Accordingly, there are no historical financial statements or other meaningful operating or financial data with which to evaluate the Company and its performance. An investment in the Company is subject to all of the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of the investors' investment could decline substantially or entirely as a consequence.

#### ***The Company's ability to achieve its investment objective will be dependent to a significant degree on Amedeo's ability to advise appropriately on investments***

The success of the Company will depend on Amedeo's ability to advise the Company appropriately on its investment in (and disposal of) the Assets, in accordance with the Company's investment objective and policy. There can be no assurance that they will be able to do so or that the Company will be able to generate any investment returns for Shareholders or indeed avoid investment losses.

The Directors consider that an investment in the Company should be regarded as long term in nature and is suitable only for sophisticated investors, investment professionals, high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts,

in each case, who can bear the economic risk of a substantial or entire loss of their investment and who can accept that there may be limited liquidity in the Shares.

### **Target returns**

The target returns set out in this Prospectus are targets only and are based on financial projections which are themselves based on assumptions regarding market conditions and economic environment. There can be no guarantee that these target returns of the Company can be achieved at the level set out in this Prospectus. A variety of factors, including changes in financial market conditions, interest rates, exchange rates, government regulations, the worldwide economic environment, the purchase of further aircraft after the Initial Assets, loan bullet payments falling due (thereby constraining the ability to make distributions under Guernsey law), or the occurrence of risks described elsewhere in this Prospectus could adversely impact the Company's ability to make distributions, and to achieve its investment objective and hence its target return. Investors should not place any reliance on such target return in deciding whether to invest in the Company. A failure by the Company to achieve its target return could adversely impact the value of the Shares.

### **Conflicts of interest**

Amedeo has undertaken that it will dedicate such time and resources as it reasonably believes sufficient from time to time to fulfil any contractual arrangements it enters into with the Company.

Amedeo is an operating lessor dealing primarily with widebody aircraft and also advises other investment vehicles that have a similar investment objective and policy to the Company. It may advise further such investment vehicles in the future. In certain circumstances, this may give rise to potential conflicts of interests, for example if the sale of an Asset is being considered at a time when the other vehicles advised by Amedeo also have aircraft assets for sale. Conflicts of interest may arise for Amedeo in finding the best potential buyer for its advisees (including the Company). Amedeo Capital, the ultimate parent company of the Asset Manager, will also directly or through one or more of its affiliates acquire at least 5 per cent. of the Shares to be issued pursuant to the Placing, as set out under the heading "*Asset Manager, Agency Services provider and Liaison and Administration Oversight Agent*" in Part II of this Prospectus. Amedeo Capital has agreed not to sell, transfer or otherwise dispose of any Shares acquired by it in the Placing for a period of 2 years from Admission, save that this shall be subject to the following conditions: (i) it shall apply only to such number of Shares acquired by it in the Placing which together represent up to 10 per cent. of the Shares issued on Admission; and (ii) in respect of any Shares held in excess of 5 per cent. of those issued on Admission, it shall cease to apply where Amedeo Capital, acting in good faith, notifies the Company that it or any Amedeo group entity intends to use the proceeds of the disposal of such Shares to fund the furtherance of its business activities (which may include the acquisition of further shares in the Company on subsequent capital raisings).

In addition to the Asset Manager advising the Board on acquisitions to be made by the Company, the First Tranche Assets are currently owned by, and will be acquired from, Amedeo MSN 157 Limited and Amedeo MSN 164 Limited, Affiliates of the Asset Manager, giving rise to a conflict of interest in relation to the acquisition of the First Tranche Assets. The Board has, however, itself considered the terms of the First Tranche Purchase Agreements and the Leases and Loans being novated and has had the opportunity to obtain independent advice on such terms (together with valuations of the Initial Assets prepared by Independent Expert Valuers), and is satisfied with the terms agreed in the context of the Company's stated investment objective.

Amedeo, its shareholders and subsidiaries and any of its officers, directors, employees, agents and affiliates and any person or company with whom they are affiliated or by whom they are employed (together, "**Interested Parties**" and each an "**Interested Party**") may be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Interested Parties may provide investment management, investment

advice or other services in relation to a number of funds ("**Other Funds**") which may have similar investment policies to that of the Company

Where a potential conflict arises in relation to services to be provided under the Asset Management Agreement, Amedeo shall use all reasonable endeavours to: (i) seek to resolve any such conflict in a fair and equitable manner, having regard to its obligations under the Asset Management Agreement; (ii) subject to the terms set out in the Asset Management Agreement, act in the best interests of the Company so far as is reasonably practicable having regard to its obligations to other clients; and (iii) prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of the Company.

In the event that the Asset Manager is actively remarketing an Other Aircraft for another client and such Other Aircraft is scheduled to be returned contemporaneously with an Asset which is being remarketed by the Asset Manager pursuant to the terms set out in the Asset Management Agreement, the Asset Manager shall use its reasonable endeavours to treat such aircraft equally and not to discriminate between them.

Where conflicts arise in relation to services to be provided under the Agency Agreement, Amedeo shall seek to resolve such conflicts in a fair and equitable manner, having regard to its obligations under the Agency Agreement and it shall act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients. Amedeo shall take all reasonable steps to prevent conflicts of interest in relation to the services to be provided under the Agency Agreement from constituting or giving rise to a material risk of damage to the interests of the Company.

In relation to services to be provided by Amedeo under the Asset Management Agreement or the Agency Agreement, where conflicts arise which Amedeo considers that it is unable to effectively manage it will, subject always to Amedeo (acting in its sole discretion) deciding that a duty of confidentiality applicable to it does not prevent any such disclosure being made, disclose details of the actual or potential conflict of interest to the Board or a committee of the Board.

Where an investment decision relating to specific assets of the Company or one of its subsidiaries is or may reasonably be seen to be the subject of a potential conflict of interest through which Amedeo may accrue some financial benefit, the Company shall be informed of such investment decision and the Board or a committee of the Board prior to making such investment decision will consider whether the potential conflict is serious enough to affect that investment decision.

The Directors are or may become directors of and/or investors in other companies, including investment companies which have an investment policy similar to that of the Company. John Le Prevost is also a director and controlling shareholder of Anson Group Limited, the holding company of the Registrar and Receiving Agent, Anson Registrars Limited.

Service providers and their affiliates may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. A failure of one or more service providers to manage its conflicts of interest appropriately could adversely affect the Company's ability to meet its investment objective and result in the substantial or entire loss of an investor's investment.

#### ***Finalisation and execution of agreements in relation to the Initial Assets***

The Company expects, following Admission, to: (i) finalise the terms of and execute the First Tranche Purchase Agreements, the First Tranche Finance Transfer Arrangements and the First Tranche Lease Novation Agreements; and (ii) finalise the terms of and execute the Purchase Agreement Assignments, the Second Tranche Finance Agreements and the Second Tranche Leases, in order to enable the Company to purchase the Initial Assets and lease them to Emirates.

As at the date of this Prospectus, the First Tranche Purchase Agreements, the First Tranche Finance Transfer Arrangements and the First Tranche Lease Novation Agreements are in substantially final form. Amedeo, acting on behalf of the Company, has agreed term sheets with Emirates in relation to the Second Tranche Leases and the Company is advised by Amedeo that negotiations in relation to the Second Tranche Leases are at an advanced stage.

However, as at the date of Admission the Company will not have finalised the terms of or executed: (i) the First Tranche Purchase Agreements, the First Tranche Finance Transfer Arrangements and the First Tranche Lease Novation Agreements, with respect to the First Tranche Assets; and (ii) the Purchase Agreement Assignments, the Second Tranche Finance Agreements and the Second Tranche Leases, with respect to the Second Tranche Assets. In circumstances where the Company is unable to agree favourable terms with counterparties in relation to any of the agreements mentioned above, there is a risk that the Company may not be able to finalise the terms of and execute those agreements following Admission. Furthermore, if the Company raises less capital than required to purchase the Initial Assets, then the Company may seek to obtain further debt financing (including a loan or loans). If such funding is not available then the Company will be unable to purchase the Assets, which may have a material adverse effect on the Company and the value of the Shares and could adversely affect the ability of the Company to meet its investment objective and may result in the partial loss of an investor's investment. Should the Company be able to purchase the First Tranche Assets but unable to purchase the Second Tranche Assets, the Company will either: (i) put proposals to Shareholders for the acquisition of alternative Assets; or (ii) return the relevant unused capital to Shareholders. Should the Company be unable to purchase the Initial Assets (whether for lack of funding, offer of unsatisfactory terms or any other reason), the Directors will return any unused capital to Shareholders.

The Company will notify shareholders of the acquisitions of each of the Initial Assets (together with any material and adverse deviation from the terms of any material agreements as set out in this Prospectus) by making a RIS announcement.

#### ***Risk of debt financing in relation to the Initial Assets***

The Company expects to enter into the First Tranche Finance Transfer Agreements shortly following Admission, pursuant to which the First Tranche Finance Agreements will be transferred from the Current Owners (as borrower) to the Company (as borrower). The First Tranche Finance Agreements together comprise the Required Debt for the purchase of the First Tranche Assets.

Under the terms of the First Tranche Finance Agreements and, subsequently, the Second Tranche Finance Agreements, the Company will be required to comply with various covenants including, in particular, the covenant to pay amounts of principal and interest. In the event the Lessee fails to make payment under one of the Leases, the Company would be unable to meet its obligations to pay principal and interest. This would result in an event of default which may result in the affected Finance Party, or an agent thereof, recalling or accelerating the debt.

In either case, if an Initial Asset is sold, in relation to that Initial Asset, the Shareholders will only receive the proceeds of sale left after deducting the repayments under the relevant Finance Agreement. There may be no proceeds left after such deduction or the remaining proceeds may be substantially lower than investors' initial investment in the Company. This could adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

Investors should consider carefully the overall leverage profile of the Company when considering making an investment into the Shares of the Company.

#### ***Currency risk***

The Company does not intend to engage in currency hedging to mitigate the impact on the Company of currency fluctuations and the volatility of returns which may result from currency

exposure. In part, this is because payments under the Initial Leases to the Company will be paid partly in Sterling and partly in US Dollars, with the allocation between the Sterling and US Dollar payments under the Initial Leases having been determined by reference to the expected and/or targeted outgoings, as at the date of this Prospectus. The Company, however, reserves the right to engage in currency hedging if the Directors decide that it is necessary. It is likely that the subsequent lease payments will also be split between Sterling and Dollars and so will subject the Company to the same risk.

It should also be noted that the sale of the Assets is likely to be effected in a currency other than Sterling (including US Dollars) and therefore any capital distribution of the proceeds of sale may be subject to currency movements.

Although the Company does not intend to hedge the impact of currency on cash flows for the reasons set out above, the Company may enter into a currency option. The Company raises capital in Sterling but will contract to acquire the Initial Assets (and likely subsequent Assets also) in US Dollars. The Directors will convert the Placing Proceeds (and, if applicable, subsequent capital raising proceeds in relation to subsequent Assets) into US Dollars as soon as reasonably practicable after the capital raise, but will consider entering into an option to mitigate the impact of currency fluctuations prior to the relevant currency conversion date.

There can be no guarantee that any such currency option will negate the risk described above. For example, default by any option counterparty in the performance of its obligations could leave the Company exposed to the currency risk, notwithstanding that the Company would have bought the option; equally, the option could expire before the currency conversion date if there is a delay in the settlement of capital raising proceeds.

This could adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

#### ***Reliance on service providers***

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is therefore reliant upon the performance of third party service providers for its executive function. In particular, Amedeo, the Administrator and the Registrar will be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

#### ***Key personnel***

The ability of the Company to achieve its investment objective is significantly dependent upon the expertise of certain key personnel at Amedeo. The exact impact of the departure of a key individual from Amedeo on the ability of the Company to achieve its investment objective cannot be determined and may depend on the ability of Amedeo to recruit individuals of a similar experience and calibre. There can be no guarantee that Amedeo would be able to do so and this could adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

#### **Risks relating to the investment strategy and the Assets**

##### ***Valuation of the Assets***

The Company's Net Asset Value is calculated in accordance with IFRS and may not properly reflect the actual realisable value of the Assets at any particular point of time.

Valuations of the Assets by the Independent Expert Valuers will be considered in any valuation of the Company's assets. The Independent Expert Valuers will produce for the Company a valuation of the Assets on an annual basis, prior to the calculation of the Company's NAV (and, if applicable, the Adjusted NAV and Adjusted NAV per Share). The Directors will consider the valuations of the Independent Expert Valuers and shall, if such valuations suggest a permanent diminution in value of one or more of the Assets, determine in consultation with the Administrator, the Auditors and the Asset Manager an appropriate adjustment to the NAV and NAV per Share of the Company (and, if applicable, the Adjusted NAV and Adjusted NAV per Share).

Valuations (including valuations provided by any Independent Expert Valuer engaged by the Company), and in particular valuations of assets for which market quotations are not readily available, are inherently uncertain. Valuations may therefore fluctuate over short periods of time and may be based on estimates.

Valuations of an Asset (including those prepared by the Independent Expert Valuers) will not constitute a guarantee of value and may not necessarily reflect the prices at which that Asset could be, or could have been, purchased or sold at any given time, which may be subject to significant volatility and uncertainty and depend on various factors beyond the control of the Company, Amedeo and the Independent Expert Valuers. Therefore there can be no guarantee that the Assets could ultimately be realised at the Company's valuation.

#### ***Risks associated with the Airbus A380***

The Airbus A380 is, in industry terms, a relatively recently developed generation of aircraft, the first of which was delivered in October 2007. With such a recent design, in particular in respect of innovative materials and technologies, and the size of the aircraft, there is at present not sufficient experience and data to give a complete assessment of the long-term use and operation of the aircraft. There is a risk that the newly developed materials may be found to be less efficient or durable than expected, thereby leading to lower overall operating hours of the Asset and higher maintenance and repair costs. The Company will only enter into leases the terms of which stipulate that the cost of repair and maintenance of the Assets will be borne by the lessee (which will be Emirates for the Initial Assets). However, upon expiry or termination of the leases, the cost of repair and maintenance will fall upon the Company. Upon expiry of the leases, the Company may therefore bear higher costs and the terms of any subsequent leasing arrangement may be adversely affected, which may reduce the distributions paid to the Shareholders from such point. Repair and maintenance issues may adversely affect the price of the Assets upon a sale. This could affect the ability of the Company to meet its investment objective.

#### ***Insurance of the Assets***

The Lease for each Asset will require that the Lessee insure the Asset. However, inflation, changes in ordinances, environmental considerations and other factors may make the insurance proceeds insufficient to repair or replace the Assets if they are damaged or destroyed. If the insurance proceeds are insufficient to repair or replace the Assets if they are damaged or destroyed, this may affect the ability of the Company to meet its investment objective and so may result in the substantial loss of an investor's investment.

If a Lease is terminated, the Company will have to insure the relevant Asset directly which will cause it to incur additional expenses.

#### ***Lease payments***

During the term of the Leases, the returns on an investment in the Shares will depend in large part on the Lease Rentals received under the Leases. A failure by a Lessee to comply with its payment

obligations under the Leases may lead to lower distributions paid on the Shares than had been targeted and may affect the ability of the Company to meet its investment objective.

Upon the termination or expiry of a Lease or any future lease, if it is intended that an Asset be re-leased, there is a risk that entry into such further leasing arrangement may not be immediate but rather follow a period during which the Asset is not subject to a lease. Further, it is possible that the achievable lease payments under a further lease arrangement may fall short of the targeted income returns of the Company, or that a further leasing arrangement cannot be concluded on commercially acceptable terms. In each case, the income available to Shareholders will be adversely affected and the value of the Shares may diminish. This may adversely affect the ability of the Company to meet its investment objective.

#### ***Return of the Assets at the end of the Leases***

At the end of each of the Leases, the relevant Asset must, subject to (i) and (ii) below, be redelivered in full-life physical condition to the Company by Emirates (or alternatively by a combination of redelivery in a specified minimum physical condition, as set out in the relevant Lease, plus a cash compensation (payable by Emirates) which together with the Asset sale proceeds amounts to the appraised (forecast) asset value in full-life condition). This will apply in all circumstances other than: (i) where there is a default by the Company under a First Tranche Lease (in which case Emirates may, amongst other remedies, redeliver the relevant First Tranche Asset to the Company in "as is, where is" condition); and (ii) where Emirates elects, under the First Redelivery Condition Side Letter or, as the case may be, the Second Redelivery Condition Side Letter, to return the relevant First Tranche Asset solely at the expiry date of the relevant First Tranche Lease in: (a) a specified half-life condition, provided that Emirates has paid to the Company monetary compensation in the amount of US\$17,000,000; or (b) the specified minimum life condition, provided that Emirates has paid to the Company monetary compensation in the amount of US\$25,000,000.

Any redelivery of an Asset in a condition other than full-life condition may impact upon the amount that can be realised upon any subsequent sale or re-lease of such Asset, including that it may create additional, unforeseen expenses for the Company at that time. This may adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

#### ***Market price on disposal of the Assets***

The Company's investment in the Assets is designed to be long-term. The Assets cannot be easily sold or transferred given their nature and the absence of a liquid market in aircraft. The market price and value of the Assets may fluctuate due to a number of factors beyond the Company's control, including actual or anticipated fluctuations in the results of the airline industry, market perceptions concerning the airline industry or the Assets, general economic, social or political developments, changes in industry conditions, changes in government regulation, and other material events, such as acts of God, terrorism, storms or strikes. These factors may mean that the Company is unable to realise one or more of the Assets on satisfactory terms. This would materially adversely affect the value of the Shares and any potential capital distribution and result in the substantial loss of an investor's investment. In addition, the servicing of any outstanding debt or outstanding fees and expenses relating to the Assets adversely affect distributions to Shareholders and affect the ability of the Company to meet its investment objective.

#### ***Risk associated with the airline industry and the Middle East***

##### ***Airline industry related risks***

The airline industry is particularly sensitive to changes in economic conditions. For example, unfavourable economic conditions, such as higher unemployment rates, reduced sales revenues for many companies and increased business operating costs, may reduce spending for both leisure

and business travel, as potential customers of the airlines cut back on travel expenses. Unfavourable economic conditions can also impact the ability of airlines to raise fares to counteract increased fuel, labour and other costs.

The airline industry is also subject to other risks including competition between the airlines, dependency on rapidly evolving technology, inability to obtain additional equipment or support for aircraft and engine suppliers, availability and price of fuel, staff and employee related issues (including employee strikes), security concerns and the threat of terrorism, airport capacity constraints and air traffic control inefficiencies, changes in or additional governmental regulations relating to air travel and acts of God (including adverse weather and natural disasters).

Any of these risks could materially affect the ability of Emirates or any other lessee to comply with its payment obligations under a Lease (or any other subsequent lease), which may adversely affect the ability of the Company to meet its investment objective.

Furthermore, a general downturn in the airline industry would have an impact on attainable leasing rates in the event of any early termination or at expiry of the Leases as well as on attainable sales revenue for the Assets and may adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

### ***The Middle East – an emerging market***

The Initial Assets will wholly be leased to Emirates, a corporation established in the United Arab Emirates. The Middle East and emerging markets generally are subject to rapid changes in legislation, many of which are extremely difficult to predict. Existing laws are often applied inconsistently and new laws and regulations, including those which purport to have retrospective effect, may be introduced with little or no prior consultation. Additionally, after acquiring an investment, new requirements may be imposed that would require Emirates to make significant unanticipated expenditures, limit the ability of Emirates to obtain financing or other capital or otherwise have an adverse effect on Emirates' cash flow.

The Middle East and emerging markets generally have government policies, economies, and legal and regulatory systems, which are not as firmly established and reliable as those in Western Europe and the United States. The uncertainty and weaknesses which result can lead to a higher risk environment for persons entering into contractual arrangements with Emirates.

The value and performance of the Company may be affected by uncertainties, including: (i) unforeseen economic and political developments; (ii) social and religious instability; (iii) changes in government policies and/or government; (iv) intervention in economic activity; (v) export or sale restrictions, international sanctions and embargoes; (vi) currency fluctuations and repatriation restrictions; (vii) invalidation of governmental orders, permits or agreements; (viii) renegotiation or nullification of existing concessions, licences, permits and contracts; (ix) recurring tax audits and delays in processing tax credits or refunds; (x) corruption, demands for improper payments; (xi) outside political influences; (xii) hostilities between neighbouring countries; and (xiii) civil unrest, war and action by extremist groups who may be hostile to foreign investment. Such uncertainties may lead to unexpected changes in the political, social, economic or other conditions in these or neighbouring countries which may have a material adverse effect on the performance of investments and, in turn, the targeted returns of the Company.

Political tension between countries, or civil unrest within a country (such as recent violent insurrections and/or their aftermath in Bahrain, Egypt, Libya and Syria), may also result in the cancellation of, and reductions in, bookings as well as the closure or restriction of access to airspace or airports which may also adversely affect Emirates' business.

Escalation of tensions between Iran and the international community related to Iran's non-compliance with sanctions imposed on its nuclear programme, including potential military responses or attacks, could result in a decline in passenger travel to, from or within the Middle East

region. In addition, the perceived threat or existence of any armed conflict in the region (for example in Syria) may also cause a decline in passenger travel and may also result in the closure or restriction of access to airspace or airports which may also adversely affect Emirates' business.

These uncertainties may therefore adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

### ***Middle East legal and regulatory risks***

The Middle East and emerging markets generally are subject to rapid changes in legislation, many of which are extremely difficult to predict. Existing laws are often applied inconsistently and new laws and regulations, including those which purport to have retrospective effect, may be introduced with little or no prior consultation. Additionally, after acquiring an investment, new requirements may be imposed that would require the Company to make significant unanticipated expenditures, limit the ability of the Company to obtain financing or other capital or otherwise have an adverse effect on the Company's cash flow.

In particular, the insolvency laws of the United Arab Emirates, and the rights of creditors under those laws, may be applied inconsistently and/or be subject to change, often retrospectively, with little or no prior consultation. The Lessee of the Initial Assets is indirectly owned by the United Arab Emirates government and the United Arab Emirates government is ultimately responsible for the implementation and amendment of the laws, including the insolvency laws, of the United Arab Emirates.

The Middle East and emerging markets generally are currently in the process of developing government policies, economies, and their legal and regulatory systems, which are consequently not as firmly established and reliable as those in Western Europe and the United States. The United Arab Emirates has embraced policies and implemented legal structures that are intended to reflect standards in Western Europe and the United States, but nevertheless the uncertainty and weaknesses which result from a developing legal and regulatory system can lead to a higher risk environment for potential investors in the Company.

Furthermore, many of the fundamental laws in these countries have only recently come into force, which increases the risk of ambiguity and inconsistency in their application, interpretation, and enforcement. This risk is further increased because many of these legal and regulatory systems have not yet developed adequate procedural safeguards.

Due to the developing nature of the legal and regulatory systems in these regions, laws often refer to regulations which have not yet been introduced, leaving substantial gaps. In addition, as the aircraft leasing sector itself is only a recent development in many of these countries, the regulatory framework is often poorly drafted and, at times, incomprehensible.

These uncertainties can lead to difficulties in obtaining or renewing necessary licences or permissions and can lead to substantial delays and costs for the companies subject to them, all of which can ultimately adversely affect the performance of the Company. Regulatory consents or licences may not be granted or may in certain circumstances be withdrawn, or allowed to continue subject to conditions, which may affect a project's viability/economics.

Additionally, legal remedies in these regions can be extremely difficult to predict and obtain. The independence of the judicial systems and their immunity from political and economic influences in many of the relevant countries remain largely untested. The courts in these countries are often lacking in funds, staff, and experience. Precedents are not always binding and court claims are at risk of being used to further political aims. Verdicts are often not adequately explained and a fair hearing cannot always be guaranteed. Moreover, court orders are not always enforced or followed in any event.

The uncertainty and instability of the legal and regulatory systems in these regions may jeopardise the performance of the companies with which the Company may have contracts and consequently could adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

***Emirates' operations in the Middle East may be adversely affected by political unrest or civil disturbances as a result of the Arab Spring.***

The Middle East and North Africa region has experienced revolutionary activity and civil unrest, which has created turbulent political situations in several countries. There can be no assurance that such instability in the region will not escalate in the future, that such instability will not spread to additional countries in the Middle East and North Africa region, that governments in that region will be successful in maintaining domestic order and stability or that Dubai's financial or political situation will not thereby be affected. Any such event may lead to a reduction in demand for Emirates' services, interrupt its ability to operate at optimal levels of capacity and constrain the mobility of its staff, which may have a material adverse effect on the Emirates Group's financial condition, results of operations and business and, as a result, a material adverse effect on Emirates' ability to perform its obligations under the Leases, which could in turn adversely affect the ability of the Company to meet its investment objective.

**Risks relating to an investment in the Shares**

***General***

An investment in the Shares of the Company carries the risk of loss of capital. The value of a Share can go down as well as up and Shareholders may receive back less than the value of their initial investment and could lose all of their investment.

***Discount to Net Asset Value***

The Shares may trade at a discount to NAV per Share for a variety of reasons, including due to market conditions, short-term currency fluctuations or to the extent investors undervalue the management activities of the Company. While the Directors may seek to mitigate any discount to NAV per Share, the Company has no formal discount control mechanism such as a share buyback programme and there can be no guarantee that their attempts to mitigate the discount will be successful. The Directors accept no responsibility for any failure of any such strategy to effect a reduction in any discount.

In the event that the Directors were to issue further Shares in the future this could have a detrimental effect on the NAV of existing Shares then in issue. The Directors will not, however, issue further Shares at a discount to NAV without Shareholder approval.

***Lack of pre-emption rights***

Subject to Guernsey law, and all other legal and regulatory requirements, the Company may issue additional Shares. Any additional issuances by the Company, or the possibility of such issue, may cause the market price of the relevant Shares to decline.

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the issue of additional Shares (and C Shares which are convertible into Shares). If the Company were to issue additional Shares, such issue may be on a non-pre-emptive basis and may dilute the shareholdings of the existing Shareholders.

***No right of redemption or repurchase***

Shareholders will have no right to have their Shares redeemed or repurchased by the Company. Shareholders wishing to realise their investment in the Company may be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to realise the Net Asset

Value of, or any value in respect of, their Shares is mainly dependent on the existence of a liquid market in the Shares and the market price of such Shares.

### **Risks relating to regulation and taxation**

#### ***Changes in laws***

Legal and regulatory changes could occur that may adversely affect the Company. Changes in the regulation of companies such as the Company may adversely affect the ability of the Company successfully to pursue its investment strategy and meet its investment objective and consequently could result in the substantial loss of an investor's investment.

#### ***Changes in taxation***

Any change in the Company's tax status, or in taxation legislation or practice in Guernsey, the United Kingdom or any other relevant jurisdiction could affect the value of the investments held by the Company or the Company's ability to achieve its investment objectives or alter the after-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of Shareholders are based upon current United Kingdom and Guernsey tax law and published practice. Law and practice is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to meet its investment objectives and which could adversely affect the taxation of Shareholders.

In particular, in respect of the UK offshore fund rules (contained in Part 8 of the Taxation (International and Other Provisions) Act 2010), the statements in this Prospectus are based upon the Directors' interpretation of the rules and it is possible that HM Revenue & Customs may ultimately seek to apply the rules in a different way. Should HM Revenue & Customs take a different view that the Company does fall within the rules, this may (unless the Company applies for, and is granted, reporting fund status) have adverse UK tax implications for certain United Kingdom investors as any gains arising upon disposal of Shares would be treated as being subject to UK income tax.

#### ***Adverse tax consequences to the Company could be derived from permanent establishment***

The Company intends to conduct its operations in a manner that will not cause it to have a "permanent establishment" in any country or jurisdiction outside Guernsey. There can be no assurance that a particular country will not assert that the Company has a permanent establishment in such country. If such assertion were upheld, it could potentially result in adverse tax consequences to the Company which could in turn adversely affect the ability of the Company to meet its investment objective and result in the substantial loss of an investor's investment.

#### ***The Foreign Account Tax Compliance Act***

Under Sections 1471 through 1474 of the US Internal Revenue Code (commonly referred to as "**FATCA**"), financial institutions are required to use enhanced due diligence procedures to identify US persons who have invested in either non-US financial accounts or non-US entities. Pursuant to FATCA, certain payments of (or attributable to) US-source income, and (from 1 January 2017) the proceeds of sales of property that give rise to such US-source payments, will be subject to 30 per cent. withholding tax ("**FATCA Withholding**") unless the Company complies with certain reporting requirements.

The United States and Guernsey have entered into the US-Guernsey IGA to implement FATCA. Under the terms of the US-Guernsey IGA, Guernsey resident financial institutions that comply with the requirements of the Guernsey IGA Legislation to report certain information to the Guernsey tax authorities will be treated as compliant with FATCA and, as a result, should not be subject to FATCA Withholding on payments they receive and should not be required to withhold under FATCA on payments they make.

In addition to the US-Guernsey IGA, Guernsey and the United Kingdom have entered into an inter-governmental agreement ("**UK-Guernsey IGA**") for the implementation of information exchange arrangements, based on FATCA, whereby relevant financial information in respect of accounts maintained in Guernsey for certain persons who are, or are entities that are controlled by one or more, residents of the UK for tax purposes must be reported to the Guernsey tax authorities.

Other jurisdictions are also considering their own versions of FATCA. While the precise scope and requirements of such other proposed versions of FATCA are not currently known, it is apparent that such rules will, where implemented, likely require the Company to disclose certain information about Shareholders, their ultimate beneficial owners or controllers, and their investment in and returns from the Company, to the Guernsey tax authorities (for sharing with other relevant tax authorities).

The Company expects that it will be considered to be a Guernsey resident financial institution and therefore will be required to comply with the requirements of the Guernsey IGA Legislation, as well as any other Guernsey legislation implementing other versions of FATCA.

Under the Guernsey IGA Legislation, the Company may therefore be required to report certain information to the Guernsey tax authorities (for onward transmission to the US or UK tax authorities, as the case may be) relating to certain investors who are, or are entities that are controlled by one or more, residents or citizens of the United States or residents of the United Kingdom. Where applicable, such information will include information about the investor, their ultimate beneficial owners or controllers, and their investment in and returns from the Company.

As a result, Shareholders may be required to provide any information that the Company determines necessary in order to allow the Company to satisfy its obligations under FATCA and other versions of FATCA. **Failure by a Shareholder to provide any such information that is requested in this regard could result in adverse consequences applying to such Shareholder, and the Shareholder may be required to sell their Shares.**

***The Company is not, and does not intend to become, registered in the US as an investment company under the US Investment Company Act and related rules***

The Company has not, does not intend to, and may be unable to, become registered in the United States as an investment company under the US Investment Company Act. The US Investment Company Act provides certain protections to US investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, and does not intend to register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the US Investment Company Act and to avoid violating that Act, the Company has implemented restrictions on the ownership and transfer of the Shares which may materially affect certain Shareholders' ability to transfer the Shares.

## IMPORTANT NOTICES

**Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the Placing 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. Without prejudice to any obligation of the Company to publish a supplementary Prospectus pursuant to section 87G(1) of FSMA, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date.**

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the purchase of Shares.

An investment in the Shares is suitable only for persons: (i) who understand and can bear the potential risk of a substantial or entire capital loss of their investment; (ii) who can accept that there may be limited liquidity in the Shares and the underlying investments of the Company; (iii) for whom an investment in the Shares is part of a diversified investment portfolio; and (iv) who fully understand and are willing to assume the risks involved in an investment in the Shares. The attention of potential investors is drawn to the Risk Factors set out on pages 18 to 29 of this Prospectus. In addition to the risks described in those Risk Factors, risks and uncertainties not currently known to the Company, or that the Company deems to be immaterial, may also have an adverse effect on its business. Accordingly, the Company expects that investors in the Company will be institutional investors, professional investors, private client fund managers and private client brokers. The FCA has not prohibited firms operating under a discretionary mandate (where there has been no prior communication with the client in connection with the transaction) from allocating interests in non-mainstream pooled investments, but it is expected that suitability and client best interest assessments will be done before such manager allocates a non-mainstream pooled investment to an account. Potential investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an application for Shares.

### **General**

Prospective investors should rely only on the information contained in this Prospectus. No broker, dealer or other person has been authorised by the Company, its Directors, Nimrod or Amedeo to issue any advertisement or to give any information or to make any representation in connection with the offering or sale of the Shares other than those contained in this Prospectus and, if issued, given or made, any such advertisement, information or representation must not be relied upon as having been authorised by the Company, its Directors, Nimrod or Amedeo.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Shares which they might encounter; 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 Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this Prospectus are based on the law and practice currently in force in Guernsey and in England and Wales and are subject to changes therein.

This Prospectus should be read in its entirety before making any application for Shares.

Application will be made to the London Stock Exchange for all of the Shares to be issued pursuant to the Placing to be admitted to trading on the SFM. It is expected that Admission will become effective and that dealings in such Shares will commence on 13 May 2015.

All times and dates referred to in this Prospectus are, unless otherwise stated, references to London times and dates.

### **Restrictions on distribution and sale**

The distribution of this Prospectus and the offering and sale of securities offered hereby in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or solicitation to purchase, any such securities in any jurisdiction in which such solicitation would be unlawful.

This Prospectus is being furnished by the Company solely to enable prospective investors to consider the purchase of Shares in an offering being made in reliance on Regulation S under the US Securities Act. This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for Shares by any US Person or person within the United States, or in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. Any reproduction or distribution of this Prospectus and any disclosure of its contents or use of any information herein, directly or indirectly, in whole or in part, within the United States or to any US Person is prohibited. Each offeree of the Shares, by accepting delivery of this document, agrees to the foregoing.

The Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Shares may not be offered, sold, pledged, or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Person. In connection with the Placing, the Shares are being offered and sold only outside the United States to, or for the account or benefit of, investors that are not US Persons in "*offshore transactions*" within the meaning of, and in reliance upon, Regulation S under the US Securities Act.

In addition, prospective investors should note that, except with the express written consent of the Company given in respect of an investment in the Company, the Shares may not be acquired by: (i) investors using assets of (A) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (B) a "plan" as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (A) or (B) in such entity pursuant to the US Plan Asset Regulations or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code and its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

For a description of restrictions on offers, sales and transfers of Shares, see "*Purchase and Transfer Restrictions*" beginning on page 58 of this Prospectus.

### **No incorporation of website**

The contents of the Company's website do not form part of this document.

### **Service of process and enforceability of judgments**

The Company is incorporated under the laws of the Island of Guernsey. None of the Directors are citizens or residents of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or any of the Directors, or to enforce outside the United States judgments obtained against the Company or any of the Directors in US courts, including, without limitation, judgements based upon the civil liability provisions of the US federal securities laws or the laws of any state or territory within the United States. There is doubt as to the enforceability in Guernsey, in original actions or in actions for enforcement of United States court judgements, of civil liabilities predicated solely upon US federal securities laws. In addition, awards for punitive damages in actions brought in the United States or elsewhere may be unenforceable in Guernsey.

The only assets of the Company will be the Assets, which will be employed in international commercial airline passenger operations and will therefore operate across a number of jurisdictions.

### **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*", "*anticipates*", "*expects*", "*intends*", "*may*", "*will*" or "*should*" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it, and its portfolio of investments invest and, where applicable, issue securities. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward looking statements contained in this document. In addition, even if the investment performance, results of operations and financial condition of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- changes in economic conditions generally and the Company's ability to achieve its investment objective and returns on equity for investors;
- impairments in the value of the Assets;
- the departure of key personnel of the Asset Manager;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company or companies in which the Company makes investments; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the "Risk Factors" section of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. Although the Company undertakes no obligation to revise or update any forward looking statements contained herein (save where

required by the Prospectus Rules or the Disclosure and Transparency Rules of the FCA), whether as a result of new information, future events, conditions or circumstances, any change in the Company's expectations with regard thereto or otherwise, Shareholders are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through a RIS.

### **Selling Restrictions**

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction in connection with any applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. No action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required.

### **European Economic Area**

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), no Shares have been offered or will be offered pursuant to the Placing to the public in that Relevant Member State prior to the publication of a prospectus in relation to the 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 that Relevant Member State, all in accordance with the Prospectus Directive, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

- i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- ii) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of Nimrod and Amedeo has been obtained to each such proposed offer or resale. The Company, Nimrod and Amedeo will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

### ***AIFM Directive***

The AIFM Directive imposes detailed and prescriptive obligations on fund managers and self-managed funds established in the EEA (the "**Operative Provisions**"). These do not currently apply to managers established outside the EEA, including self-managed AIFs such as the Company. Rather, non-EEA managers or self-managed funds are only required to comply with certain disclosure, reporting and transparency obligations of the AIFM Directive (the "**Disclosure Provisions**") and, even then, only if they market shares in a fund to EEA investors. Where the Disclosure Provisions appear to require disclosure on an Operative Provision which does not apply to the Company, no meaningful disclosure can be made. These Operative Provisions include prescriptive rules on: measuring and capping leverage in line with known European standards; the treatment of investors; liquidity management; the use of 'depositories'; and cover for professional liability risks.

The AIFM Directive imposes conditions on the marketing of entities such as the Company to investors in the EEA. The AIFM Directive requires that an 'alternative investment fund manager' ("**AIFM**") be identified to meet such conditions where such marketing is sought. For these purposes, the Company, as the legal person responsible for performing portfolio and risk management, shall be the AIFM.

The AIFM Directive currently allows the continued marketing of non-EEA AIFs, such as the Company, under the national private placement regimes of individual EEA Member States. However, there is no requirement for EEA Member States to retain private placement regimes and some Member States have either decided not to retain such regimes or adopted systems that impose onerous requirements before marketing can take place.

Marketing under the private placement regime in the United Kingdom requires registration with the FCA and will be subject to, inter alia: (a) the requirement that an appropriate co-operation agreement is in place between the FCA and the GFSC (one was signed by the GFSC on 12 July 2013 and has been counter-signed by the FCA); (b) Guernsey not being on the Financial Action Task Force ("**FATF**") money-laundering blacklist (as at 29 April 2015, being the latest practicable date prior to the publication of this document, Guernsey was not on the FATF money-laundering blacklist); and (c) compliance by the AIFM with certain aspects of the AIFM Directive. Given that the Company is a self-managed non-EEA fund, these obligations primarily relate to disclosure and reporting.

At some point after 2018 it may be the case that a passporting regime will be phased in to allow the marketing of non-EEA AIFs such as the Company and that the private placement regimes will be phased out, although the likelihood of this cannot be accurately assessed at present. Both the phasing in of the passport and the phasing out of national private placement regimes may increase the regulatory burden on the Company should it wish to raise capital in the EEA following such point.

Consequently, there may in the future be restrictions on, or conditions attaching to, the marketing of the Shares in the EEA, which may have a negative effect on marketing and liquidity generally in

the Company's shares. Compliance with such conditions is likely to lead to an increase in the costs borne by the Company.

### EXPECTED TIMETABLE

Latest time and date for commitments under the Placing	3.00 p.m. on 7 May 2015
Result of Placing announced	13 May 2015
Dealings in Shares commence on SFM	8.00 a.m. on 13 May 2015
Crediting of CREST stock accounts in respect of the Shares	13 May 2015

\* The dates and times specified are subject to change without further notice. References to times are London times unless otherwise stated.

### PLACING STATISTICS

Issue Price	100 pence per Share
Number of Shares being issued	202,000,000
Estimated Net Placing Proceeds	£199,463,125

## DIRECTORS AND ADVISERS

<b>Directors</b> (each of whom acts in a non-executive capacity)	Robin Hallam (Chairman) David Gelber John Le Prevost
<b>Registered Office</b>	PO Box 156, Frances House Sir William Place St Peter Port Guernsey GY1 4EU
<b>Placing Agent and Corporate and Shareholder Adviser</b>	Nimrod Capital LLP 3 St Helen's Place London EC3A 6AB
<b>Asset Manager and Agency Services provider</b>	Amedeo Limited The Oval, Shelbourne Road Ballsbridge, Dublin 4 Ireland
<b>Liaison and Administration Oversight Agent</b>	Amedeo Services (UK) Limited 5 Royal Exchange Buildings London EC3V 3NL
<b>Advocates to the Company (as to Guernsey law)</b>	Carey Olsen Carey House Les Banques St Peter Port Guernsey GY1 4BZ
<b>Solicitors to the Company and to the Placing (as to English law)</b>	Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2EG
<b>Solicitors to the Company (as to certain First Tranche Asset documentation)</b>	Milbank, Tweed, Hadley & McCloy LLP 10 Gresham Street London EC2V 7JD
<b>Administrator and Company Secretary</b>	JTC (Guernsey) Limited PO Box 156, Frances House Sir William Place St Peter Port Guernsey GY1 4EU
<b>Registrar</b>	Anson Registrars Limited Anson House Havilland Street St Peter Port Guernsey GY1 2QE

**Auditor**

Deloitte LLP  
PO Box 137  
Regency Court  
Gategny Esplanade  
St Peter Port  
Guernsey GY1 3HW

**UK Transfer Agent**

Anson Registrars (UK) Limited  
3500 Parkway  
Whiteley  
Fareham  
Hampshire PO15 7AL

**PART I**  
**INFORMATION ON THE COMPANY**

**Introduction**

The Company is a non-cellular company limited by shares, registered and incorporated in Guernsey under the Companies Law on 16 January 2015 with registered number 59675. The Company has no investment manager. Its share capital consists of one class of shares. Application will be made to the London Stock Exchange for all the Shares issued, and to be issued pursuant to the Placing, to be admitted to the SFM.

An investment in the Shares is suitable only for persons: (i) who understand and can bear the potential risk of a substantial or entire capital loss of their investment; (ii) who can accept that there may be limited liquidity in the Shares and the underlying investments of the Company; (iii) for whom an investment in the Shares is part of a diversified investment portfolio; and (iv) who fully understand and are willing to assume the risks involved in an investment in the Shares. The attention of potential investors is drawn to the Risk Factors set out on pages 18 to 29 of this Prospectus. In addition to the risks described in those Risk Factors, risks and uncertainties not currently known to the Company, or that the Company deems to be immaterial, may also have an adverse effect on its business. Accordingly, the Company expects that investors in the Company will be institutional investors, professional investors, private client fund managers and private client brokers. Potential investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before making an application for Shares.

**Investment objective**

The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft.

**Investment policy**

To pursue its investment objective, the Company will seek to use the net proceeds of placings and/or other equity capital raisings, together with debt facilities (or instruments), to acquire widebody, or other, aircraft which will be leased to one or more major airlines.

Any material change to the investment policy of the Company will be made only with the approval of Shareholders by ordinary resolution.

**Investment process**

*The Initial Assets*

The Company intends to use the Net Placing Proceeds to fund the purchase of four Airbus A380 aircraft, two of which it is expected will be acquired shortly following Admission (the First Tranche Assets) and two of which it is expected will be acquired in August and November 2015 (the Second Tranche Assets). The Initial Assets have been (in the case of the First Tranche Assets) or are expected to be (in the case of the Second Tranche Assets) leased to Emirates for 12 years.

Following Admission, the Company intends to acquire the First Tranche Assets pursuant to the First Tranche Purchase Agreements. The Company will also enter into: (i) the First Tranche Finance Transfer Agreements, pursuant to which the Company will assume the rights, responsibilities, obligations and liabilities of the Current Owners under the First Tranche Finance Agreements; and (ii) the First Tranche Lease Novation Agreements, pursuant to which it is intended that the First Tranche Leases entered into with respect to the First Tranche Assets (and in respect of which Emirates is the Lessee) will be novated to the Company as Lessor.

With regard to the Second Tranche Assets, the Company intends to enter into debt financing arrangements similar to those for the First Tranche Assets and subsequently acquire these Assets

for lease to Emirates on similar terms to those on which the First Tranche Assets are currently leased.

Further details in relation to the asset acquisition arrangements, the Leases and the debt financing arrangements in respect of the Initial Assets are set out in Parts V, VI and VIII respectively of this Prospectus.

#### *Future acquisitions*

The Articles provide that the Company may only acquire aircraft with the approval of Shareholders by ordinary resolution in relation to each proposed acquisition, save that Shareholder approval shall not be required in relation to the purchase of: (i) the Initial Assets; and (ii) two further A380s for lease to Emirates provided that in relation to these two further A380s: (a) the Board considers that the terms of purchase and lease are substantially similar to those of the Initial Assets; (b) suitable debt financing is available on terms acceptable to the Board; (c) the target returns specified in the Prospectus will be supported by those acquisitions; and (d) no other aircraft (that is, no aircraft which are not A380s for lease to Emirates) have been acquired by the Company. Furthermore, it is the current intention of the Directors to offer Shareholders the opportunity to participate in the equity financing of such further acquisitions on a broadly pre-emptive basis, although other approaches to the equity financing may also be considered and pursued if the Directors consider it appropriate to do so.

#### **Current market opportunity**

If the Placing Amount is raised, Admission is effected and, whether by novation or otherwise, the Company raises the debt needed to complete the purchase of the Initial Assets, the Company intends to acquire the Initial Assets. The Company, as advised by Amedeo, considers that the First Tranche Assets represent an investment opportunity consistent with the Company's stated investment objective, as set out under the heading "*Investment objective*" in this Part I of this Prospectus. The Company, as advised by Amedeo, further expects that the Second Tranche Assets will be available on terms similar to those of the First Tranche Assets.

#### *The Initial Assets*

The Initial Assets will consist of four Airbus A380s to be purchased by the Company following Admission. The Airbus A380 is the world's largest commercial passenger aircraft. The customer list of the A380 includes airlines such as Emirates, Air France/KLM, Qantas, Etihad Airways, Lufthansa, British Airways and Singapore Airlines. Please see Part IV of this Prospectus for further details on the Initial Assets and Part V of this Prospectus for further details on the Asset Acquisition Arrangements.

#### *The Leases*

The First Tranche Assets have been, and the Second Tranche Assets are expected to be, leased to Emirates on what the Company, as advised by Amedeo, considers to be terms consistent with the Company's stated investment objective. Please see Part VI of this Prospectus for further details on the Leases.

#### *Emirates*

Emirates will be the initial lessee of the First Tranche Assets and is expected also to be the initial lessee of the Second Tranche Assets. Emirates was established on 26 June 1985 as a Dubai Corporation under a decree by the then Emir of Dubai and is indirectly owned by the Emirate of Dubai. Emirates' fleet, which comprises 232 aircraft (as of 29 January 2015) serves 146 destinations in 83 countries worldwide including routes to Sydney, New York, Moscow, Osaka, São Paulo and Mumbai (as at November 2014). More than 1,200 Emirates flights take off every week from its base at Dubai International Airport to destinations on six continents.

Please see Part VII of this Prospectus for further details on Emirates.

### *Debt Financing*

The Company intends, following Admission and via the transactions contemplated by the First Tranche Finance Transfer Agreements, to replace the Current Owners as party to the First Tranche Finance Agreements, each of approximately US\$190,000,000 (comprising a senior loan of approximately US\$155,000,000 (which is expected to have amortised to approximately US\$150,000,000 by the date of acquisition of each of the First Tranche Assets) and a junior loan of approximately US\$35,000,000). The First Tranche Finance Agreements were entered into by the Current Owners at the time of purchasing the First Tranche Assets.

Each loan will consist of a senior loan which will be fully amortised with quarterly repayments in arrear over 12 years (the "**Senior Loan**") and a junior loan which will be interest only for 12 years requiring repayment of principal at the end of 12 years (the "**Junior Loan**").

Each of the First Tranche Assets will be held by a separate wholly-owned subsidiary of the Company. The relevant Lender will only have recourse to the First Tranche Asset for which they are providing financing.

It is currently expected that at the time of intended acquisition debt financing for each of the Second Tranche Assets will be available on substantially similar terms and conditions as the debt financing for the First Tranche Assets. The Company may, however, consider alternative means of debt financing.

For further details in relation to the anticipated Debt Financing arrangements please refer to Part VIII of this Prospectus.

### **Distribution policy**

The Company aims to provide Shareholders with an attractive total return comprising income, from distributions through the period of the Company's ownership of the Assets, and capital, upon the sale of the Assets.

In the event that the Company is wound-up pursuant to a Shareholder resolution, Shareholders may also receive a capital return reflecting any profit on the sale of the Assets.

### *Income distributions*

The Company will receive income in the form of Lease Rentals. It is anticipated that income distributions will be made to Shareholders quarterly, subject to compliance with applicable laws and regulations. From the first dividend payment in July 2015, the Company will target a distribution to investors of 2.0625 pence per Share per quarter (amounting to a yearly distribution of 8.25 per cent. as pro rated from the date of Admission to 31 December 2015, based on the Issue Price of 100 pence per Share) at least until such time as any aircraft other than the Initial Assets are acquired.

The above target distributions are targets only and are based on various projections and assumptions at the time of modelling and are therefore subject to change. The income the Company may receive cannot be accurately predicted and is subject to risks including, but not limited to, a default by a lessee on its obligations under a lease, late delivery of any of the Assets and the effect of loan bullet payments falling due (which may cause the Board to consider if a distribution can lawfully be made under Guernsey law). Moreover, should Shareholders approve the acquisition of further aircraft or the sale proceeds of one or more of the First and Second Tranche Assets be re-invested, there can be no guarantee that the terms on which such further aircraft are leased will support the level of target dividends described above. There can therefore be no guarantee that dividends will be paid to Shareholders and, if dividends are paid, as to the timing and amount of any such dividend. Any distribution of dividends to Shareholders will be

subject always to compliance with the Companies Laws. **Investors should not place any reliance on such target return in deciding whether to invest in the Company.**

Before recommending any dividend, the Board will consider the capital position of the Company and the impact on such capital of paying the proposed dividend. The Company expects to declare and pay any dividends in Sterling.

#### *Return of capital*

Following the sale of an Asset the Directors may, as they deem appropriate at their absolute discretion, either (i) return to Shareholders the net capital proceeds of such sale, or (ii) re-invest the proceeds in accordance with the Company's investment policy.

Further, the Company intends to return to Shareholders net capital proceeds if the Company is wound-up (for example, pursuant to a Shareholder resolution, including the Liquidation Resolution) subject to compliance with the Articles and the Companies Laws (including any applicable requirements of the solvency test contained therein).

While the amount that a sale of any Asset would generate is unknown, the Company, as advised by Amedeo, believes that the Assets represent an opportunity for capital growth for Shareholders and the Company is targeting a range of potential asset sale prices depending on market conditions.

For illustrative purposes only, based on information available as at the date of this Prospectus, at the end of a Lease, if the proceeds of sale of an Initial Asset were approximately US\$144 million (being the average Base Value (as such term is defined in the appraiser's handbook issued by ISTAT) of the Asset as forecast by three independent aircraft value appraisal firms as at the end of the term of each relevant Lease), and assuming US Dollar / Sterling exchange rates are the same as at the date of this Prospectus, that no further equity has been raised by the Company and that the Company has not incurred any material unexpected costs, Shareholders would receive a capital return of 134 pence per Share. Investors should note, however, that the capital return per Share on the sale of any given Initial Asset may be significantly reduced should there have been any further issue of Shares prior to such return of capital being made (as the return will be diluted over a larger Share base). Although aircraft values have, historically, been relatively stable and non-cyclical, and notwithstanding Amedeo's view that aircraft generally have long-term value sustainability, there can be no guarantee that any Asset will be sold at such sale price as is described above or that any capital return would be generated. **Investors should not place any reliance on such target return in deciding whether to invest in the Company.**

Amedeo will regularly monitor the valuation of the Assets in the market and consider the most appropriate time for the sale of the Assets. The Board will consider any recommendation Amedeo makes as to the sale of any Asset and proceed as it considers appropriate.

#### *Target net annualised return in relation to the Initial Assets*

In relation to the Initial Assets, the Company will target a net annualised return of 11.1 per cent. over 12 years. This target return is based on various projections and assumptions at the time of modelling in relation to the Initial Assets, including that the US Dollar / Sterling exchange rates are the same as the date of this Prospectus and that the Company has not incurred any material unexpected costs or purchased any aircraft other than the Initial Assets. Prospective investors should also note that this target net annualised return may be reduced as a consequence of dilution where additional Share issues occur prior to the return of capital. **Investors should not place any reliance on this target net annualised return in deciding whether to invest in the Company.**

### **Borrowing powers**

In addition to any debt financing entered into in connection with the purchase of any Assets, the Company may from time to time use borrowings. To this end the Company may arrange an overdraft facility for efficient cash management, including the payment of extraordinary expenses. The Articles restrict borrowing, other than the debt financing necessary to complete the funding of the acquisition of Assets, to an amount not exceeding 15 per cent. of the NAV of the Company at the time of drawdown. Borrowing facilities will only be drawn down with the approval of Directors on a case by case basis. With the exception of any debt financing entered into in connection with the purchase of any Assets, the Directors have no intention as at the date of this Prospectus to use such borrowings for structural investment purposes.

### **Hedging transactions and currency risk management**

The Company does not currently intend to engage in hedging but reserves the right to do so in the future if the Directors consider it appropriate to protect the Company against changes in currency exchange risk, interest rates and other such events. This may be the case if the terms of the Leases (in particular in relation to the structure of Lease Rentals) or any debt financing are varied.

In particular, the Company does not intend to engage in currency risk hedging, although it reserves the right to do so at the Directors' discretion. The Company has no intention of using a currency hedging facility, or other derivative instruments, for the purposes of currency speculation for its own account.

Although the Company does not intend to hedge the impact of currency on cash flows for the reasons set out above, the Company may enter into a currency option. The Company raises capital in Sterling but will contract to acquire the Initial Assets (and likely subsequent Assets also) in US Dollars. The Directors will convert the Placing Proceeds (and, if applicable, subsequent capital raising proceeds in relation to subsequent Assets) into US Dollars as soon as reasonably practicable after the capital raise, but will consider entering into an option to mitigate the impact of currency fluctuations prior to the relevant currency conversion date.

### **Further issues of shares**

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the issue of additional Shares and none are provided for in the Articles. If the Company were to issue additional Shares, such issue may be on a non-pre-emptive basis and may dilute the shareholdings of the existing Shareholders. However, as described above, it is the current intention of the Directors to offer Shareholders the opportunity to participate in the equity financing of such further acquisitions on a broadly pre-emptive basis, although other approaches to the equity financing may also be considered and pursued if the Directors consider it appropriate to do so.

### **Liquidation Resolution**

Although the Company does not have a fixed life, the Articles require that the Directors convene a Liquidation Proposal Meeting in 2029, or such other date as Shareholders may approve by ordinary resolution. At the Liquidation Proposal Meeting, a Liquidation Resolution will be proposed that the Company proceed to an orderly wind up. In the event that the Liquidation Resolution is not passed, the Directors will consider alternatives for the Company and shall propose such alternatives at a general meeting of the Shareholders, including re-leasing the Assets (to the extent the Assets have not already been disposed of in the market) or selling the Assets and applying the capital received from the sale of those Assets to: (i) repayment of debt; (ii) reinvestment in other aircraft; and/or (iii) any maintenance expenses associated with Assets other than those disposed of.

In the event that a Shareholder Resolution is proposed for the acquisition of further aircraft (as set out under the heading "Future acquisitions" in this Part I of this Prospectus), the purchase of such aircraft may be conditional not only on the passing of an ordinary resolution approving such

purchase, but also upon Shareholder approval of a change to the year in which the Liquidation Proposal Meeting is to be held (in order to ensure alignment with the periods of the leases proposed to be entered into in connection with the Asset to be acquired).

### **Reports and accounts**

The first accounting period of the Company will run until 31 March 2016 and, thereafter, accounting periods will end on 31 March in each year. The audited annual accounts will be sent to Shareholders within four months of the year end to which they relate. Unaudited half-yearly reports, made up to 30 September, will be announced within two months of that date. The Company will report its results of operations and financial position in Sterling.

The audited annual accounts and half-yearly reports will also be available at the registered office of the Company and from the Company's website, [www.aa4plus.com](http://www.aa4plus.com).

The financial statements of the Company will be prepared in accordance with IFRS, and the annual accounts will be audited by an independent accounting firm using auditing standards in accordance with International Standards on Auditing (UK and Ireland). The Company expects that its financial statements, which will be the responsibility of its Board, will consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, related notes and any additional information that the Board deems appropriate or that is required by applicable law.

The preparation of financial statements in conformity with IFRS requires that the Directors make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Such estimates and associated assumptions are generally based on historical experience and various other factors that are believed to be reasonable under the circumstances, and form the basis of making the judgements about attributing values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from estimates in amounts that may be material to the financial statements.

### **Net Asset Value**

#### *Valuation of the Company's Assets*

The Company will, prior to the acquisition of the Initial Assets, and on an annual basis thereafter throughout the term of the Company's ownership of the Assets, engage the Independent Expert Valuers to provide third party valuation consultancy services to the Company and to assist it in assessing the fair value of the Assets.

The Company will be valued by the Administrator (following consultation with the Asset Manager and the Auditors) annually in accordance with prevailing accounting standards. The NAV and the NAV per Share will be published in the Company's annual report and accounts, in each case determined in accordance with IFRS. The NAV will also be published in the Company's half-year report.

In circumstances where the Directors, as advised by the Asset Manager, are of the opinion that the NAV or NAV per Share, as calculated under applicable accounting standards, is not appropriate or could give rise to a misleading calculation, the Directors, in consultation with the Administrator, the Asset Manager and the Auditors, may determine, at their discretion, an alternative method for calculating the value of the Company and shares in the capital of the Company which they consider more accurately reflects the value of the Company. In such circumstances, the resulting net asset value and net asset value per share (the "**Adjusted NAV and Adjusted NAV per Share**") will be published in addition to the NAV and NAV per Share (as calculated in accordance with IFRS).

Valuations of the Assets by the Independent Expert Valuers will be considered in any valuation of the Company's assets. The Independent Expert Valuers will produce for the Company a valuation of the Assets on an annual basis, prior to the calculation of the Company's NAV (and, if applicable,

the Adjusted NAV and Adjusted NAV per Share). The Directors will consider the valuations of the Independent Expert Valuers and may, if such valuations suggest a permanent diminution in value of one or more of the Assets, determine in consultation with the Administrator, the Auditors and the Asset Manager an appropriate adjustment to the NAV and NAV per Share of the Company (and, if applicable, the Adjusted NAV and Adjusted NAV per Share).

The Company may, however, at its discretion, arrange for additional valuations to be carried out from time to time if market conditions warrant.

*Suspension of the Calculation of Net Asset Value*

The Directors may at any time, but are not obliged to, temporarily suspend the calculation of the NAV per Share during:

- (a) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the assets of the Company is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if in the opinion of the Directors the NAV cannot be fairly calculated; or
- (b) any breakdown in the means of communication normally employed in determining the value of the assets of the Company or when for any reason the current prices on any market of a substantial part of the assets of the Company cannot be promptly and accurately ascertained.

Should the calculation of the NAV of the Company be suspended then an announcement detailing such will be notified immediately to the London Stock Exchange and published via a RIS.

## **PART II**

### **DIRECTORS, MANAGEMENT AND ADMINISTRATION**

#### **Directors**

The Directors, whose details are set out below, are responsible for managing the business affairs of the Company in accordance with the Articles and have overall responsibility for the Company's activities including the review of investment activity and performance. The Directors may procure that the Company appoints other parties such as the Asset Manager, the Administrator and the Registrar to perform certain functions.

The address of the Directors is the registered office of the Company. Each of the Directors is a non-executive director and is independent of the Asset Manager and the Placing Agent.

The Directors of the Company are listed below.

#### **Robin Hallam (Chairman)**

Robin Hallam is currently a partner and co-head of Asset Finance at international law firm Hogan Lovells where he has been a partner since 1995 specialising in aircraft finance, particularly leasing, export credit and structured financing. He has represented financial institutions, operating lessors, investors, airlines and export credit agencies. Robin holds a degree in law from Trinity College, Cambridge, is a member of ISTAT and is currently ranked Band 1 for Asset Finance in Chambers UK 2015.

#### **David Gelber (67)**

David Gelber began his career with Citibank in London in 1974. Over the course of the next 20 years he held a variety of trading roles in foreign exchange, fixed income and derivatives, at Citibank, Chemical Bank and HSBC where he was Chief Operating Officer of HSBC Global Markets. In 1994 he joined ICAP, an inter-dealer broker, as COO and oversaw two mergers and a number of acquisitions. He is currently the non-executive Chairman of Walker Crips PLC, a stock broker and wealth manager; a non-executive director of IPGL, a holding company with investments in a number of companies; and a non-executive director of Altus Resource Capital PLC, an investment fund specialising in junior resource companies. In addition he is a non-executive director of DDCAP Ltd, a leading arranger of Islamic compliant financial transactions, and Exotix LLP, an investment banking boutique specialising in frontier markets. David holds a BSc in Statistics and Law from the University of Jerusalem and an MSc in Computer Science from the University of London.

#### **John Le Prevost (63)**

John Le Prevost is the Chief Executive Officer of Anson Group Limited and Chairman of Anson Registrars Limited (the Company's Registrar). He has spent over forty years working in offshore fund, trust and investment businesses during which time he has been a managing director of subsidiaries in Guernsey for County NatWest Investment Management, The Royal Bank of Canada and for Republic National Bank of New York. He is a Full Member of the Society of Trust and Estate Practitioners. He is a non-executive director of a number of London-listed investment companies including Doric Nimrod Air One Limited, Doric Nimrod Air Two Limited and Doric Nimrod Air Three Limited (each of which is an aircraft leasing investment vehicle) and BlueCrest AllBlue Fund Limited and is a trustee of the Guernsey Sailing Trust. He is resident in Guernsey.

#### **Consultant to the Company**

It is intended that Laurence Barron will act as a consultant to the Company from Admission. He is currently Chairman of Airbus Group China. Having begun his career as a commercial lawyer in Paris and then in Tokyo, where he first became involved in aircraft financing transactions, he joined Airbus in 1982 as an in-house lawyer specialising in aircraft finance. He subsequently moved to

the business side when, in 1984, he was appointed Sales Finance Director North America, becoming Head of Sales Finance in 1985, and then, in 1987, Vice President of Customer Finance. In 1994, he was asked to set up the Asset Management Organisation within Airbus and that year became Vice President and Head of Asset Management. Airbus Asset Management has full responsibility for all used aircraft transactions at Airbus and acts as an in-house leasing company for the used Airbus aircraft owned or controlled by the Airbus group of companies. In 2001 he was promoted to Senior Vice President of Airbus before in 2004 assuming the role of President of Airbus China, with responsibility for Airbus' overall activities in the People's Republic of China.

In January 2013, he was appointed Chairman of EADS China, now rebranded Airbus Group China. The Airbus Group has three main divisions, each of which is represented in China: Airbus, Airbus Helicopters (previously Eurocopter) and Airbus Defense and Space (the result of the merger of Astrium, Cassidian and Airbus Military). Laurence holds an LLB from Bristol University Law Faculty.

It is currently intended that, subject to a number of factors as at the relevant time, including his other commitments and circumstances as at such time, Laurence will at a future date be invited to join the Board as a non-executive director of the Company.

#### **No Investment Manager**

The Company will not have an investment or portfolio manager. The Directors will have responsibility for compliance with the investment policy.

#### **Asset Manager, Agency Services provider and Liaison and Administration Oversight Agent**

Amedeo Limited has been appointed as Asset Manager by the Company to provide asset management services to the Company. Pursuant to the Asset Management Agreement, the Asset Manager will: (i) monitor and, to the extent required pursuant to the terms and conditions set out in each lease, administer each relevant lessee's performance of its obligations under the relevant lease (including such lessee's obligations relating to the insurance of the Asset); (ii) as the Company's exclusive remarketing agent in respect of the Assets, use all reasonable endeavours to solicit offers to lease or sell each of the Assets on the best terms reasonably obtainable having due regard to the then current market conditions (including current industry and market practice); (iii) carry out mid-lease inspections of the Assets; (iv) provide the Company with information and analysis with respect to each Asset, including a quarterly asset monitoring report which will include recent developments and a forward looking statement including inspection results, events, any material information, significant changes, decisions which have been made or need to be made, events affecting distributions, and other major or pending events, issues or outcomes as far as known to Amedeo; and (v) if requested by the Company, acting reasonably, a financial model that would allow the Board to prepare or re-assess target distributions based on the Asset Manager's view of projected cash flows and liabilities. The Asset Management Agreement additionally provides that, to the extent that the Company requests that any services be provided under the Asset Management Agreement which represent 'asset management activities' (as such term is given meaning pursuant to the UCITS Directive), the Company shall only request that such activities be undertaken by Amedeo Services (UK) Limited and not by Amedeo Limited.

The Asset Manager has further undertaken that it will dedicate such time and resources as it reasonably believes sufficient from time to time to fulfil its obligations under the Asset Management Agreement.

Amedeo Limited has also been appointed as Agency Services provider by the Company, pursuant to the Agency Agreement, to assist the Company, and act as the Company's agent, in relation to the arrangement, negotiation, review and, following the approval and execution by the Company, the management of the acquisition of the Initial Assets as well as any other Assets which may be acquired by the Company subsequent to the Initial Assets, the borrowings of the Company relating

to the acquisition of the Assets (including any Debt Financing Documentation), each lease and ensuring that the Material Agreements are consistent with market practice in the aviation industry.

Amedeo Services (UK) Limited has been appointed as Liaison and Administration Oversight Agent by the Company, pursuant to the Liaison and Administration Oversight Agreement, to: (i) coordinate the provision of services by service providers to the Company under the Asset Management Agreement, the Agency Agreement and the Administration Agreement; (ii) facilitate communication between the Company and its service providers in relation to the services provided under the Administration Agreement, Asset Management Agreement and Agency Agreement; (iii) in relation to the acquisition of any Asset, monitor and review the timing of payments and any currency exchanges to be effected in order to ensure payments are made in a timely manner; (iv) monitor the ongoing budget of the Company and the payment of recurring and certain non-recurring costs, fees and expenses; and (v) assist the Administrator in monitoring the balances in the bank accounts of the Company and, where appropriate, provide the Administrator with any assistance it might reasonably require with respect to making payments, transferring balances or entering into currency exchanges as appropriate.

Further details relating to the Asset Management Agreement, the Agency Agreement and the Liaison and Administration Oversight Agreement are set out in paragraphs 6.2 to 6.4 of Part IX of this Prospectus.

Amedeo Limited is a limited company incorporated in Ireland with registered number 530544. Amedeo's registered office is situated at The Oval, Shelbourne Road, Ballsbridge, Dublin 4, Ireland. Amedeo Capital, the ultimate parent company of the Asset Manager, will directly or through one or more of its affiliates acquire at least 5 per cent. of the Shares to be issued pursuant to the Placing. Amedeo has agreed not to sell, transfer or otherwise dispose of any Shares acquired by it in the Placing for a period of 2 years from Admission, save that this shall be subject to the following conditions: (i) it shall apply only to such number of Shares acquired by it in the Placing which together represent up to 10 per cent. of the Shares issued on Admission; and (ii) in respect of any Shares held in excess of 5 per cent. of those issued on Admission, it shall cease to apply where Amedeo Capital, acting in good faith, notifies the Company that it or any Amedeo group entity intends to use the proceeds of the disposal of such Shares to fund the furtherance of its business activities (which may include the acquisition of further shares in the Company on subsequent capital raisings). Please see Part III and paragraph 6.9 of Part IX of this Prospectus for further details in relation to these lock-up arrangements.

Amedeo Services (UK) Limited is a limited company incorporated in the United Kingdom with registered number 8878804 and is authorised and regulated by the Financial Conduct Authority. The Liaison and Administration Oversight Agent's registered office is situated at 5 Royal Exchange Buildings, London, EC3V 3NL.

#### **Administrator**

JTC (Guernsey) Limited has been appointed as Administrator of the Company pursuant to the Administration Agreement (further details of which are set out in paragraph 6.5 of Part IX of this Prospectus). The Administrator will be responsible for the Company's general administrative functions such as the calculation of the Net Asset Values and maintenance of the Company's accounting and statutory records. A copy of the leases will be held by the Administrator. The Administrator may, with the consent of the Directors, delegate the provision of administrative functions and other services to a third party but will remain liable for the acts of any such third party and will be responsible for their remuneration.

The Administration Agreement may be terminated by either party on three months' written notice, provided that such termination is not to take effect at any time prior to the first anniversary of Admission.

Investors should note that it is not possible for the Administrator to provide any investment advice to investors.

### **Corporate and Shareholder Adviser**

Nimrod Capital LLP (which is authorised and regulated by the Financial Conduct Authority) has been appointed as the Corporate and Shareholder Adviser by the Company pursuant to the Corporate and Shareholder Advisory Agreement (further details of which are set out in paragraph 6.8 in Part IX of this Prospectus). The Corporate and Shareholder Adviser will, inter alia, meet with Shareholders on a regular basis including after the announcements of annual and interim results by the Company, monitor the Shareholder register of the Company (once it has access to it) and report to the Company on the composition of the Shareholder base, including identifying significant Shareholders. The Corporate and Shareholder Adviser will also track the market price and any discount to NAV at which the Shares may be trading.

The Corporate and Shareholder Advisory Agreement has no fixed term but may be terminated by either party giving the other not less than 18 months' written notice, such notice not to expire before the twelfth anniversary of Admission.

### **Fees and expenses**

#### ***Initial expenses related to the Placing***

The initial expenses of the Company will be those connected to the Placing and Admission. The Company does not expect initial expenses to exceed 1.27 per cent. of the Placing Proceeds.

These expenses will be paid on or around Admission (unless stated otherwise) and will include fees payable under the Placing Agreement, the fees and expenses of any sub-placing agents, registration, listing and admission fees, settlement arrangements, printing, advertising and distribution costs, legal fees and any other applicable expenses. All such expenses will be immediately written off.

In consideration for Nimrod acting as Placing Agent in the Placing the Company has agreed to pay Nimrod, as at Admission, a placing commission of £1,711,875, which represents 0.85 per cent. of the Placing Proceeds.

#### ***Agency fee and expenses***

In consideration for providing the services pursuant to the Agency Agreement, the Company shall (for itself and on behalf of each Lessor) upon Admission pay to Amedeo Limited an upfront lease and debt arrangement fee of £2,438,125 (the "**Upfront Fee**"). The Company shall also upon Admission reimburse Amedeo for all expenses reasonably and properly incurred by it in connection with the performance of the services provided under the Agency Agreement in advance of Admission (including, without limitation, all commitment and arrangement fees with respect to the First Tranche Assets).

#### ***Ongoing Expenses***

The Company will also incur ongoing expenses. These expenses will include the following:

(i) ***Asset Manager and Liaison and Administration Oversight Agent***

In consideration for providing the services pursuant to the Asset Management Agreement the Company will pay Amedeo a management and advisory fee of £247,500 per annum per Initial Asset (adjusted annually for inflation commencing from 1 January 2016 onwards at 2.5 per cent. per annum), payable monthly in arrear (the "**Annual Fee**"). The Annual Fee for each Initial Asset shall accrue from the date of Admission.

With respect to the Disposition of the Initial Assets, the Company shall pay to Amedeo Disposition Fees calculated as follows:

(a) upon the Disposition of each Initial Asset, the Company shall pay to Amedeo a base fee equal to 1.75 per cent. of the Realised Value of such Initial Asset (the "**Base Disposition Fee**") (the aggregate of the Base Disposition Fees to be paid by the Company to Amedeo with respect to the Initial Assets being the "**Aggregate Base Disposition Fees**");

(b) in addition to the Base Disposition Fee, upon the completion of the Disposition of the fourth and final Initial Asset, if the aggregate of the Aggregate IARV less the Aggregate Junior Loan Balances (such amount being the "**Adjusted IARV**") equals or exceeds the aggregate amount represented by:

(i) the Additional Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate); plus

(ii) the aggregate of: (x) the Aggregate Base Disposition Fees; plus (y) the amount equal to 1 per cent. of the Aggregate IARV,

(the total of (i) and (ii) above being the "**Additional Reference Amount**") then the Company shall pay to Amedeo an additional disposition fee equal 2.75 per cent. of the Aggregate IARV less the Aggregate Base Disposition Fees (the "**Additional Disposition Fee**"). If the Adjusted IARV is less than the Additional Reference Amount but more than the Additional Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate), Amedeo and the Company agree that the Additional Disposition Fee to be paid by the Company to Amedeo shall be calculated using the same methodology as set out above save that the amount described in (y) shall be calculated using such percentage less than 1 per cent. required in order to allow the net amount to be retained by the Company following the payment of the Aggregate Base Disposition Fees and the Additional Disposition Fee to Amedeo to equal the Additional Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate); and

(c) in addition to the Base Disposition Fee and the Additional Disposition Fee, upon the completion of the Disposition of the fourth and final Initial Asset, if the Adjusted IARV equals or exceeds the aggregate amount represented by:

(i) the Incentive Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate); plus

(ii) the aggregate of: (x) the Aggregate Base Disposition Fees; plus (y) the Additional Disposition Fee; plus (z) the amount equal to 1.25 per cent. of the Aggregate IARV,

(the total of (i) and (ii) above being the "**Incentive Reference Amount**") then the Company shall pay to Amedeo an incentive disposition fee equal to 4 per cent. of the Aggregate IARV less the aggregate of the Aggregate Base Disposition Fees and the Additional Disposition Fee (the "**Incentive Disposition Fee**"). If the Adjusted IARV is less than the Incentive Reference Amount but more than the Incentive Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate), Amedeo and the Company agree that the Incentive Disposition Fee to be paid by the Company to Amedeo shall be calculated using the same methodology as set out above save that the amount described in (z) shall be calculated using such percentage less than 1.25 per cent. required in order to allow the net amount to be retained by the Company following the payment of the Aggregate Base Disposition Fees, the Additional Disposition Fee and the Incentive Disposition Fee to Amedeo to equal the Incentive Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate).

The Company and Amedeo further agree that, if an Initial Asset is the subject of a Disposition prior to the end of its 12 year lease term:

- (a) the Company shall pay to Amedeo a disposition fee equal to: (i) 3 per cent. of the Realised Value which results from any such Disposition; or, (ii) if the Disposed Asset's Realised Value is equal to or greater than the amount equal to one quarter of the Incentive Threshold, 4 per cent. of the Realised Value which results from any such Disposition; and
- (b) the Additional Disposition Fee and the Incentive Disposition Fee with respect to the remaining Initial Assets shall remain due and payable by the Company to Amedeo; however, the Additional Threshold and the Incentive Threshold shall, respectively, be reduced proportionally with reference to the actual number of Initial Assets which were Disposed of at the end of their 12 year lease terms. By way of example; if one Initial Asset is Disposed of in advance (whether by sale / lease or as the result of a Total Loss), the Additional Threshold and Incentive Threshold shall be reduced by a factor of one quarter to an amount equal to three quarters of the original amounts as such were calculated with reference to all four Initial Assets.

With respect to any aircraft which are acquired by the Company in addition to the Initial Assets, the Company and Amedeo agree that, with respect to the Disposition of such Asset, the Company shall pay to Amedeo on an Asset-by-Asset basis a disposition fee equal to 3 per cent. of the Realised Value of such Asset.

If Amedeo arranges the disposal of an Asset by arranging a long term re-lease of the same (the "**Re-Leased Aircraft**"), rather than by arranging the sale of the Asset, then for the purposes of the calculation of fees payable to Amedeo in relation to such re-lease the Disposition of the Re-Leased Aircraft shall be taken to have occurred on the date of commencement of such long-term re-lease. The Company and Amedeo, each acting reasonably, shall agree the Realised Value attributable to such re-lease, the calculation of which shall be agreed by reference to various factors, including, amongst other things, the periodic amount of rent paid under, and for the full term of, such subsequent lease. No further Disposition Fee, as determined pursuant to the Asset Management Agreement, shall be payable on the eventual sale of the Re-Leased Aircraft (without prejudice to Amedeo's ability to be paid under any separate arrangements agreed in the future in respect of such sale in the event that Amedeo subsequently arranges the sale).

A Total Loss (and any subsequent receipt of proceeds) in respect of an Asset shall be considered a Disposition for the purposes of the Asset Management Agreement, with the Realised Value for the purposes of the calculation of the Disposition Fee being the "total loss proceeds" (howsoever defined under the relevant lease). In the event of a Total Loss of an Asset the Annual Fee payable on that Asset shall be pro-rated to the date of the Total Loss.

The Company will, fully and promptly upon presentation, reimburse Amedeo for all expenses (except for those incurred following a sub-delegation in accordance with the terms of the Asset Management Agreement) reasonably and properly incurred by Amedeo in connection with the performance of the services under the Asset Management Agreement. Any maintenance invoices, any airport charges or similar Asset related costs and expenses shall be invoiced to and paid directly by the Company, unless otherwise agreed, in which case Amedeo shall also be reimbursed for any such costs and all expenses so incurred on behalf of the Company. The reimbursement of such costs and expenses shall apply to all costs and expenses in relation to services performed by Amedeo under the Asset Management Agreement, whether incurred in relation to aircraft management services, lessor investor services, remarketing services (also when sub-

delegated) or lease and technical management services in Special Situations. For these purposes, 'expenses' means all out of pocket costs and expenses accompanied by supporting evidence (including legal, accounting and tax fees and other professional fees; fees of technical and other industry expert consultants; hotels; travelling; publicity; and other such expenses) reasonably and properly incurred by Amedeo in relation to its provision of the services under the Asset Management Agreement.

The Company shall pay Amedeo Services (UK) Limited a fee of £10,000 (exclusive of all applicable taxes), adjusted annually for inflation from 1 January 2016 onwards at 2.5 per cent. per annum for its services under the Liaison and Administration Oversight Agreement. The initial payment of the Liaison and Administration Oversight Fee shall be due upon the date of Admission, with each subsequent payment being payable annually in advance on each anniversary of the date of Admission.

(ii) *Administration*

The Administrator is entitled to fees as set out below in consideration for the services to be provided:

- (a) an establishment fee for establishing the Company, calculated on a time charge basis but capped at £15,000. An establishment fee for establishing a subsidiary will likewise be calculated on a time charge basis but capped at £1,800 per subsidiary;
- (b) an administration fee for the Company of £18,000 per annum and for each subsidiary of £2,500 per annum;
- (c) a secretarial fee for the Company of £25,000 per annum assuming quarterly board meetings, four dividend declaration meetings and an annual general meeting each year, and for each subsidiary of £2,400 per annum for four routine dividend board meetings and an annual general meeting each year. Where a meeting is held outside of Guernsey a charge of £1,500 per day for each person attending from the Administrator will be levied;
- (d) a value fee of 0.015 per cent of the Gross Asset Value of the Company, in excess of the first £100 million, capped at £15,000 per annum per Asset owned by the Company directly or through any subsidiaries;
- (e) a financial reporting fee in respect of the preparation and approval for the Company on a group consolidated basis of audited annual reports and half yearly reports, calculated on a time charge basis but capped at £25,000 per annum with a supplement of no more than £1,000 for each Asset owned by the Company, directly or through any subsidiaries;
- (f) a working capital model and target return calculation fee in respect of the production of a model forecasting the cash flows of the Company over its life time and an assessment of the reasonableness of the Company's target return (as described in the Prospectus) calculated on a time charge basis but capped at £12,500; and
- (g) an aircraft transaction fee calculated on a time-charge basis for each specific transaction as follows:
  - (i) for the documenting and completion of a bank debt facility arrangement, a fee not exceeding £2,500;
  - (ii) for corporate matters in connection with the acquisition and/or lease of an Asset, a fee not exceeding £2,500; and
  - (iii) for matters arising on the sale or transfer of an Asset or a subsidiary, a fee not exceeding £3,000 per Asset or subsidiary.

The fees described in sub-paragraph (a) shall be payable by the Company upon presentation of an invoice by the Administrator to the Company once the event referred to has occurred.

The fees described in paragraphs (b) to (e) shall be payable by the Company monthly in arrears, and where applicable shall be subject to a pro rata reduction on a daily basis in respect of any services performed for only part of any month, and shall be automatically subject to an annual increase by reference to the States of Guernsey Retail Price Index capped at a mean average of 2.5 per cent. per annum applied pro rata on 1 April 2016 and annually thereafter.

In addition to the above remuneration the Administrator shall also be entitled to such other remuneration as shall be agreed between the Administrator and the Company from time to time (including activity fees as previously agreed with the Company or time cost charges which shall be levied by the Administrator for any other matter not already included under the Administration Agreement).

(iii) *Registrar*

The Registrar is entitled to an annual basic fee from the Company equal to the higher of £4,000 per annum, or £1,500 per Register per annum or part thereof, or £2.00 per shareholder per annum or part thereof. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as listed in the Registrar Agreement.

(iv) *Directors*

The non-executive Directors will be remunerated for their services at a fee for each Director of £30,000 per annum £35,000 for the Chairman). In addition, the chair of the audit committee will receive an additional £4,000 for his services in this role. In the event that any aircraft other than the Initial Assets are acquired by the Company, it is expected that the Directors' remuneration will be increased accordingly.

(v) *Consultant*

Laurence Barron will be remunerated for his services as consultant to the Company at a fee of £25,000 per annum.

(vi) *Corporate and Shareholder Adviser*

The Company shall pay to Nimrod for its services as Corporate and Shareholder Adviser an annual fee of £702,128 (which represents 0.35 per cent. of the Placing Proceeds), payable quarterly in arrear and adjusted annually for inflation from 2016 onwards at 2.5 per cent. per annum. This annual fee shall accrue from the date of Admission.

(vii) *Other Operational Expenses*

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including fees connected with debt financing, travel, accommodation, printing, directors and officers insurance, website maintenance, audit and legal fees and the fees of any Independent Expert Valuer (estimated at £3,250 per Asset per Independent Expert Valuer). All out of pocket expenses of Amedeo Limited, the Administrator, the Corporate and Shareholder Adviser, the Registrar, the CREST Agent and the Directors relating to the Company will be borne by the Company. These ongoing operational and out of pocket expenses will be deducted from the assets of the Company and are estimated to be not greater than £350,000 per annum, subject to increases in line with inflation.

## **Taxation**

Information concerning the tax status of the Company is contained in paragraph 4 of Part IX of this Prospectus. **If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of Shares, he should seek advice from his own independent professional adviser.**

## **Meetings and reports to Shareholders**

The Company's audited annual report and accounts will be prepared to 31 March each year, commencing in 2016, and it is expected that copies will be sent to Shareholders in July each year, or earlier if possible. Shareholders will also receive an unaudited interim report each year commencing in respect of the period to 30 September 2015, expected to be dispatched in November each year, or earlier if possible. The Company's audited annual report and accounts will be available on the Company's website, [www.aa4plus.com](http://www.aa4plus.com).

Any ongoing disclosures required to be made to Shareholders pursuant to the AIFM Directive will (where applicable) be contained in the Company's monthly or annual reports, on the Company's website, or will be communicated to Shareholders in written form as required.

## **Conflicts of interest**

Amedeo has undertaken that it will dedicate such time and resources as it reasonably believes sufficient from time to time to fulfil any contractual arrangements it enters into with the Company.

Amedeo is an operating lessor dealing primarily with widebody aircraft and also advises other investment vehicles that have a similar investment objective and policy to the Company. It may advise further such investment vehicles in the future. In certain circumstances, this may give rise to potential conflicts of interests, for example if the sale of an Asset is being considered at a time when the other vehicles advised by Amedeo also have aircraft assets for sale. Conflicts of interest may arise for Amedeo in finding the best potential buyer for its advisees (including the Company). Amedeo, directly or through one or more of its affiliates, will also hold Shares in the Company following Admission, as set out under the heading "*Asset Manager, Agency Services provider and Liaison and Administration Oversight Agent*" in this Part II of this Prospectus. Amedeo Capital, the ultimate parent company of the Asset Manager, will also directly or through one or more of its affiliates acquire at least 5 per cent. of the Shares to be issued pursuant to the Placing, as set out under the heading "*Asset Manager, Agency Services provider and Liaison and Administration Oversight Agent*" in Part II of this Prospectus. Amedeo Capital has agreed not to sell, transfer or otherwise dispose of any Shares acquired by it in the Placing for a period of 2 years from Admission, save that this shall be subject to the following conditions: (i) it shall apply only to such number of Shares acquired by it in the Placing which together represent up to 10 per cent. of the Shares issued on Admission; and (ii) in respect of any Shares held in excess of 5 per cent. of those issued on Admission, it shall cease to apply where Amedeo Capital, acting in good faith, notifies the Company that it or any Amedeo group entity intends to use the proceeds of the disposal of such Shares to fund the furtherance of its business activities (which may include the acquisition of further shares in the Company on subsequent capital raisings).

In addition to the Asset Manager advising the Board on acquisitions to be made by the Company, the First Tranche Assets are currently owned by, and will be acquired from, Amedeo MSN 157 Limited and Amedeo MSN 164 Limited, Affiliates of the Asset Manager, giving rise to a conflict of interest in relation to the acquisition of the First Tranche Assets. The Board has, however, itself considered the terms of the First Tranche Purchase Agreements and the Leases and Loans being novated and has had the opportunity to obtain independent advice on such terms (together with valuations of the Initial Assets prepared by Independent Expert Valuers), and is satisfied with the terms agreed in the context of the Company's stated investment objective.

Amedeo, its shareholders and subsidiaries and any of its officers, directors, employees, agents and affiliates and any person or company with whom they are affiliated or by whom they are employed (together, "**Interested Parties**" and each an "**Interested Party**") may be involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the Interested Parties may provide investment management, investment advice or other services in relation to a number of funds ("**Other Funds**") which may have similar investment policies to that of the Company

Where a potential conflict arises in relation to services to be provided under the Asset Management Agreement, Amedeo shall use all reasonable endeavours to: (i) seek to resolve any such conflict in a fair and equitable manner, having regard to its obligations under the Asset Management Agreement; (ii) subject to the terms set out in the Asset Management Agreement, act in the best interests of the Company so far as is reasonably practicable having regard to its obligations to other clients; and (iii) prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of the Company.

In the event that the Asset Manager is actively remarketing an Other Aircraft for another client and such Other Aircraft is scheduled to be returned contemporaneously with an Asset which is being remarketed by the Asset Manager pursuant to the terms set out in the Asset Management Agreement, the Asset Manager shall use its reasonable endeavours to treat such aircraft equally and not to discriminate between them.

Where conflicts arise in relation to services to be provided under the Agency Agreement, Amedeo shall seek to resolve such conflicts in a fair and equitable manner, having regard to its obligations under the Agency Agreement and it shall act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients. Amedeo shall take all reasonable steps to prevent conflicts of interest in relation to the services to be provided under the Agency Agreement from constituting or giving rise to a material risk of damage to the interests of the Company.

In relation to services to be provided by Amedeo under the Asset Management Agreement or the Agency Agreement, where conflicts arise which Amedeo considers that it is unable to effectively manage it will, subject always to Amedeo (acting in its sole discretion) deciding that a duty of confidentiality applicable to it does not prevent any such disclosure being made, disclose details of the actual or potential conflict of interest to the Board or a committee of the Board.

Where an investment decision relating to specific assets of the Company or one of its subsidiaries is or may reasonably be seen to be the subject of a potential conflict of interest through which Amedeo may accrue some financial benefit, the Company shall be informed of such investment decision and the Board or a committee of the Board prior to making such investment decision will consider whether the potential conflict is serious enough to affect that investment decision.

The Directors are or may become directors of and/or investors in other companies, including investment companies which have an investment policy similar to that of the Company. John Le Prevost is also a director and controlling shareholder of Anson Group Limited, the holding company of the Registrar and Receiving Agent, Anson Registrars Limited.

Service providers and their affiliates may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. A failure of one or more service providers to manage its conflicts of interest appropriately could adversely affect the Company's ability to meet its investment objective and result in the substantial or entire loss of an investor's investment.

### **Corporate governance**

The Company is not required by Guernsey Law to comply with the Guernsey Financial Services Commission ("**GFSC**") Corporate Governance Code (the "**Code**"), as it is not regulated by the

GFSC. The Company has, however, voluntarily committed to observe the UK Corporate Governance Code 'comply or explain' regime. The GFSC has stated in the Code that companies which report against the UK Corporate Governance Code are deemed to meet the requirements of the Code.

Save for departing from the requirements to: (i) have a chief executive (since the Company will not have any executive Directors); (ii) have a senior independent director (since the Company considers that each Director who is not chairman can effectively fulfil this function); (iii) have a remuneration committee (given the small size of the exclusively non-executive and independent Board); (iv) have a nomination committee (given the small size of the exclusively non-executive and independent Board); (v) provide notice of general meetings in accordance with the timeframes set out in the Code (since the notice provisions with which the Company will comply are those prescribed by the Companies Laws for Guernsey companies) and (vi) appoint the Directors for a term of six years, the Company is not presently aware of any departures from the UK Corporate Governance Code.

#### **Audit committee**

The Company's Audit Committee will meet formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the Auditor and to review the annual and half-yearly financial statements and interim reports. Where non-audit services are to be provided by the Auditor, full consideration of the financial and other implications on the independence of the Auditor arising from any such engagement will be considered before proceeding. The Audit Committee comprises each of the Directors. John Le Prevost will act as chairman of the Audit Committee. The principal duties of the Audit Committee will be to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, the reliability of the financial reporting and internal controls, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the Auditor, to review the external auditors' letters of engagement and management letters and to analyse the key procedures adopted by the Company's service providers.

## **PART III**

### **PLACING ARRANGEMENTS**

#### **The Placing**

202,000,000 Shares of no par value are being marketed and are available under the Placing.

Shares will be denominated in Sterling and issued under the Placing at a price of 100 pence per Share.

The Placing is not being underwritten.

The Company, the Asset Manager and Nimrod have entered into the Placing Agreement whereby Nimrod (which is authorised and regulated by the Financial Conduct Authority) has agreed, as Placing Agent for the Company, to use its reasonable endeavours to procure subscribers for Shares under the Placing at the Issue Price.

The Company will not proceed with the Placing if the Net Placing Proceeds would be less than £199,463,125 (or such lesser amount as the Company and Nimrod may determine and notify to investors via publication of a supplementary prospectus including a revised working capital statement based on the revised Net Placing Proceeds figure). If the Placing does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

Applications under the Placing must be for a minimum subscription amount of £10,000. The Directors may in their absolute discretion waive the minimum application requirements in respect of any particular application under the Placing. Multiple subscriptions from individual subscribers will not be accepted. No fractions of Shares will be issued. If a fractional entitlement to a Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number. Any rounding will be retained for the benefit of the Company.

#### **Dealings in Shares**

Application will be made to the London Stock Exchange for the Shares issued, and to be issued pursuant to the Placing, to be admitted to trading on the Specialist Fund Market. It is expected that dealings in the Shares will commence on 13 May 2015. Dealings in Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The ISIN number for the Shares is GG00BWC53H48 and the SEDOL code for the Shares is BWC53H4.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the Shares or any class of Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of the Shares may not necessarily reflect changes in the NAV per Share. Furthermore, the level of the liquidity in the Shares can fluctuate significantly.

#### **The SFM**

The SFM is an EU regulated market. Pursuant to the Admission of the Shares to trading on the SFM, the Company will be subject to the Prospectus Rules, the Disclosure and Transparency Rules and the Market Abuse Directive (as implemented in the UK through the Financial Services and Markets Act 2000, as amended). In accordance with SFM admission criteria, this Prospectus has been approved by the UK Listing Authority.

#### **Scaling back and allocation**

In the event that commitments under the Placing were to exceed 202,000,000 Shares, it would be necessary to scale back applications under the Placing. The Placing Agent reserves the right, at its sole discretion but after consultation with the Company, to scale back applications on such basis and in such amounts as it considers appropriate. The Company reserves the right to decline in

whole or in part any application for Shares pursuant to the Placing. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they have applied.

The Company will notify investors of the number of Shares in respect of which their application has been successful and the results of the Placing will be announced by the Company on or around 13 May 2015 through a regulatory information service.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the bank account from which the money was received.

### **General**

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, the Company and its agents will require evidence in connection with any application for Shares, including further identification of the applicant(s), before any Shares are issued.

### **CREST**

Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST. Shares issued pursuant to the Placing will be transferred to successful applicants through the CREST system. Temporary documents of title will not be issued.

It is expected that the Company will arrange for Euroclear to be instructed on 13 May 2015 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

### **Settlement**

All applications for Shares at the Issue Price will be payable in full in cash.

Payment for Shares issued under the Placing should be made through CREST in accordance with settlement instructions to be notified to places by 3.00 p.m. on 7 May 2015. To the extent that any application is rejected in whole or in part, monies received will be returned without interest at the risk of the applicant.

### **Transfer of Shares**

The transfer of Shares outside the CREST system following the Placing should be arranged directly through the Registrar. However, an investor's holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates. If a Shareholder or transferee requests Shares to be issued in certificated form and is holding such Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders holding definitive certificates may elect at a later date to hold such Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

### **Purchase and Transfer Restrictions**

This Prospectus does not constitute, and may not be used for the purposes of, an offer to sell, or an invitation to acquire or subscribe for, Shares by any US Person or person within the United States, or in any jurisdiction (i) in which such offer or invitation is not authorised or is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Asset Manager, or (ii) in which the person making such offer or invitation is not qualified to do so, or (iii) to any person to whom it is unlawful to make such offer or invitation.

The Company has elected to impose the restrictions described below on the Placing and on the future trading of the Shares so that the Company will not be required to register the offer and sale of the Shares under the US Securities Act, so that the Company will not have an obligation to register as an investment company under the US Investment Company Act and related rules and to address certain ERISA, US Tax Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the Shares to trade such securities. The Company and its agents will not be obligated to recognise any resale or other transfer of the Shares made other than in compliance with the restrictions described below.

*Restrictions due to lack of registration under the US Securities Act and the US Investment Company Act*

The offer and sale of the Shares has not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States or under the securities laws of Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Shares may not be offered, sold, exercised, resold, pledged or otherwise transferred or delivered, directly or indirectly, into or within the United States, Australia, Canada, South Africa or Japan or to, or for the account or benefit of, any US Person, or to any national, resident or citizen of Australia, Canada, South Africa or Japan. There will be no public offer of the Shares in the United States.

In connection with the Placing, the Shares are being offered and sold subject to certain exceptions, only outside the United States to non-US Persons in "offshore transactions" with the meaning of, and in reliance on, the safe harbour from registration provided by Regulation S under the US Securities Act. The Company has not been and will not be registered under the US Investment Company Act and, as such, investors will not be entitled to the benefits of the US Investment Company Act. No purchase, sale or transfer of the Shares may be made except in circumstances in which such purchase, sale or transfer will not result in the Company being required to register as an investment company under the US Investment Company Act or potentially being in violation of such Act or the rules and regulations promulgated thereunder.

The Shares and any beneficial interest therein may only be transferred in an offshore transaction within the meaning of, and in reliance on, the safe harbour from registration provided by Regulation S (i) to a person outside the United States and not known to the transferor to be a US Person; or (ii) to the Company or a subsidiary thereof.

*ERISA, US Tax Code and other restrictions*

If an investor holds Shares at any time, except with the express consent of the Company given in respect of an investment in Shares it shall be deemed to have represented and agreed for the benefit of the Company, its Affiliates and advisers that:

(i) no portion of the assets it uses to purchase, and no portion of the assets it uses to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (A) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (B) a "plan" as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (A) or (B) in such entity pursuant to the US Plan Asset Regulations; and

(ii) if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

### **Subscriber warranties**

Each subscriber of Shares in the Placing and each subsequent investor in the Shares will (unless otherwise agreed) be deemed to have represented, warranted, agreed and acknowledged as follows:

1. it is not a US Person, is not located within the United States and is not acquiring the Shares for the account or benefit of a US Person;
2. it is acquiring the Shares in an offshore transaction meeting the requirements of Regulation S;
3. it is aware and acknowledges that the Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the US Securities Act;
4. it is aware and acknowledges that the Company has not been, and will not be, registered under the US Investment Company Act and that the Company has put in place restrictions on the purchase of the Shares by persons who are located in the United States or who are US persons, and to ensure that the Company is not and will not be required to register under the US Investment Company Act;
5. if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Shares, it will do so only (i) in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act; or (ii) to the Company or a subsidiary thereof. It is aware and acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
6. it is purchasing the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
7. no portion of the assets used to purchase, and no portion of the assets used by such investor to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the US Tax Code, as amended, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code. In addition, if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
8. it is aware and it acknowledges that the Company reserves the right to make inquiries of any holder of the Shares or interests therein at any time as to such person's status under the federal US securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such Shares or interests in accordance with the Articles;

9. it is entitled to acquire the Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, Amedeo Limited, Amedeo Services (UK) Limited, the Placing Agent, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing or its acceptance of participation in the Placing;
10. it has received (outside the United States), carefully read and understands this Prospectus, and it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus (or any part thereof) or any other presentation or offering materials concerning the Shares to or within the United States or to any US Persons, nor will it do any of the foregoing;
11. if any Shares are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

**AMEDEO AIR FOUR PLUS LIMITED (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "US INVESTMENT COMPANY ACT"). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE "US SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR THE SECURITIES LAWS OF AUSTRALIA, CANADA, SOUTH AFRICA OR JAPAN. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED, DELIVERED, DISTRIBUTED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, INTO OR WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN RULE 902 OF REGULATION S UNDER THE US SECURITIES ACT) AND IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE US SECURITIES ACT (AND NOT IN A PRE-ARRANGED TRANSACTION RESULTING IN THE RESALE OF SUCH SECURITY INTO THE UNITED STATES) AND IN CIRCUMSTANCES THAT WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE US INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS; THE HOLDER OF THIS SECURITY AGREES THAT IT WILL COMPLY WITH THE FOREGOING RESTRICTIONS;**
12. the Company, Amedeo Limited, Amedeo Services (UK) Limited, the Placing Agent, their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company; and
13. if it is acquiring any Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and it has full power to make such foregoing representations and agreements on behalf of each such account.

### **Lock-up arrangements**

Amedeo Capital has undertaken that, subject to certain standard exceptions (such as the acceptance of any general offer for the issued share capital of the Company made in accordance with the Takeover Code, pursuant to any sale or transfer required by applicable law or regulation, pursuant to an offer by the Company to purchase its own Shares where such offer is made on identical terms to all holders of Shares in the Company), for the period ending on the second anniversary of Admission it will not, without the prior written consent of the Company, make a disposal of Shares acquired by it in the Placing (the "**Lock-up**"). The Lock-up is subject to the following conditions: (i) it shall apply only to such number of Shares acquired by it in the Placing which together represent up to 10 per cent. of the Shares issued on Admission; and (ii) in respect of any Shares held in excess of 5 per cent. of those issued on Admission, it shall cease to apply where Amedeo Capital, acting in good faith, notifies the Company that it or any Amedeo group entity intends to use the proceeds of the disposal of such Shares to fund the furtherance of its business activities (which may include the acquisition of further shares in the Company on subsequent capital raisings).

A disposal for the purposes of the Lock-up shall mean any sale, transfer, mortgage, assignment, grant of options over, charge, pledge, or other disposal or alienation or effecting of a reduction of an interest (including selling short), or entry into a derivative transaction or an agreement to sell, transfer, mortgage, assign, grant options over, charge, pledge, or otherwise dispose, effect a reduction, enter into a derivative transaction or any transaction which has the same economic effect as any of the foregoing.

Amedeo Capital has further agreed that it may only dispose of Shares acquired by it in the Placing to a person connected to it if such transferee first executes a deed of adherence in favour of the Company and so agrees to be bound by the provisions of the Lock-up Agreement.

## PART IV

### THE INITIAL ASSETS<sup>1</sup>

#### Introduction and technical specifications

Pursuant to the terms of the First Tranche Purchase Agreements in relation to the First Tranche Assets and the Purchase Agreement Assignments in relation to the Second Tranche Assets, the Company intends to purchase the Initial Assets.

The Airbus A380 is the world's largest commercial passenger aircraft, and the Asset Manager considers that this is likely to remain so for some time due to the timescales and the financial resources required in developing new widebody aircraft programmes. It is the first aircraft with two full length passenger decks, giving a maximum capacity of up to 853 passengers. In a four-class configuration (First, Business, Premium Economy and Economy Class) the Airbus A380 has capacity for 544. The Asset Manager believes that this capacity could be increased to around 590 passengers in an optimised layout with modular main deck arrangements.

The Asset Manager believes that future customers of the A380 (or existing operators at such time as they refresh their product offerings on the aircraft, including seating and cabin layouts) are likely to increase the seat count and optimise the available space on the aircraft as this will enable them to benefit from the lowest operating unit costs the A380 can offer while retaining desired levels of customer comfort and personal space that fit those airlines' product strategies. These are factors considered by airlines in managing their business.

In addition, the dimensions of the A380 have been kept within the standard airport requirement box of 80 metres by 80 metres. The A380 measures an overall 72.72 metres in length and has a wingspan of 79.75 metres. The aircraft's height at its highest point measures 24.09 metres and the maximum take-off weight (MTOW) is 575 tonnes. While keeping the aircraft structurally the same, the aircraft MTOW can also be limited to reduce landing and navigation charges, as well as meet tighter noise criteria.

Developments with respect to the A380's aerodynamics, control elements and flight systems, coupled with the use of advanced, lightweight composite materials make the A380 an attractive and efficient aircraft.

As with any new aircraft programme, the A380 has required some technical modifications. In the case of the A380, some of these technical modifications have related to hairline cracks on wing rib skin attachments detected in January 2012 and micro-cracks caused by vibration which were found in certain doors of the aircraft in mid-2014.

The European Aviation Safety Agency ("**EASA**") issued Airworthiness Directives ("**ADs**") related to both modification requirements. From mid-2014, new A380s have been delivered with the wing rib feet attachment modification already in place. A final fix related to the door micro cracks has also been defined and approved by EASA and is currently in implementation.

Under the terms of the Leases, the cost of repair and maintenance of the Assets will be borne by Emirates and not the Company. However, upon expiry or termination of the Leases, the cost of repair and maintenance will fall upon the Company. Therefore upon expiry or termination of the Lease, the Company may incur costs. Any repairs that are required may also adversely impact the effective price of the Assets achieved by the Company upon a sale: the costs incurred by the Company in carrying out such repairs can be expected to reduce the amount effectively recovered

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<sup>1</sup> Save where indicated otherwise, all third party information contained in this Part IV of this Prospectus has been sourced from Airbus.

by the Company upon sale, and the actual sale price may also be reduced as a result of such repairs having been carried out.

### **Background**

A major objective in designing the economic aspects of the A380 was both to increase passenger capacity and at the same time to lower operating costs. This was achieved by constructing the Airbus A380 with advanced materials such as carbon-reinforced and fibre-reinforced plastics, and new generation engines delivered by Engine Alliance and Rolls Royce plc. The Airbus A380 is very economical in its fuel consumption, using approximately three litres of kerosene per 100 passenger kilometres. (Source: Air Transport Action Group)

### **Market segment**

The international aircraft fleet can be classified in different ways. Primarily, a distinction is drawn based on the purpose of the relevant aircraft, i.e. cargo or passenger aircraft. Passenger aircraft are then usually classified by range (short, medium or long range aircraft), the number of aisles as a function of their body width ("narrowbody" with one aisle, or "widebody" with two aisles), and passenger capacity. Widebody aircraft with 400 or more seats are currently defined by Boeing in their Current Market Outlook as "large widebody aircraft" and by Airbus in their Global Market Forecast as very large aircraft ("VLA").

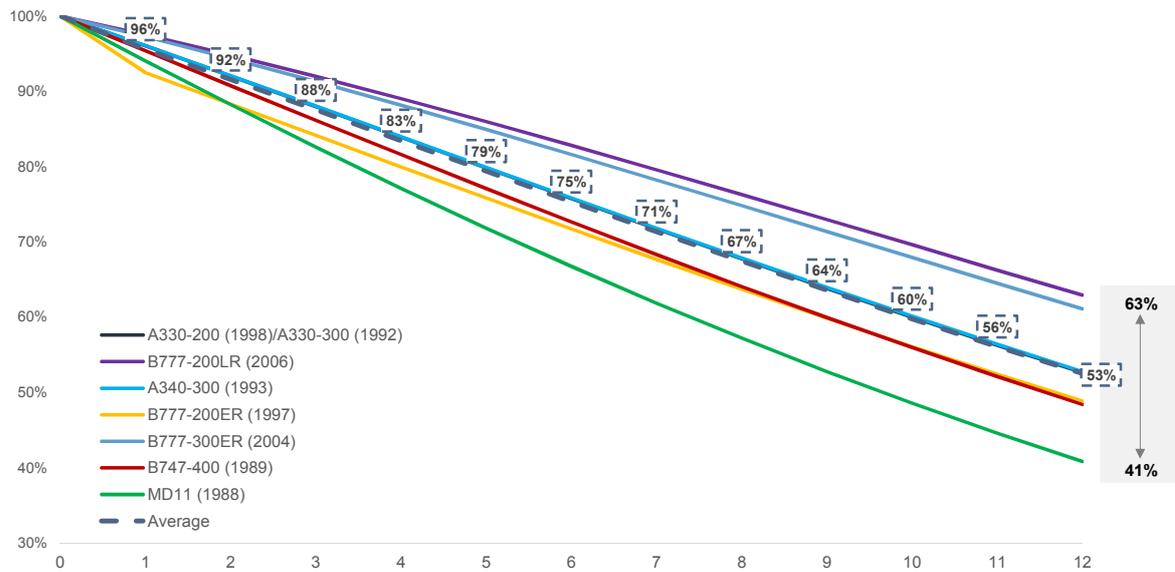
The Airbus A380 is a VLA capable of short, medium and long haul flights. The A380 has a maximum certified carrying capacity of up to 853 seats in a single-class layout.

The Asset Manager considers that the Airbus A380 will play a key role in servicing the expected future growth in air traffic, since its size makes it possible to transport a greater number of passengers without increasing the number of flights. Given that the airspace above major international airports is already affected by frequent congestion, the Asset Manager considers it likely that demand for VLAs and large widebody aircraft will grow. The Company understands that Airbus expects that the number of routes served by VLAs will increase substantially between now and 2021 and, as such, that this increase in routes would require a corresponding increase in the number of VLAs used to serve those routes.

### **Value of widebody aircraft over time**

An expected valuation of the First Tranche Assets after 12 years is given in Part I under the heading "Return of capital" (an average of three independent valuations). The first Airbus A380 went into operation in 2007. There is therefore no data on the actual values of these aircraft after an operating period of twelve years or more. Other widebody aircraft have, however, demonstrated relatively stable residual values, as indicated in the chart below.

### Widebody Aircraft Deliveries – Depreciation Example Over 12 Years Since 1st Year of Service



Source: Based on MBA appraisal base values with an inflation assumption of 2.00 per cent. per annum.

Note: Aircraft residual values assume half-life return conditions and estimated values for the B777-300ER (years 10, 11 and 12) and the B777-200LR (year 12)

### Orders to date

The first Airbus A380 was handed over to Singapore Airlines on 15 October 2007.

There are 152 Airbus A380s in service as of 29 January 2015, operated by Emirates (57), Singapore Airlines (19), Qantas (12), Lufthansa (12), Air France/KLM (10), Korean Airways (10), British Airways (8), Malaysia Airlines (6), Thai Airways International (6), China Southern Airlines (5), Qatar Airways (4), Asiana Airlines (2) and Etihad Airways (1). (Source: Ascend)

In 2014, 2013, 2012, 2011 and 2010 Airbus delivered 30, 25, 30, 26 and 18 new A380 aircraft, respectively. The A380 order backlog as of 29 January 2015 comprises 165 units with a total order book of 317 aircraft. (Source: Ascend)

The A380 order book has evolved over the past couple of years with the new orders surpassing the limited number of cancellations. Amedeo Limited signed a purchase agreement in February 2014 with Airbus to acquire 20 A380s, becoming the only operating lessor to order the aircraft type after ILFC (International Lease Finance Corporation) cancelled its original order for 10 aircraft in March 2011 with a view to readjusting its order book to include a larger proportion of narrowbody aircraft. (Subsequently, ILFC was offered for sale/restructuring by its parent company AIG and was acquired by the leasing company AerCap in mid-2014.) In November 2013, Emirates placed an order for 50 additional A380s bringing its order book to 140.

Singapore Airlines has placed three consecutive orders for the A380, making it the second largest customer of the A380 after confirming an order for 5 further A380s on 11 January 2013.

In June 2012 Transaero became the first customer for the A380 in Russia, the CIS and Eastern Europe, ordering four A380 aircraft. The Russian carrier plans to start operations with the A380 on its long range network of high density routes from Moscow with a three class cabin layout, seating 652 passengers. However, given the impact of the sanctions currently being imposed on Russia, a delay in Transaero's deliveries cannot be ruled out. Qatar Airways ordered five Airbus A380s and Deutsche Lufthansa made a firm order of two additional A380s in 2011.

Airbus secured net orders for 13 A380s in 2014, including the 20 A380s ordered by Amedeo Limited in February 2014 but reduced by certain cancellations. In July 2014, Airbus cancelled an order from Japan's Skymark Airlines for six A380 superjumbo jets. On 28 January 2015, Skymark Airlines filed for bankruptcy protection. A further A380 was removed from the Airbus backlog in 2014 as a result of Kingdom Holding officially cancelling the VIP version ordered for Prince Alwaleed bin Talal bin Abdulaziz Al-Saud in 2007. Kingfisher Airlines' A380 commitments were cancelled in January 2014. In July 2014, Reuters reported that Hong Kong Airlines was considering cancelling its order of 10 A380s and those orders no longer appear in Airbus's order backlog (Source: Ascend). Qantas Airways and Air France have deferred delivery of some of their A380 planes originally scheduled for delivery between 2013 and 2014 and Virgin Atlantic have also deferred delivery of their six A380s on order to between 2017 and 2019 (Source: Ascend).

## **Outlook**

Boeing's Current Market Forecast 2014 to 2033 predicts 620 additional large widebody aircraft (as such term is used by Boeing), including freighters, will need to be delivered by 2033 to keep pace with demand. These new aircraft would comprise 1.47 per cent. of a total projected fleet of 42,180 in 2033. Airbus' Global Market Forecast 2014-2033 predicts demand for 1,228 new VLAs out of a total fleet in 2033 of 37,463 aircraft, or 3.28 per cent. of the total. Historically, from 1975 to 2014, the VLA segment accounted for about 4 per cent. of the total number of commercial aircraft flying (Source: Airinsight). Much discussion has taken place about whether the future of air travel will be dominated by point-to-point long haul flights, enabled by long-range capable, efficient, new smaller widebody aircraft like the Boeing 787, broadly promoted by Boeing, with less need for large widebody aircraft and VLAs, or a mixture of point-to-point and hub and spoke, broadly promoted by Airbus, with much higher need for large widebody aircraft and VLAs. In the opinion of the Asset Manager, these labels for airline business models do not reflect how airlines actually think about optimising their networks and choosing aircraft types. In the Asset Manager's view, network and fleet planning is multi-dimensional and comprises of balancing optimisation of revenue and profit with competitive positioning. It is constrained by, amongst other things: (i) the inherent difficulty of substantially changing the flight operations of an airline and managing the knock-on effects such change will have on an airline's network; (ii) political considerations (outside as well as inside the decision making process within the airline itself); (iii) network constraints, (such as the availability of certain routes and landing slots); (iv) the difficulty of modelling the benefits to an airline's network and revenues in the additional route connections provided by extra frequencies; and (v) the economic evaluation based on the book values of the older aircraft in the fleet to be replaced weighed against the pricing for new aircraft. The Asset Manager considers that notwithstanding these constraining factors, and the tempering effect that the economic recession that commenced in 2008 has had on airlines' decision making processes, the A380 has sold remarkably well since its entry into service in October 2007.

The Company notes that Airbus considers that leading carriers such as British Airways and Emirates currently deploy A380s in an efficient manner (although their deployment strategies are different from each other). In addition, the Company has noted Airbus' observation that the A380 has been used to rationalise operations by carriers such as Thai Airways, Lufthansa and Malaysia Airlines, each of whom have employed the aircraft to either reduce or maintain flight frequencies whilst increasing total passenger capacity.

After nearly four decades of Boeing's success in the upper market segment of widebody aircraft with its Boeing 747 family, the launch of the Airbus A380 altered the competitive situation. Amedeo considers that the Boeing 747-400, which has been in production for nearly 20 years, and the Boeing 747-8I are less attractive models than the A380 in terms of size, comfort and operating cost parameters. The closure of the 747-400 production line was announced by Boeing in 2007 and the last Boeing 747-400 was delivered in November 2009. Assuming that aircraft have an average

operational life of 25 years, the Asset Manager considers that many of the currently operational B747-400s will be retired by 2021. The Boeing 747-8I is a derivative version of the Boeing 747-400 with a longer fuselage giving a larger seat capacity, and updated technology but has a limited order book of 42 aircraft and 5 airline customers (Source: Ascend). In the Asset Manager's opinion, the Boeing 747-8I with a capacity of 467 seats in a typical 3 class configuration has neither the size nor the per seat operating cost efficiencies of the Airbus A380.

The Asset Manager therefore considers that the main competitor of the Airbus A380 will be the upcoming Boeing 777-9X. The Boeing 777-9X is a more advanced derivative of the Boeing 777 programme. The 777-9X programme was officially launched in November 2013 with entry into service planned sometime in 2020. Even though the operating unit cost economics of a Boeing 777-9X aircraft are expected to be closer to the A380 operating unit cost economics, the Asset Manager considers that in comparably configured aircraft, assuming the typical seating arrangements of most airlines capable of operating both aircraft types, the A380 unit cost will be about 9 per cent. lower than the unit cost of the 777-9X. The Company notes that Airbus considers that the A380 is capable of providing an airline with significant additional profit when contrasted with the Boeing 777-9X based on the A380 attracting higher yield in certain scenarios (although the Company acknowledges that such conclusions are of course dependent on the particular assumptions made and calculation methods used). Further, according to Boeing data, the Boeing 777-9X will be only about 4 per cent. larger in terms of seat capacity than the existing 777-300ER in a 3-class configuration and, therefore, when so configured, it is considered that it will not establish itself in the VLA segment.

At present, the Airbus A380 benefits from a unique position as the world's largest passenger aircraft, while at the same time being a highly efficient aircraft. Amedeo believes that this competitive advantage and leading-edge technology point toward a growing market penetration and future long-term popularity of the Airbus A380. This assessment is supported by the 317 firm orders that have been placed for the Airbus A380 as of 31 January 2015 by 18 different customers, including in particular major international airlines (Source: Ascend).

As the largest passenger aircraft flying to date, the A380 and the future of the A380 programme have attracted extensive media attention. There has been speculation that an A380 NEO, involving replacing the current engines with more advanced engine models and an extension of the airframe, may be launched in the future. In December 2014, media reports emerged suggesting that Airbus is considering discontinuing the A380 programme. However, Amedeo considers that these reports took comments made by Airbus Group's CFO Harald Wilhelm at the Airbus Group Investor Forum in London in December 2014 out of context. Since these reports appeared Airbus has confirmed its belief in the A380 programme and its continued focus on expanding the operator base for the current version of the aircraft, with no immediate plans for a potential A380 NEO launch (although it did not dismiss the idea of an A380 NEO launch).

## PART V

### THE ASSET ACQUISITION ARRANGEMENTS

This Part V describes the expected terms upon which the Company directly or through one or more subsidiaries shall acquire both the First Tranche Assets and, subsequently, the Second Tranche Assets pursuant to:

- (i) the First Tranche Purchase Agreements, as described in Section I below;
- (ii) the First Tranche Lease Novation Agreements, as described in Section II below; and
- (iii) the Purchase Agreement Assignments, as described in Section III below.

In the following sections, references to the Company shall include any subsidiaries which have been or may later be established for the purpose of holding the relevant Assets.

#### Section I

The Company expects to enter into the First Tranche Purchase Agreements following Admission. This Section describes the expected terms of the First Tranche Purchase Agreements.

##### **Agreement to Purchase**

It is expected that the Current Owners shall, in consideration for the payment by the Company of the relevant Asset Purchase Price and the assumption by the Company of the Current Owner's obligations, duties and liabilities under the First Tranche Finance Agreements and pursuant to the First Tranche Finance Transfer Agreements, agree to sell and the Company shall agree to purchase the First Tranche Assets each in an "as is, where is" condition, free from all encumbrances created by the Current Owners but subject to the liens created by the First Tranche Leases.

##### **Delivery & Transfer of Title**

It is expected that the sale and transfer of title to the First Tranche Assets by the Current Owners to the Company shall take place at the Effective Time and at Dubai International Airport (or such other location as may be agreed between the relevant parties) by execution and delivery of bills of sale by the Current Owners to the Company. There will be no physical delivery of the First Tranche Assets to the Company and the Lessee will retain possession of the First Tranche Assets at delivery in its capacity as lessee under the Leases.

##### **Conditions of Purchase**

It is expected that the obligation of the Company to purchase the First Tranche Assets shall be subject to the conditions that:

- (i) the Company shall, with respect to each First Tranche Asset, have:
  - (a) inspected, at its sole cost and expense: (i) the technical documentation delivered to each Current Owner by Airbus on the original delivery of the First Tranche Assets to the Current Owner; (ii) the monthly status reports received by the Current Owner from the Lessee pursuant to the Lease; and (iii) any other records, manuals, technical data or documentation relating to the First Tranche Assets received by the Current Owners from the Lessee pursuant to the terms and conditions set out in the Leases; and
  - (b) confirmed that the relevant First Tranche Asset and the corresponding documentation are satisfactory to it in all respects;

- (ii) the Company shall have received an invoice addressed to it from the Current Owner in the amount of the relevant Asset Purchase Price;
- (iii) the Company shall have received a written statement from the Current Owner confirming the status of the First Tranche Assets as confirmed to the Current Owner by the Lessee pursuant to the First Tranche Leases; and
- (iv) immediately following the transfer of title of the First Tranche Assets to the Company, the transactions contemplated by the First Tranche Lease Novation Agreements and the First Tranche Finance Transfer Agreements shall be completed.

### **Governing law**

The First Tranche Purchase Agreements will be governed by the laws of the State of New York, United States of America.

## **Section II**

The Company expects to enter into the First Tranche Lease Novation Agreements following Admission. This Section describes the expected terms of the First Tranche Lease Novation Agreements.

### **Release and discharge**

It is expected that in consideration for the agreement of the Company to assume the obligations, duties and liabilities of the Current Owners under the First Tranche Leases, the First Tranche Leases shall be novated to the Company pursuant to the First Tranche Lease Novation Agreements and that: (i) the Current Owners shall release and discharge the Lessee from its obligations under the First Tranche Leases; and (ii) the Lessee shall agree to release and discharge the Current Owners from their respective obligations, duties and liabilities as lessor under the First Tranche Leases.

### **Assumption of rights and obligations**

It is expected that, in consideration for the releases and discharges described above, that:

- (i) the Company shall agree to assume the rights, obligations, duties and liabilities of the Current Owners under the First Tranche Leases and to perform the obligations of the Current Owners thereunder;
- (ii) the Lessee shall consent to and accept the assumption by the Company of the rights, obligations, duties and liabilities of the Current Owners under the First Tranche Leases and the Company's agreement to perform the obligations, duties and liabilities of the Current Owners under the First Tranche Leases; and
- (iii) the Lessee shall acknowledge that its obligations, duties and liabilities under the First Tranche Leases shall thereafter be owed to the Company and agree with the Company to perform and discharge the obligations, duties and liabilities of the Lessee under the First Tranche Leases.

### **Obligation to assume rights, obligations, duties and liabilities**

It is expected that the Company's obligation to assume the rights, obligations, duties and liabilities of the Current Owners under the First Tranche Leases and to perform the obligations of the Current Owners thereunder shall be subject to the Company receiving (or it being satisfied that it shall receive, immediately following such assumption) the following documents:

- (i) a copy of each of the First Tranche Leases as in force on such date, certified by a duly authorised director or officer of the Current Owner as being a true, complete and up-to-date copy;

- (ii) a certificate signed by a duly authorised director or officer of the Current Owners certifying the following documents attached to the certificate to be a true copy and as being in full force and effect:
  - (a) the constitutional documents of the Current Owners;
  - (b) a board resolution of the Current Owners approving the First Tranche Lease Novation Agreements and authorising named persons (or persons identified by their office) to sign the First Tranche Lease Novation Agreements and any ancillary documents to the First Tranche Lease Novation Agreements; and
  - (c) if applicable, a power of attorney authorising named persons (or persons identified by their office) to sign the First Tranche Lease Novation Agreements and any ancillary documents to the First Tranche Lease Novation Agreements;
- (iii) a corporate certificate of the Lessee, certifying the following documents attached to the certificate to be a true copy and as being in full force and effect:
  - (a) Decree Number (2) of 1985 issued by H.H. Sheikh Maktoum Bin Rashid al Maktoum, the then Crown Prince and Deputy Ruler of Dubai, concerning the establishment of the Lessee, together with an English translation of Decree Number (7) of 1991 by H.H. Sheikh Maktoum Bin Rashid al Maktoum as Ruler of Dubai amending the same and Law No. (29) of 2008 transferring the ownership of Emirates to Dubai Government Investment Corporation;
  - (b) the executed power of attorney of the Lessee certified and legalised by the Ministry of Justice, Dubai, appointing certain persons jointly and severally to be the attorney of the Lessee to execute the First Tranche Lease Novation Agreements and any ancillary documents to the First Tranche Lease Novation Agreements; and
  - (c) the Decision of the Chairman of the Lessee exempting, inter alia, the Company and each Finance Party from restrictions of Article 7(2) of the Decree (as therein defined) with respect to payments falling due under the First Tranche Lease Novation Agreements and any ancillary documents to the First Tranche Lease Novation Agreements;
- (iv) confirmation in writing by the Lessee that it has obtained all authorisations in Dubai and/or the UAE and any relevant consents, licences, authorisations or approvals of any trustee or holder of any indebtedness or obligations of the Lessee (if any) which are required in connection with the execution, delivery and performance of the First Tranche Lease Novation Agreements and any ancillary documents to the First Tranche Lease Novation Agreements;
- (v) copies of the audited accounts of the Lessee for the financial year ended 31 March 2014 (from the Lessee's website at <http://theemiratesgroup.com/english/facts-figures/annual-report.aspx>);
- (vi) evidence that an English process agent has been appointed by the Lessee and that such agent has accepted its appointment;
- (vii) an irrevocable de-registration and export request authorisation issued in favour of the Company, duly executed by the Lessee;
- (viii) a letter addressed to the General Civil Aviation Authority of the UAE from the Lessee consenting to the change in parties on the certificate of registration;
- (ix) a legal opinion in form and substance satisfactory to the Company (acting reasonably) from the Lessee's UAE counsel;
- (x) a legal opinion in form and substance satisfactory to the Company (acting reasonably) from the Company's Guernsey counsel;
- (xi) a legal opinion in form and substance satisfactory to it (acting reasonably) from the Current Owners' Cayman counsel;

- (xii) if available, an executed opinion from in-house counsel to Airbus, in form and substance acceptable to the Company and the Security Trustee (acting reasonably);
- (xiii) if available, an executed opinion from in-house counsel to Engine Alliance, in form and substance acceptable to the Company and the Security Trustee (acting reasonably);
- (xiv) electronic originals or certified copies of certificates evidencing the insurances required to be maintained pursuant to the First Tranche Leases;
- (xv) a letter of undertaking addressed to the Company and the Security Trustee from the Lessee's insurance brokers substantially in the form set out in the First Tranche Leases;
- (xvi) a copy of each of the conditions precedent (in the form of documents or evidence) provided to the Current Owners pursuant to the First Tranche Leases;
- (xvii) evidence satisfactory to the Company that all conditions precedent in favour of the Company in the First Tranche Finance Transfer Agreements will be satisfied at or prior to the Effective Time;
- (xviii) an airframe warranties agreement and engine warranties agreement in substantially the same form as the agreements originally provided to the Current Owners by Airbus and Engine Alliance respectively, but with the Company as a party thereto instead of the Current Owners;
- (xix) the acknowledgment of receipt of the notice of assignment given by the Company (and the Security Trustee in relation to the First Tranche Lease Novation Agreements) signed by the Lessee; and
- (xx) execution copies of the First Tranche Lease Novation Agreements and any ancillary documents to the First Tranche Lease Novation Agreements, and the First Tranche Purchase Agreements duly executed by the parties thereto, other than the Company.

### **Governing law**

The First Tranche Lease Novation Agreements will be governed by English law.

### **No delivery of Assets**

It is expected that the Lessee shall acknowledge that the First Tranche Assets were delivered by the Current Owner to the Lessee on 4 September 2014, with respect to the First Asset, and 3 November 2014, with respect to the Second Asset, and that the Lessee is in possession of the First Tranche Assets pursuant to the First Tranche Leases and that no further physical delivery of the Assets by the Current Owners to the Company or by the Company to the Lessee shall be required or contemplated by the First Tranche Lease Novation Agreements.

## **Section III**

The Company expects, following Admission, to enter into the Purchase Agreement Assignments in relation to the Second Tranche Assets. This Section III describes the expected terms of the Purchase Agreement Assignments.

### **Parties, assignment and payment**

#### *The Third Asset Purchase Agreement Assignment*

It is expected that pursuant to the Third Asset Purchase Agreement Assignment between Emirates and the Company (the terms of which shall be acknowledged and consented to by Airbus), Emirates will agree to assign to the Company:

- (a) its rights to accept delivery of, purchase and, upon receipt by Airbus of the Third Asset Purchase Price, take title to the Third Asset and be named as the "*Buyer*" in relation to the Third Asset under the Airbus bill of sale in relation to it; and

(b) the right to compel performance by Airbus of its obligations in relation to such assignment; and that the Company will irrevocably accept such assignment.

It is expected that, pursuant to the Third Asset Purchase Agreement Assignment, the Company will be required to pay the Third Asset Purchase Price upon the delivery of the Third Asset in accordance with the Emirates Purchase Agreement. Emirates will be required to give the Company prior written notice of the date on which the Third Asset is expected to be available for delivery, such date being not less than three business days prior to such expected delivery date.

It is expected that the Third Asset Purchase Agreement Assignment will be expressed to be effective and binding on Emirates, the Company and Airbus from the delivery date of the Third Asset.

#### *The Fourth Asset Purchase Agreement Assignment*

It is expected that pursuant to the Fourth Asset Purchase Agreement Assignment between Emirates and the Company (the terms of which shall be acknowledged and consented to by Airbus), Emirates will agree to assign to the Company:

- (a) its rights to accept delivery of, purchase and, upon receipt by Airbus of the Fourth Asset Purchase Price, take title to the Fourth Asset and be named as the "*Buyer*" in relation to the Fourth Asset under the Airbus bill of sale in relation to it; and
- (b) the right to compel performance by Airbus of its obligations in relation to such assignment; and that the Company will irrevocably accept such assignment.

It is expected that, pursuant to the Fourth Asset Purchase Agreement Assignment, the Company will be required to pay the Fourth Asset Purchase Price upon the delivery of the Fourth Asset in accordance with the Emirates Purchase Agreement. Emirates will be required to give the Company prior written notice of the date on which the Fourth Asset is expected to be available for delivery, such date being not less than three business days prior to such expected delivery date.

It is expected that the Fourth Asset Purchase Agreement Assignment will be expressed to be effective and binding on Emirates, the Company and Airbus from the delivery date of the Fourth Asset.

#### **Rights and obligations of Emirates and the Company**

It is expected that the Purchase Agreement Assignments will confer no obligation or liability on the Company under the Emirates Purchase Agreements, save that if the Company exercises any right or makes any claim under the Emirates Purchase Agreement the terms and conditions of the Emirates Purchase Agreement will apply to the Company to that extent.

It is expected that the Purchase Agreement Assignments will expressly state that they do not constitute a novation of the Emirates Purchase Agreements, and that Emirates will remain liable to perform its obligations and duties as "*Buyer*" under the Emirates Purchase Agreements. The Emirates Purchase Agreement will remain in force between Emirates and Airbus, save to the extent that rights thereunder have been assigned to the Company pursuant to the Purchase Agreement Assignments.

#### **Agency relationship between Emirates and the Company**

It is expected that under the Purchase Agreement Assignments the Company will appoint Emirates as its sole agent to exercise on its behalf all of the rights that Emirates has assigned to the Company under the relevant Purchase Agreement Assignment, including to sign and issue the certificate of acceptance in relation to the relevant Second Tranche Asset. This appointment will not, however, extend to the rights assigned to the Company under the relevant Purchase

Agreement Assignment to take title to the relevant Second Tranche Asset or receive the Airbus bill of sale in relation to the relevant Second Tranche Asset.

It is expected that under the Purchase Agreement Assignments, until such agency relationship is terminated Emirates will be entitled to retain any recovery or benefit resulting from its enforcement of such rights, and will be required to pay, and indemnify the Company against, all costs, expenses and charges incurred in connection with the enforcement of such rights. The Company will be required to undertake to ratify, confirm and be bound by any act performed or omission made by Emirates as its agent. If either of: (i) the relevant Second Tranche Lease; or (ii) the Emirates Purchase Agreement in relation to a Second Tranche Asset is terminated prior to delivery of that Second Tranche Asset taking place, then the Company will be entitled to terminate the agency relationship between itself and Emirates by giving notice to Emirates and Airbus.

### **Representations, warranties and undertakings**

It is expected that, pursuant to the Purchase Agreement Assignments, Emirates will represent and warrant to the Company that:

- (a) the Emirates Purchase Agreement in relation to the Second Tranche Assets is in full force and effect;
- (b) Emirates is not in default under the Emirates Purchase Agreement;
- (c) Emirates has not created or allowed to subsist any security interest over the whole or any part of the rights assigned pursuant to the Purchase Agreement Assignments with respect to the Second Tranche Assets and the Emirates Purchase Agreement to anyone other than the Company under the Purchase Agreement Assignments; and
- (d) that on delivery of the relevant Second Tranche Asset, the Company will acquire such title as would have otherwise been conveyed to Emirates under the Emirates Purchase Agreement.

It is expected that, pursuant to the Purchase Agreement Assignments, the Company and Emirates will each undertake to the other that it will not enter into any agreement with Airbus which would substantially amend, modify, rescind or terminate the Emirates Purchase Agreement in relation to a Second Tranche Asset without the consent of the other, save that Emirates may seek, request or authorise changes to the specification of a Second Tranche Asset or order additional parts, equipment or furnishings for it.

It is expected that pursuant to the terms of the Purchase Agreement Assignments Emirates will be required to undertake to:

- (a) exercise its rights and perform its duties under the Emirates Purchase Agreement (to the extent not assigned under the relevant Purchase Agreement Assignment); and
- (b) prior to delivery of the relevant Second Tranche Asset, formally notify Airbus (in writing) of the assignment of Emirates' rights under the Emirates Purchase Agreement pursuant to the Purchase Agreement Assignment, and obtain Airbus' acknowledgment and consent (in writing) to such assignment.

It is expected that Emirates will also provide a further representation and warranty that its actions under the Purchase Agreement Assignments constitute private and commercial acts, as opposed to governmental and public acts.

### **Governing law**

The Purchase Agreement Assignments will be governed by English law.

## **PART VI**

### **THE LEASES**

Section I of this Part VI describes the expected terms of the First Tranche Leases. Section II of this Part VI describes the expected terms of the Second Tranche Leases.

In the following sections, references to the Company shall include any subsidiaries which have been or may later be established for the purpose of holding the relevant Assets.

#### **Section I**

Pursuant to the completion of the transactions contemplated by the First Tranche Lease Novation Agreements, the Company will lease to Emirates the First Tranche Assets pursuant to the First Tranche Leases on the terms and conditions as described in this Section I.

##### **Term**

The First Tranche Leases each have a fixed term of 12 years commencing from 4 September 2014, with regard to the First Asset and from 3 November 2014 with regard to the Second Asset (such dates being the date of delivery of the First Tranche Assets to Emirates). The First Tranche Leases are net rental leases pursuant to which Emirates bears all costs relating to the operation of the First Tranche Assets during the lifetime of the First Tranche Leases, or indemnifies the Company for the losses it suffers in relation to the First Tranche Assets.

The Company does not provide any representation or warranty to Emirates under the First Tranche Leases in relation to faults, functioning or performance of the First Tranche Assets. The First Tranche Leases will permit Emirates to exercise warranty and guarantee rights directly against Airbus and the other manufacturers of the First Tranche Assets.

##### **Lease Rentals**

The Lease Rentals under each First Tranche Lease will, from the completion of the First Tranche Lease Novation Agreements, comprise: (i) US\$ A Rentals and US\$ B Rentals each to be paid quarterly in arrear; and (ii) Sterling Lease Rentals to be paid monthly in advance.

The Lessee's obligation to pay will be absolute and unconditional (unless there is a Total Loss in relation to the First Tranche Asset under the Lease in question and the Company has received the applicable Termination Sum from Emirates or its insurers, together with any outstanding Lease Rentals and any other amounts payable to the Company under the Lease up to the date on which such Termination Sum is paid).

All payments made by Emirates to the Company will be made without deduction of withholding tax and must be grossed-up if and to the extent that withholding tax is required to be paid by Emirates.

It is expected that Advance Lease Rentals will be payable pursuant to the Second Tranche Leases, to be paid upon delivery.

##### **Emirates sub-lease**

Emirates has the right under certain conditions to sub-let the First Tranche Assets to other airlines contractually agreed to by the Company. Emirates also has the ability to let the First Tranche Assets on three-month charters, provided it retains operative control of the First Tranche Assets. Emirates remains primarily liable to the Company in the event the First Tranche Assets are sub-let.

##### **Financial reports**

Emirates will be required to provide the Company with various financial reports and reports relating to the operation and use of the First Tranche Assets.

## Maintenance

Emirates has undertaken to repair any damage or replace any damaged or worn out parts (including engines) with parts of an equal or greater value and to carry out maintenance of the First Tranche Assets in accordance with, among other things, the approved maintenance programme, the applicable law and rules and regulations of the Aviation Authority and the manufacturer's standards, instructions and recommendations. The Company has the right to inspect the First Tranche Assets at specified intervals. Emirates is not permitted to remove an engine from the airframe of the First Tranche Assets except for: (i) maintenance; (ii) use on other Emirates-owned/operated aircraft; or (iii) use by other airlines pursuant to customary pooling and sub-leasing arrangements.

## Insurance

Emirates is required at its own cost to insure the First Tranche Assets against both damage and third party liability. The First Tranche Leases provide that the Company acknowledges that the First Tranche Assets are covered by Emirates' fleet-wide insurance policies. However, each First Tranche Lease specifies the following minimum requirements for insurances in respect of the First Tranche Asset to which it relates:

- (a) **Hull All Risks** for an amount at least equal to an initial agreed value of US\$301,200,000 (such amount to reduce by approximately four per cent. of the previous balance per annum) (the "**Agreed Value**") and a deductible of not more than US\$1,000,000 (or such higher amount as may be imposed by the aviation insurance market from time to time);
- (b) **Hull War and Allied Perils** for an amount at least equal to the Agreed Value (acknowledging that coverage may be subject to an annual agreed limit of US\$750,000,000 including a sub-limit of US\$250,000,000 for confiscation or requisition);
- (c) **Spares All Risk (including War and Allied Perils except on the ground or in transit other than by air)** for full replacement value with a deductible of not more than US\$10,000 per claim, except for claims arising from the testing of engines which may be subject to a US\$1,000,000 deductible per claim; and
- (d) **Aircraft Third Party, Property Damage, Passenger (including personal injury), Baggage (checked and unchecked), Cargo and Mail and Airline General Third Party (including premises, hangers and products liability) Legal Liability** for a combined single limit of an amount not less than US\$1,250,000,000 for any one occurrence per aircraft but in respect of products liability this limit may be in aggregate and in respect of non-passenger personal injury this limit may be US\$25,000,000 in aggregate and any one loss, with a deductible for baggage liability of US\$1,250 per claim and for cargo and mail liability of US\$5,000 per claim (or such higher amounts as may be imposed by the aviation insurance market from time to time).

Each policy that relates to a First Tranche Asset will need to list the Company, the Security Trustee and the relevant First Tranche Lender(s) as additional assureds. Except for third party liability insurance, all insurance proceeds in respect of any relevant First Tranche Asset will be required to be paid to the Security Trustee (except for claims of less than US\$2,500,000, which may be paid to Emirates unless otherwise stipulated by the Company) for application in accordance with the terms of the All-parties Agreement. Further details in relation to application of such proceeds is set out in the heading "*Application of proceeds in respect of the Asset*" in Part VIII of this Prospectus.

## Return of the First Tranche Assets

At the end of each of the First Tranche Leases, unless the relevant First Tranche Asset is purchased by Emirates, Emirates will be required to return the relevant First Tranche Asset to the Company in the state specified by the First Tranche Lease at Dubai International Airport or another

airport to be agreed between Emirates and the Company. If a First Tranche Asset is not returned in the condition specified in the relevant First Tranche Lease, Emirates will be obliged to make such repairs and modifications as are required to restore the relevant First Tranche Asset to the required condition. If the making of these repairs and modifications extends beyond the term of the relevant First Tranche Lease, the Company will be able to elect either to: (a) make the necessary repairs and modifications itself (at Emirates' expense); or (b) extend the relevant First Tranche Lease on a day-by-day basis in order to allow Emirates to make the necessary repairs and modifications.

The First Tranche Assets will be required to be redelivered in full-life physical condition to the Company by Emirates (or alternatively by a combination of redelivery in a specified minimum physical condition, as set out in the relevant First Tranche Lease, plus cash compensation (payable by Emirates) which together with the aircraft sales proceeds amounts to the appraised (forecast) asset value in full-life condition). This will apply in all circumstances other than: (i) special termination events, including where there is a default by the Company under a First Tranche Lease (in which case Emirates may, amongst other remedies, redeliver the relevant First Tranche Asset to the Company in "as is, where is" condition); and (ii) where Emirates elects, under the First Redelivery Condition Side Letter or, as the case may be, the Second Redelivery Condition Side Letter, to return the relevant First Tranche Asset solely at the expiry date of the relevant First Tranche Lease in: (a) a specified half-life condition, provided that the Emirates has paid to the Company monetary compensation in the amount of US\$17,000,000; or (b) the specified minimum life condition, provided that the Emirates has paid to the Company monetary compensation in the amount of US\$25,000,000.

Any redelivery of a First Tranche Asset in a condition other than full-life condition may impact upon the amount that can be realised upon any subsequent sale or re-lease of that First Tranche Asset, including that it may create additional, unforeseen expenses for the Company at that time.

### **Option to purchase**

Under the terms of each of the First Tranche Leases, Emirates has the right to exercise an option to purchase the First Tranche Assets in the following circumstances (each a "**Purchase Option Event**"):

- (a) at the end of the term of the relevant First Tranche Lease;
- (b) if a First Tranche Asset has been requisitioned for hire by a governmental entity during the period of a First Tranche Lease, and the requisition for hire is continuing at the end of the term of the First Tranche Lease; or
- (c) if an Emirates Early Termination Event (as defined below) has occurred and Emirates has served a notice on the Company exercising its right to purchase the relevant First Tranche Asset.

If Emirates chooses to exercise its option at the end of the term of the relevant First Tranche Lease, it must do so not less than 19 months before the expiry date of the relevant First Tranche Lease. If a First Tranche Asset has been requisitioned, Emirates must exercise the option not later than the expiry of the then current term of the First Tranche Lease.

If a Purchase Option Event occurs, the Company and Emirates will be required to arrange for an appraisal of the current market value of the relevant First Tranche Asset, to be carried out by three independent appraisers. The purchase price will be equal to the average valuation of those three appraisals. Upon payment of the agreed purchase price of the relevant First Tranche Asset and all outstanding payments under the relevant First Tranche Lease and any other amounts payable by Emirates to the Company, the Company will transfer title in the relevant First Tranche Asset to Emirates.

## Requisition

If a First Tranche Asset is requisitioned for hire by a governmental entity during the period of its First Tranche Lease then, unless the relevant First Tranche Asset (or the airframe) becomes a Total Loss and Emirates has made all payments due following such Total Loss, or Emirates has exercised its right to purchase the relevant First Tranche Asset, the leasing of the relevant First Tranche Asset will continue and Emirates will remain liable for all its obligations under the relevant First Tranche Lease including the payment of Lease Rentals but excluding those obligations with which Emirates is unable to comply solely by virtue of the requisition. If the requisition continues beyond the term of the relevant First Tranche Lease, Lease Rentals will continue to be payable by Emirates at the higher of the rate of the Lease Rentals and the then current market value of Lease Rentals applicable to the relevant First Tranche Asset, as certified by the Company.

## Termination

### *Right of Emirates to terminate*

It is expected that under the terms of each of the First Tranche Leases, Emirates will have the right to terminate a First Tranche Lease in certain circumstances (an "**Emirates Early Termination Event**"), including but not limited to: (a) the Company becoming insolvent or consenting to the appointment of a receiver, trustee or liquidator; (b) proceedings for the Company's winding up or a restructuring of the Company's debt being commenced; (c) enforcement action being taken by a creditor against the Company over a material part of the Company's assets and such action is not discharged or removed within 30 days; (d) default by the Company in its obligation to allow Emirates quiet enjoyment of a relevant First Tranche Asset; (e) material misrepresentations by the Company under the relevant First Tranche Lease; and (f) material misrepresentations by the Company under the First Tranche Finance Agreements and other related documents.

### *Consequences of termination by Emirates*

Upon receipt of a notice from Emirates in respect of an Emirates Early Termination Event under a First Tranche Lease, the Company and Emirates will, for a period of 30 days, negotiate a mutually agreeable basis for continuing the leasing of the First Tranche Asset in question.

If no agreement can be reached on the continued leasing of the First Tranche Asset in question, Emirates may do any of the following:

- (a) terminate the relevant First Tranche Lease and return the First Tranche Asset to which it relates to the Company on an "*as is, where is*" basis and pay to the Company any Lease Rentals accrued to the date of termination;
- (b) purchase the relevant First Tranche Asset by paying the Company or its assigns the current market value (to be determined by three independent experts appointed by the Company and Emirates) and all arrears of Lease Rentals and any other amounts which remain outstanding;
- (c) if Emirates does not exercise either of the options referred to in paragraphs (a) and (b) above, subject to the agreement of the First Tranche Lenders. Emirates may request the Company, on reasonable terms and conditions, to sell the relevant First Tranche Asset, with the relevant First Tranche Lease attached, to a party acceptable to each of Emirates, the Company and, the First Tranche Lenders. If such a sale is not completed within 120 days, Emirates shall elect to exercise either of the options referred to in paragraphs (a) and (b) above within 30 days.

*Right of the Company to terminate*

It is expected that under the terms of each of the First Tranche Leases, the Company will have the right to terminate a First Tranche Lease in certain circumstances (each a "**Lessor Termination Event**"), including:

- (a) failure by Emirates to pay any sum payable by it under the relevant First Tranche Lease within five business days of its due date;
- (b) any insurance required to be maintained by Emirates under the terms of the relevant First Tranche Lease: (i) is not obtained or maintained; or (ii) is not in full force and effect; or (iii) the relevant First Tranche Asset is operated outside of the scope of Emirates' insurance;
- (c) Emirates does not comply with any other term of the relevant First Tranche Lease and (if capable of remedy) such non-compliance is not remedied within 30 days of the Company or the First Tranche Lenders notifying Emirates of the non-compliance;
- (d) any representation made by Emirates in the relevant First Tranche Lease is materially incorrect and such misrepresentation has a material adverse effect on: (i) its ability to perform its obligations under the relevant First Tranche Lease; or (ii) the rights or interests of the Company or the First Tranche Lenders in respect of the relevant First Tranche Asset, First Tranche Lease or First Tranche Finance Agreement, as applicable;
- (e) as a result of an act or omission by Emirates, any authorisation required to ensure the validity and enforceability of Emirates' obligations under the relevant First Tranche Lease is modified, not granted or renewed, revoked or terminated in a manner which materially and adversely affects the interests of the Company or the First Tranche Lenders;
- (f) any enforcement action is taken against a material part of the assets, rights and revenues of Emirates and is not discharged within 14 days;
- (g) Emirates is restructured (other than a restructuring with the prior consent of the Company) or insolvent or proceedings are commenced for Emirates' winding up and dissolution or the appointment of a liquidator, trustee, receiver, administrator or similar officer;
- (h) any of Emirates' indebtedness in excess of US\$25,000,000 is not repaid in accordance with its terms or is accelerated due to an event of default, in each case unless being contested in good faith;
- (i) any final judgment or order is made against Emirates for an amount in excess of US\$25,000,000 and remains undischarged, unless being contested in good faith;
- (j) Emirates ceases to carry on its business as a scheduled airline or its air operators' certificate is withdrawn or lost without the Company's consent;
- (k) the relevant First Tranche Asset is arrested or seized pursuant to a possessory lien or other such claim or taken from the possession of Emirates or any sub-lessee and Emirates fails to procure release of that First Tranche Asset, within a period of 14 days;
- (l) registration of the relevant First Tranche Asset in the name of the Company, the mortgage of the relevant First Tranche Asset in the name of the First Tranche Lenders, or the security in favour of the First Tranche Lenders is cancelled;
- (m) Emirates ceases to operate as an airline or threatens to cease such operation without the Company's consent;
- (n) Emirates disposes (or threatens to dispose) of a material part of its assets and such disposal may have a material adverse effect on Emirates' financial position;
- (o) Emirates fails to perform its obligation to redeliver the relevant First Tranche Asset to the Company at the end of the term of its First Tranche Lease;

- (p) as a result of any act or omission by Emirates, it loses any licence or permit required for operation of the relevant First Tranche Asset which materially and adversely affects Emirates' ability to perform its obligation under the relevant First Tranche Lease and Emirates fails to obtain a replacement licence or permit within 30 days of loss;
- (q) the validity or enforceability of the relevant First Tranche Lease is contested by Emirates or Emirates repudiates the First Tranche Lease; or
- (r) as a consequence of an act or omission of Emirates, an event occurs which would materially adversely affect the Company's title to the relevant First Tranche Asset, Emirates' ability to perform its obligations under the relevant First Tranche Lease or the First Tranche Lenders' security interests, as applicable.

*Consequences of Lessor Termination Event*

If a Lessor Termination Event occurs, Emirates will be required on demand by the Company, immediately to return the relevant First Tranche Asset to the Company in accordance with the redelivery conditions and in addition pay:

- (a) the applicable termination sum which shall be the aggregate of:
  - (i) an amount not less than the amount outstanding under the First Tranche Loans on such date, as applicable (the "**US\$ Termination Sum**"); and
  - (ii) an amount not less than the gross equity investment outstanding with respect to the Company on such date (the "**Sterling Termination Sum**"), such amount to be specified in a schedule to the relevant First Tranche Lease);
- (b) outstanding Lease Rentals due up to the date of termination; and
- (c) any other amount payable to the Company under the terms of the relevant First Tranche Lease.

Upon payment of the amounts above the Company will transfer title in the relevant First Tranche Asset to Emirates. If Emirates fails to pay the aggregate of the amounts specified in (a), (b) and (c) above and the Company is able to sell the relevant First Tranche Asset within two years of the specified termination date, such outstanding aggregate sum due to the Company shall be reduced by the net sale proceeds of the relevant First Tranche Asset (after reduction of all selling, holding and other costs).

*Right of the Company or Emirates to terminate*

It is expected that under the terms of each of the First Tranche Leases, either the Company or Emirates will have the right to terminate a First Tranche Lease in certain circumstances (each an "**Either Party Termination Event**"), including if:

- (a) as a result of a change in law or a change in the interpretation of a law in an applicable jurisdiction, the relevant First Tranche Lease, First Tranche Finance Agreements or any related document is terminated other than by a party to such document in exercise of its rights thereunder, or the relevant First Tranche Lease, First Tranche Finance Agreements or any related document, as applicable, ceases to constitute legal, valid and binding obligations of the Company or Emirates;
- (b) as a result of a change in law or a change in the interpretation of a law in an applicable jurisdiction, payment of an amount payable under the relevant First Tranche Lease, First Tranche Finance Agreements, or any related document, as applicable, is rendered illegal or unlawful;

- (c) as a result of a change in law or a change in the interpretation of a law in an applicable jurisdiction, the obligations of Emirates cease to be binding obligations ranking pari passu with its other unsecured and unsubordinated obligations;
- (d) except as a result of an act or omission of Emirates, any authorisation required to ensure the validity and enforceability of Emirates' obligations under the relevant First Tranche Lease is modified, not granted or renewed, revoked or terminated in a manner which materially adversely affects the interests of the Company;
- (e) as a result of a change in law or a change in the interpretation of a law in an applicable jurisdiction, it is unlawful for the Company to own an aircraft registered with the GCAA;
- (f) except as a result of an act or omission of Emirates, Emirates loses any licence or permit necessary to operate the relevant First Tranche Asset and which materially and adversely affects Emirates' ability to perform its obligations under the relevant First Tranche Lease;
- (g) except as a result of an act or omission of Emirates, an event or circumstance occurs which would materially and adversely affect the Company's title to the relevant First Tranche Asset, Emirates' ability to perform its material obligations under the relevant First Tranche Lease, or the First Tranche Lenders' security interests, as applicable;
- (h) Emirates ceases to enjoy freedoms of air carriage and traffic rights granted by the GCAA in a manner which materially and adversely affects Emirates' obligations under the relevant First Tranche Lease;
- (i) all or a material part of Emirates' business is seized, nationalised or expropriated by any government; or
- (j) the government of Dubai ceases to own at least 51 per cent. of Emirates or ceases to retain the right to direct the management of Emirates (unless such change is acceptable to the Company and the First Tranche Lenders).

In addition, Emirates will be entitled to terminate a First Tranche Lease if withholding tax becomes payable on Lease Rentals or if there are additional payments required to be made under the First Tranche Loans.

*Consequences of an Either Party Termination Event*

If an Either Party Termination Event occurs, the Company and Emirates will negotiate with a view to remedying the applicable event or circumstance. If at the end of: (A) 60 days (in respect of the events and circumstances referred to in paragraphs (a) to (j) above); or (B) if there is a change in an Applicable Law or the interpretation of an Applicable Law, such shorter period as ends seven days before the relevant new law or interpretation takes effect, both the Company and Emirates have the right by not less than three business days' notice to the other party to terminate the relevant First Tranche Lease on the date specified in that notice.

On the relevant termination date, Emirates must pay to the Company:

- (a) the applicable Termination Sum;
- (b) outstanding Lease Rentals due up to the date of termination; and
- (c) any other amount payable to the Company under the terms of the relevant First Tranche Lease.

*Termination in the case of loss or destruction of a First Tranche Asset*

In case of early termination due to a Total Loss of a First Tranche Asset, Emirates will pay (or Emirates will procure that its insurers pay) the Termination Sum to the Company, together with all amounts of Lease Rentals and other amounts due and payable in relation to that First Tranche Asset.

### **Disposal of a First Tranche Asset during the term of a First Tranche Lease and transfer/assignment of a First Tranche Lease**

It is expected that the Company will be permitted to dispose of a First Tranche Asset and its rights and obligations under the relevant First Tranche Lease to a transferee during the term of such First Tranche Lease with Emirates' consent (such consent not to be unreasonably withheld, delayed or subject to unreasonable conditions). No such transfer will be permitted unless: (a) the transferee undertakes to permit Emirates' quiet enjoyment of the relevant First Tranche Asset; (b) the transfer will not adversely affect Emirates' right to receive insurance payments; (c) no additional costs will be payable as a result of the transfer; (d) there is no alteration of the economic terms of the relevant First Tranche Lease from Emirates' perspective; (e) all of Emirates' reasonable costs associated with the transfer are paid by the Company; (f) the Company provides all reasonable information in respect of the transferee requested by Emirates; (g) the transfer is not to a competitor of Emirates (unless otherwise agreed); and (h) the transferee must have a net worth of not less than 20 per cent. of the Agreed Value applicable at the time of the transfer.

### **Governing law and jurisdiction**

Each of the First Tranche Leases are governed by English law and any disputes will be subject to the jurisdiction of the English Courts (except that the Company has the right to bring proceedings against Emirates under each of the First Tranche Leases in any other courts as it determines).

## **Section II**

Following acquisition of the Second Tranche Assets in accordance with the Purchase Agreement Assignments, the Company will lease the Second Tranche Assets to Emirates pursuant to the Second Tranche Leases. It is expected that each of the Second Tranche Leases shall contain substantially similar terms and conditions as those set out above in Section I with respect to the First Tranche Leases.

## **PART VII<sup>2</sup>**

### **EMIRATES**

#### **Introduction**

The Lessee, Emirates (or, for the purposes of this Part VII, "the airline"), is based in Dubai, United Arab Emirates and was established on 26 June 1985 as a Dubai Corporation under a decree by the then Emir of Dubai. It is indirectly owned by the Emirate of Dubai. Neither the Emirate of Dubai nor the United Arab Emirates assumes an obligation to meet (or guarantee) claims of Emirates. The airline started its scheduled flight service on 25 October 1985 with flights to Mumbai, New Delhi and Karachi.

Emirates has grown into a successful airline with a modern fleet of aircraft. Emirates invests in the expansion and enhancement of its fleet, and in the improvement of the service it offers. The airline regularly receives awards for its state-of-the-art in-flight entertainment system in all classes and for the high quality of its business and first class. Emirates has established dedicated lounges for its frequent flyer customers at major airports including London Gatwick, London Heathrow, New York JFK and Frankfurt. Its high quality standards notwithstanding, Emirates has become one of the world's most cost-efficient airlines.

Emirates' fleet, which comprises 232 aircraft, as of 29 January 2015 (Source: Ascend), serves 146 destinations in 83 countries worldwide including routes to Sydney, New York, Moscow, Osaka, São Paulo and Mumbai (as at November 2014). More than 1,200 Emirates flights take off every week from its base at Dubai International Airport to destinations on six continents.

#### **The Emirates Fleet and Route Network**

As of 29 January 2015, Emirates' fleet comprised 232 aircraft, 15 of which are cargo aircraft. Emirates was one of the first operators of the Airbus A380 and is the largest operator for this aircraft type. Emirates currently operates 57 Airbus A380s flying to over 35 destinations globally and has ordered a further 83 A380s as of 29 January 2015 (Source: Ascend).

Emirates' fleet also includes 143 Boeing 777s, making the airline the world's largest operator of the Boeing 777 family. The airline plans to further increase its Boeing fleet by a total of 201 additional aircraft (figures as at 29 January 2015), having placed firm orders for 50 Boeing 777-300ERs, one Boeing 777-200LRF and the other for 150 Boeing 777-8/9X aircraft. (Source: Ascend)

At the Dubai Airshow in November 2013, Emirates placed two record orders, one for 50 A380s and one for 150 777-8/9X aircraft, together worth US\$99 billion. In June 2014, Emirates cancelled its order for 70 A350-XWB aircraft.

These latest orders can be seen as an affirmation of Emirates' strategy to become one of the world's leading carriers and to further establish Dubai as a central gateway to worldwide air travel. The A380 is regarded by Emirates as the airline's flagship in terms of passenger comfort, innovation, operating and environmental efficiency and revenue generation.

During the 2013/2014 financial year (1 April 2013 to 31 March 2014), the airline launched passenger services to eight new international passenger destinations – Boston, Conakry, Haneda, Kabul, Kiev, Sialkot, Stockholm and Taipei – as well as a new service between Milan and New York. Between April and September 2014, Emirates also expanded its global route network by launching services to four new destinations – Abuja, Chicago, Oslo, and Brussels – bringing the total network reach to 146 destinations (as at November 2014).

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<sup>2</sup> Save where indicated otherwise, all third party information contained in this Part VII of this Prospectus has been sourced from Emirates.

The usage of the A380 to service Emirates' existing destinations was further developed during the 2013/2014 financial year with the introduction of A380 flights to six destinations previously operated by smaller aircraft. These destinations were London Gatwick, Brisbane, Zurich, Los Angeles, Mauritius, and Barcelona. Two new A380 routes to Dusseldorf and Madrid were announced in January 2015.

In April 2013 Emirates and Qantas marked the launch of a five-year global partnership, with the first Qantas flights departing from Sydney and Melbourne to London via the international hub of Dubai. Emirates has stated that this new global partnership will mean increased revenues as well as an integrated and aligned network expansion for both Emirates and Qantas. For Emirates' customers, the partnership opens up Qantas' Australian domestic network of over 55 destinations with nearly 5,000 flights per week.

### **The Dubai Advantage**

Emirates' rapid growth is closely connected to Dubai's geographic location and its development as a major international hub airport. A large number of passengers are business people and tourists who take advantage of the many connections offered by Dubai International Airport to continue their journey to destinations in the Far East, Australia and New Zealand.

Dubai covers an area of 3,885 km<sup>2</sup> making it the second largest emirate of the seven United Arab Emirates. However, compared with its oil-rich neighbouring emirate Abu Dhabi, Dubai's natural oil resources are relatively small. Hence Dubai at an early stage developed other economic activities beyond the finite source of income from oil, in particular trade, the financial industry and, increasingly, tourism. The emirate has supported the growth of Dubai as an international aviation hub, with this objective having been further supported by the liberal air traffic rights and open skies arrangements in place in the emirate from its foundation.

In the calendar year of 2014, a total of 70.48 million passengers used Dubai International Airport, a year-on-year increase of 6.1 per cent. over 66.43 million in 2013, with passenger traffic growth in 2013 and 2012 being 15.2 per cent. and 13.2 per cent. respectively. Passenger numbers are projected to reach 79 million in 2015 and 103.5 million by 2020. The airport serves more than 140 airlines and connects over 260 destinations on six continents. It is one of the major hubs linking Europe and Asia. (Source: Dubai Airports)

Concourse A at Dubai International's Terminal 3 opened in January 2013 and is the world's only facility purpose-built for the A380. The facility features 20 aircraft contact gates, all capable of accommodating the A380, in addition to remote stands. Designed for the exclusive use of Emirates, Concourse A has increased the airport's total capacity from 60 million passengers to 75 million passengers per annum. This capacity will further increase (to 90 million) when Concourse D opens, which is expected to take place later in 2015. The facility also serves Qantas following the Australian carrier's tie-up with Emirates. (Source: Dubai Airports)

To accommodate the projected increase in passenger flow, Dubai is building a new airport, Al Maktoum International, with five runways and an annual capacity of 220 million passengers and 16 million tonnes of cargo (Source: Dubai Airports). In October 2013, Paul Griffiths, CEO of Dubai Airports, stated that Al Maktoum International is not intended to replace Dubai International, but to add additional capacity. The infrastructure required to handle four superjumbo aircraft landing simultaneously, 24 hours a day, is already in place. Al Maktoum International was opened for cargo operations on 27 June 2010 and was formally opened to passenger operations on 27 October 2013. Upon its anticipated completion in the mid-2020s, Al Maktoum International is expected to become the world's largest airport.

## **Financial Position of Emirates**

### *Financial Year 2013/2014*

#### *Emirates Group*

The 2013/2014 financial year (ending 31 March 2014) was the 26th consecutive year of profit for the Emirates Group. Net profit for the Emirates Group was US\$1.1 billion, a 32 per cent. increase over the previous financial year while revenue reached US\$23.9 billion, a 13.2 per cent. increase over the previous year. According to Emirates, the 2013/2014 financial year also marked the highest level of investment across the Emirates Group in its history, with continued expansion of its global footprint, and the achievement of new capacity milestones. As at 30 September 2014, the Emirates Group's cash position stood at US\$4.4 billion compared to US\$5.2 billion at the end of the previous financial year (ending 31 March 2014). The Emirates Group declared a dividend of US\$280 million to the Investment Corporation of Dubai, the sole shareholder, similar to that paid in the previous financial year.

The Emirates Group comprises Emirates, the world's largest airline measured by International Revenue Passenger Kilometres in 2013 (Source: IATA) operating the world's largest widebody passenger fleet, and also Dnata, an aviation services company providing ground handling services at 17 airports.

#### Emirates

Emirates carried a record 44.5 million passengers in the 2013/2014 financial year, up 13 per cent. from the previous financial year, maintaining a robust passenger seat load factor of 79.4 per cent. across the financial year, nearly consistent with last year's figures in spite of a 15 per cent. increase in seat capacity by Available Seat Kilometres (ASKMs). Passenger yield remained steady at 30.4 fils (8.3 US cents) per Revenue Passenger Kilometre (RPK).

Emirates' revenue stood at US\$22.5 billion, an improvement of 13 per cent. over the previous year. The airline successfully managed increased competitive pressure across all markets to record a net profit of US\$887 million, an increase of 43 per cent. over last year's results, and a net profit margin of 3.9 per cent.

Emirates' balance sheet as at 31 March 2014 showed total assets of US\$27.7 billion, up 7.2 per cent. as against the previous financial year. Emirates' cash position at the end of the financial year showed available liquidity of US\$4.5 billion and total equity was US\$6.9 billion.

Total operating costs increased by 12 per cent. Emirates' fuel bill increased by 10 per cent. over the previous financial year to reach US\$8.4 billion as at 31 March 2014, due to an increased number of flights. While the average price of jet fuel remained high, it was slightly lower compared to the preceding financial year, which has supported Emirates' bottom line improvement.

### Half-Yearly Results for the Financial Year 2014/2015

#### Emirates Group

On 12 November 2014, the Emirates Group announced its half-yearly results for the period 1 April 2014 to 30 September 2014.

The Emirates Group's revenues reached US\$12.9 billion for the first six months of its 2014 to 2015 financial year, up 12 per cent. from US\$11.5 billion for the same period in the previous financial year. Net profit for the group rose to US\$607 million, an increase of 1 per cent. over the previous year's results. The Emirates Group's cash position on 30 September 2014 was US\$4.4 billion, compared to US\$5.2 billion as at 31 March 2014. This is due to ongoing investments, mainly into new aircraft and other airline related infrastructure projects.

## Emirates

Emirates carried 23.3 million passengers (up 8 per cent. compared to the same period in the previous financial year), added 13 new aircraft (a 6 per cent. increase in capacity), improved passenger seat load factor to 81.5 per cent., and returned a net profit of US\$514 million (an 8 per cent. increase when compared with the same period in the previous financial year).

During the first six months of its current financial year, Emirates took delivery of 13 widebody aircraft – six A380s (including one of the two A380s which it is expected that the Company will acquire) and seven 777s – with 11 more new aircraft scheduled to be delivered before the end of the current financial year (that is, by 31 March 2015). Emirates also expanded its global route network by launching services to four new destinations – Abuja, Chicago, Oslo, and Brussels – significantly increasing the number of city-pair flight options that it provides to customers across the globe with each new city served.

Against the backdrop of unprecedented external challenges which led the airline to suspend the highest number of routes in a year that it has ever had to suspend and temporarily ground part of its fleet due to a runway closure at Dubai International Airport, and despite a strong performance of the US dollar against other major currencies impacting revenues, Emirates continues to make a profit. In the first half of the 2014/2015 financial year, Emirates' net profit is US\$514 million, up 8 per cent. from the same period last year.

### **EMIRATES – OVERVIEW OF KEY FIGURES<sup>1</sup>**

<b>KEY FINANCIAL DATA IN MILLION AED</b>	<b>2008</b>	<b>2009<sup>2</sup></b>	<b>2010</b>	<b>2011<sup>2</sup></b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Revenues	38,810	43,266	43,455	54,231	62,287	73,113	82,636
Operative profit	4,451	2,278	3,565	5,443	1,813	2,839	4,260
Profit before tax	5,104	665	3,665	5,543	1,673	2,472	3,464
Net profit	5,020	686	3,538	5,375	1,502	2,283	3,254
Total equity	16,843	15,571	17,475	20,813	21,466	23,032	25,471
<b>EMPLOYEES</b>							
No. of employees	23,650	28,037	28,686	30,258	33,634	38,067	41,471
Labour costs as % of revenue (%) <sup>3</sup>	13.6	13.5	14.6	14.0	12.7	12.3	12.4
<b>FLEET</b>							
No. of aircraft	109	127	142	148	169	197	252 <sup>4</sup>
<b>AIR TRAFFIC</b>							
No. of routes	99	99	102	111	122	133	146 <sup>5</sup>
Number of transported passengers (in million)	21.2	22.7	27.5	31.4	34.0	39.4	44.5
Number of transported seat kilometres (in million)	94,346	101,762	126,273	146,134	160,446	188,618	215,353
Average distance per seat (in km)	4,444	4,477	4,599	4,651	4,722	4,788	4,835
Passenger seat factor (per cent.)	79.8	75.8	78.1	80.0	80.0	79.7	79.4

<sup>1</sup> Source: Emirates, save as indicated below; Each business year shown starts 1 April and ends 31 March; US\$ = AED 3.67 as of 31 March 2014; figures shown as at 31 March 2014.

<sup>2</sup> The figures for 2009 were restated in the Annual Report 2009/2010. Figures for the Financial year ending 31 March 2011 were slightly revised in the Annual Report 2012/2013. Equity figures for the previous four financial years ending in 2009, 2010, 2011 and 2012 were also slightly adjusted in the Annual Report 2012/2013.

<sup>3</sup> Labour costs as a percentage of revenue calculated by Amedeo using employee costs over revenue and other operating income.

<sup>4</sup> Source: ASCEND, as per 29 January 2015.

<sup>5</sup> Source: Emirates Group Half-Year Results 1 April 2014 – 30 September 2014.

### **Winner of Numerous Awards**

Emirates has been chosen for over 500 awards, recognising among other factors the carrier's level of service, and passenger comfort and entertainment.

## PART VIII DEBT FINANCING

Section I of this Part VIII describes the terms of the First Tranche Finance Agreements. Section II of this Part VIII describes the expected terms of the Second Tranche Finance Agreements.

In the following sections, references to the Company shall include any subsidiaries which have been or may later be established for the purpose of holding the relevant Assets.

### Section I

Pursuant to the completion of the transactions contemplated by the First Tranche Finance Transfer Agreements, the Company will assume the rights, responsibilities, obligations and liabilities as "*borrower*" under the First Tranche Finance Agreements on the terms and conditions as described in this Section I.

#### Summary

The Company intends, following Admission and via the transactions contemplated by the First Tranche Finance Transfer Agreements, to step into the First Tranche Finance Agreements each of which is of the value of approximately US\$190,000,000 (comprising a senior loan of approximately US\$155,000,000 (which is expected to have amortised to approximately US\$150,000,000 by the date of acquisition of each of the First Tranche Assets) and a junior loan of approximately US\$35,000,000). The First Tranche Finance Agreements were entered into by the Current Owners at the time of purchasing the First Tranche Assets.

Each loan will consist of a senior loan which will be fully amortised with quarterly repayments in arrear over 12 years (the "**Senior Loan**") and a junior loan which will be interest only for 12 years requiring repayment of principal at the end of 12 years (the "**Junior Loan**"). The Senior Loan and Junior Loan in respect of each First Tranche Asset are hereinafter referred to as the "**Loans**" and each a "**Loan**" and the relevant documentation (comprising a senior loan agreement, a junior loan agreement and an all parties agreement regulating certain matters between the senior lenders and junior lenders (the "**All-parties Agreement**")) is referred to as the "**First Tranche Finance Agreements**" for each First Tranche Asset.

Pursuant to each of the First Tranche Finance Agreements, a first priority mortgage over the relevant First Tranche Asset is expected to be granted to the Security Trustee. The Security Trustee will also be nominated as the first loss payee under the relevant First Tranche Asset's insurance.

In relation to the Loans, the Company may consider alternative means of debt financing, if in the view of the Board such alternative debt financing will not have a material adverse effect on the Company's target income returns.

Each of the First Tranche Assets will be held by a separate wholly-owned subsidiary of the Company (other than in the event of any alternative debt financing being provided as described above requiring a single owner). The relevant Lender will only have recourse to the specific First Tranche Asset for which they are providing financing.

This Section I describes the expected terms of the Loans and the First Tranche Finance Agreements.

## **Structure and term**

Each Loan is expected to have a committed term of 12 years from the drawdown date of the Loan. The Loans in respect of the First Tranche Assets were drawn down on 4 September 2014, with respect to the First Asset, and 30 October 2014 with respect to the Second Asset.

Each Senior Loan is amortised with repayments every Quarterly Period in arrear over 12 years in amounts confirmed by the Company and the relevant Lenders at the point of acquisition in the case of the First Tranche Assets or prior to the drawdown of the loan for the Second Tranche Assets.

Each Junior Loan shall be repaid in full at the end of the 12 year lease term which, with respect to the First Asset, is 4 September 2026 and, with respect to the Second Asset, 3 November 2026.

## **Interest**

Interest on the Loans will be payable every Quarterly Period in arrear and will accrue at the fixed rate of interest confirmed by the Company and the relevant Lenders at the date of acquisition.

If any amount is not paid by the Company when due under the Loan Transaction Documents (as defined below), interest will accrue on such amount at the then current rate of the Loan plus 2.50 per cent. per annum (in the case of the Loans for the First and Second Assets) and a rate to be agreed for the Third and Fourth Assets.

## **Prepayment**

The Company will be able to prepay each Loan in full (together with all other amounts then due and payable) at any time with not less than one month's prior written notice to the relevant Loan Facility Agent, provided that the Company indemnifies the Lender in respect of losses arising from broken funding costs and that prepayment fees in the following amounts will be payable if the Company voluntarily prepays the Loan prior to the following dates:

- (a) 0.70 per cent. of the amount of the Loan if prepaid on or before the second anniversary of the drawdown date;
- (b) 0.65 per cent. of the amount of the Loan if prepaid after the second anniversary of the drawdown date and on or before the third anniversary of the drawdown date; or
- (c) 0.60 per cent. of the amount of the Loan if prepaid after the third anniversary of the drawdown date and on or before the fourth anniversary of the drawdown date.

The Company may otherwise prepay the relevant Loan if: (i) a Loan Disruption Event has occurred; (ii) the Company is required to pay a greater amount of interest to a Lender due to the imposition of a withholding tax in respect of any Lender; or (iii) the Company is required to indemnify the Finance Parties in respect of tax liabilities or liabilities affecting a Finance Party arising from a change in law, a change in the state of registration of the Asset or the leasing of the relevant Asset to a person other than Emirates.

The Loan Facility Agent may require the Loan to be prepaid in full (together with all other amounts then due and payable) if:

- (a) the Company sells the Asset to Emirates or any other person;
- (b) pursuant to the Lease, Emirates is required to pay any lease termination sum (as defined in the Loan Agreement) or (in the case of any payment following a Total Loss) Emirates, the insurers or the reinsurers of the Asset pay the Agreed Value;
- (c) Emirates is obliged to pay the agreed option price for the purchase of the Asset pursuant to the Lease;
- (d) it becomes unlawful for any party to perform their material obligations under (i) the Loan Agreement, the relevant Loan Security Documents (under the heading "Security" below),

and all documents ancillary to these documents (the "Finance Agreements"), (ii) the Lease and all documents ancillary to the Lease, (iii) the Purchase Agreement Assignment and all documents ancillary to the Purchase Agreement Assignment or (iv) any related document (each of the documents set out in paragraphs (i) to (iv) being a "Loan Transaction Document"), or any material part of a Loan Transaction Document becomes illegal or unenforceable, or the security created by any Loan Security Document is discharged or loses its priority or any authorisation required for the validity of any Loan Transaction Document ceases to be in full force and effect, and the parties are unable to resolve such issues within a specified period of time.

### **Events of Default**

The Loan Facility Agent will be able to demand immediate repayment of the Loan and instruct the Security Trustee (acting on the instructions of the Lenders with commitments or participations in the relevant Loan which together in aggregate are greater than 66.66 per cent. of the total commitments or participations in the relevant Loan (the "**Loan Instructing Group**")) to enforce the security created by the relevant Loan Security Documents if any of the specified events of defaults occur (each a "**Loan Event of Default**"), including:

- (a) the Company fails to pay any amount of principal or interest under the Loan Agreement on its due date and such non-payment continues unremedied for five business days;
- (b) the Company fails to pay any amount (other than of principal or interest under the Loan Agreement) under the Loan Agreement or certain other documents on its due date and such failure continues unremedied for five business days after written notice of failure has been given to the Company or, if such amount is due on demand, after the relevant demand has been made;
- (c) the Company fails to comply with any other obligation under the Loan Transaction Documents (other than the obligations of the Company set out in paragraph (d) below) and, if capable of remedy, such failure is not remedied within 30 days of written notice from the Loan Facility Agent being given to the Company and in the opinion of the Loan Instructing Group such failure has or might have a material adverse effect on the interests, rights or position of any of the Finance Parties under any Loan Transaction Document;
- (d) the Company fails to comply with its obligations in respect of the undertakings listed as (f), (g) and (i) to (u) in the section headed "Undertakings" below (the "**Loan Material Undertakings**");
- (e) any representation made or deemed made by the Company in a Loan Transaction Document is untrue or incorrect in any material respect and in the opinion of the Loan Instructing Group such event has or will have a material adverse effect on the interests or position of the Finance Parties;
- (f) the Company repudiates or evidences an intention to repudiate a Loan Transaction Document;
- (g) the Company is insolvent;
- (h) insolvency proceedings are commenced in respect of the Company;
- (i) any execution is levied against any asset of the Company (unless (i) such event is a termination event under the Lease and the Company has complied with its obligations under the Lease in responding to this event or (ii) such execution is disputed in good faith and adequate reserves have been made and such execution is discharged within 60 days; and/or

- (j) the Company ceases to carry on a substantial part of its business and in the opinion of the Loan Instructing Group such cessation has or might have a material adverse effect on the Company's ability to perform its obligations under the Loan Transaction Documents.

## **Security**

The Loans will be secured by security created under the following security documents (the "**Loan Security Documents**"):

### *Mortgage*

A first priority mortgage over the relevant Asset executed by the Company in favour of the Security Trustee. The security interests created pursuant to the aircraft mortgages will be registered under the Cape Town Treaty. The Cape Town Treaty provides that such security interest will be recognised, with certain limited exceptions, in those jurisdictions that have ratified or adhere to the treaty. The Cape Town Treaty also provides that a registered "*international interest*" has priority over a subsequently registered interest and over an unregistered interest for purposes of the law of those jurisdictions that have ratified the Cape Town Treaty. The United Arab Emirates has ratified the Cape Town Treaty.

### *Account Security Agreements*

A first priority security agreement over the Lease Rental Accounts (as defined below) executed by the Company in favour of the Security Trustee.

### *Emirates Security Document*

A first priority security assignment in respect of the Asset executed by Emirates in favour of the Company in relation to all of its rights, title and interest in and to insurances in respect of the Asset and any requisition compensation for the Asset (the "**Emirates Security Agreement**").

### *Lessor Security Document*

A first priority security assignment executed by the Company in favour of the Security Trustee in relation to all of the Company's rights, title and interest in and to the Asset Management Agreement, all insurances in respect of the Asset, the Lease, the Emirates Security Agreement, any requisition compensation for the Asset, the warranties for the Asset and any net sale proceeds in respect of the Asset.

### *Share Security Agreement*

A first priority security agreement relating to the entire share capital of the relevant asset-holding subsidiary of the Company, as borrower under the Loan Agreement, in favour of the Security Trustee.

## **Undertakings**

Pursuant to the Loans, the Company will be required to give a number of undertakings to the Finance Parties, including undertakings:

- (a) to comply with all applicable laws;
- (b) to notify the Finance Parties of the occurrence of any Loan Event of Default, the creation of any security over the relevant Asset or any material litigation;
- (c) not to take any action which has or will have the effect of prejudicing the Company's interest in the relevant Asset or the Finance Parties' interests in the assets secured by the Loan Security Documents;
- (d) to take such actions as the Security Trustee requires to establish, protect and preserve the Company's interest and title in the Asset and other assets secured by the Loan Security Documents, and to protect the Finance Parties' security over the Asset;

- (e) not to amend the Loan Transaction Documents without the consent of the Security Trustee;
- (f) not to dispose of the Asset or any other asset which is subject to the security created by the Loan Security Documents;
- (g) not to create or permit to exist any security over its assets which are subject to the security created by the Loan Security Documents;
- (h) not to merge or consolidate with any other person;
- (i) to take such actions as are available to it under the terms of the Loan Transaction Documents to monitor and enforce the terms of the Lease;
- (j) if the relevant Lease is terminated for any reason, to ground the relevant Asset and operate and maintain the Asset in accordance with the Security Trustee's instructions;
- (k) not to change the State of Registration of the relevant Asset without the Security Trustee's consent;
- (l) not to lease the Asset or any engine or other part of the Asset except in accordance with the terms of the Lease;
- (m) not to change the lists of excluded countries and permitted sub-lessees set out in the Lease unless required by, or with the consent of, the Security Trustee;
- (n) to notify the Security Trustee if Emirates serves notice of any lease extension, lease termination or exercise of the purchase option, or if there is a termination event under the Lease;
- (o) if the relevant Lease is terminated, to endeavour to sell or lease the Asset, but if re-leased to another lessee, the Asset may only be leased to such lessee on terms acceptable to the Security Trustee, and if sold, the net sale proceeds must be sufficient to repay all amounts outstanding under the Loan Agreement;
- (p) to deliver all material notices and other documents received from Emirates, Amedeo or any manufacturer of the Asset to the Loan Facility Agent and the Security Trustee;
- (q) not to give its consent or otherwise in respect of any material request made under the Loan Transaction Documents (including the waiver of any Termination Event under the Lease), or issue any notice of termination under the Lease, without the approval of the Security Trustee;
- (r) not to engage in any other business except as contemplated in the Loan Transaction Documents;
- (s) not to enter into any contract or agreement or incur any liability except as contemplated by the Loan Transaction Documents and the transactions contemplated thereby;
- (t) to provide the Loan Facility Agent and the Security Trustee with all information reasonably requested in the context of the transactions contemplated by the Loan Transaction Documents; and
- (u) to deliver its audited financial statements within 180 days of the end of each financial year (as well as any financial statements and other documents delivered to the Company by Emirates under the Lease).

### **Tax Gross Up and Indemnity**

The Company will be required to make all payments to the Finance Parties free and clear of and without deduction or withholding for taxes. If a payment is required by law to be subject to a withholding or deduction, the Company will be required to gross-up such payment to ensure that the net sum received by the Lenders is the sum they should have received had the withholding or

deduction not been made. It is also expected that the Company will be required to indemnify the Lenders in respect of any tax liabilities which they may incur as a result of making the Loan to the Company.

#### **Application of Proceeds in respect of the Asset**

It is expected that all:

- (a) net sale proceeds from a sale of the Asset;
- (b) proceeds from the exercise of Emirates' option to purchase the Asset at the expiry of the Lease;
- (c) termination sums;
- (d) proceeds of any warranty claims against the manufacturers of the Asset;
- (e) maintenance compensation sums;
- (f) Agreed Value (as defined below) sums;
- (g) Total Loss insurance proceeds;
- (h) other insurance proceeds;
- (i) Lease Rentals;
- (j) compensation arising from the requisition of the Asset; and
- (k) any other amounts received under a Loan Transaction Document;

(together, the "**Loan Proceeds**")

will be required to be paid into designated bank accounts maintained by the Company in relation to the relevant Asset with the Security Trustee (as account bank) and with a bank to be selected by the Company (the "**Lease Rental Accounts**").

While no Loan Event of Default has occurred and is continuing, it is expected that all amounts received (other than those set out in (a) to (h) of the definition of Loan Proceeds above) will be required to be applied in the following order in respect of the relevant Loan Agreement:

- (i) payment of any fees then due and payable to any Senior Finance Party;
- (ii) payment of all interest then due and payable to the Senior Lenders under the Senior Loan;
- (iii) payment of all principal then due and payable to the Senior Lenders under the Senior Loan;
- (iv) payment to the Senior Lenders for all amounts then due and payable in respect of broken funding costs;
- (v) payment of other amounts then due and payable to any Senior Finance Party under the Loan Transaction Documents;
- (vi) payment of all other amounts then due and payable to the Senior Lenders under the Senior Loan;
- (vii) payment of amounts then due and payable to the Junior Finance Parties, in the manner and order of priority set out in (i) to (vi) above as if references to the Senior Lenders, the Senior Finance Parties and the Senior Loan were instead references to the Junior Lenders, the Junior Finance Parties and the Junior Loan; and
- (viii) any surplus may be paid in accordance with the directions of the Company.

While a Loan Event of Default has occurred and is continuing, it is expected that all Loan Proceeds in respect of the relevant Asset (other than those set out in (a) to (f) of the definition of Loan Proceeds above) will be required to be applied in the following order in respect of the relevant Loan Agreement:

- (i) payment of any fees then due and payable to any Senior Finance Party;
- (ii) payment of expenses incurred in connection with the assets secured by the Loan Security Documents;
- (iii) payment of all interest then due and payable to the Senior Lenders under the Senior Loan;
- (iv) payment of all principal then due and payable to the Senior Lenders under the Senior Loan;
- (v) payment to the Senior Lenders for all amounts then due and payable in respect of broken funding costs under the Senior Loan;
- (vi) payment of any other amounts then due and payable to any Senior Finance Party under the Loan Transaction Documents;
- (vii) payment of all amounts (other than the amounts already referred to here) then due and payable to the Senior Lenders under the Senior Loan;
- (viii) payment of amounts then due and payable to the Junior Finance Parties, in the manner and order of priority set out in (i) to (vii) above as if references to the Senior Lenders, the Senior Finance Parties and the Senior Loan were instead references to the Junior Lenders, the Junior Finance Parties and the Junior Loan; and
- (ix) any surplus may be paid in accordance with the directions of the Company.

It is expected that, whether before or after the occurrence of a Loan Event of Default, the Loan Proceeds in respect of the Asset set out in (a) to (e) of the definition of Loan Proceeds above will be required to be applied in the following order in respect of the Loan Agreement:

- (i) payment of any fees then due and payable to any Senior Finance Party;
- (ii) payment of expenses incurred in connection with (a) the assets secured by the Loan Security Documents, (b) in the case of (a) and (b) of the definition of Loan Proceeds above, the sale or disposal of the Asset, or (c) in the case of (f) and (g) of the definition of Loan Proceeds above, the Total Loss.
- (iii) payment of all interest then due and payable to the Senior Lenders under the Senior Loan;
- (iv) payment of all principal then due and payable to the Senior Lenders under the Senior Loan;
- (v) payment to the Senior Lenders for all amounts then due and payable in respect of broken funding costs under the Senior Loan;
- (vi) payment of any other amounts then due and payable to any Senior Finance Party under the Loan Transaction Documents;
- (vii) payment of all amounts (other than the amounts already referred to here) then due and payable to the Senior Lenders under the Senior Loan;

- (viii) payment of amounts then due and payable to the Junior Finance Parties, in the manner and order of priority set out in (i) to (vii) above as if references to the Senior Lenders, the Senior Finance Parties and the Senior Loan were instead references to the Junior Lenders, the Junior Finance Parties and the Junior Loan; and
- (ix) any surplus may be paid in accordance with the directions of the Company.

The proceeds in respect of the relevant Asset set out in (f) of the definition of Loan Proceeds above will be required to be applied as follows:

- (i) if the insurance proceeds relate to property damage or loss in excess of US\$2,500,000, such proceeds are to be paid to the Security Trustee and applied in payment for repairs or replacement property upon the Security Trustee being satisfied that such repairs or replacement have been made in compliance with the terms of the relevant Loan and Lease;
- (ii) if the insurance proceeds relate to property damage or loss below US\$2,500,000, such proceeds may be paid by the insurers to the Company or (if the Company agrees) to Emirates, to be applied in making good all damage or loss in respect of which such insurance proceeds have been paid; or
- (iii) if the insurance proceeds relate to third party liability, such insurance proceeds will be paid directly in satisfaction of the relevant liability.

#### **Use of Loan Proceeds by the Company**

Provided that no Loan Event of Default has occurred and is continuing, the Company will be entitled to make withdrawals from the Lease Rental Accounts (other than in respect of amounts which correspond to Loan Proceeds set out in (a) to (c), (e) and (h) of the definition of Loan Proceeds above) to meet certain approved payment obligations such as Company-related costs, Company administration costs, advisers' expenses and other costs and expenses necessary to enable an asset manager to advise the Company as contemplated in this Prospectus, including the payment of dividends to the Company's shareholders. It is expected that the Company will only be able to make such withdrawals provided that all other amounts payable to the recipients with priority as set out above have been paid.

#### **Limited recourse to the Company**

The Finance Parties' recourse to the Company in relation to the Company's obligations to (a) repay instalments of the Loan and (b) pay interest on the Loan will be limited to the recovery of amounts paid to or recovered by the Company under the Loan Transaction Documents or as a result of the enforcement of the Loan Transaction Documents, including the enforcement of the security created by the Loan Security Documents. It is expected that in the event that the Finance Parties agree to limit their recourse to the Company in this manner, this will not: (a) include other amounts payable by the Company to the Finance Parties under other provisions of the Loan Transaction Documents, such as the payment of fees and liabilities of the Finance Parties indemnified by the Company; or (b) apply if (i) any Finance Party incurs a loss as a result of the Company's gross negligence or wilful misconduct or as a result of a breach of any Loan Material Undertaking or a material misrepresentation by the Company or (ii) the period of the Lease has expired or terminated.

#### **Fees**

The Company is required to pay upfront and ongoing fees to the Lenders in accordance with the terms of separate fee letters and, in respect of the First Tranche Assets, reimburse Amedeo Limited for upfront fees already paid by it to the relevant Lenders.

**Conditions precedent**

In addition to the conditions precedent specified in the Lease, the availability of the Loan will be contingent upon (among other things) the delivery of the executed Loan Transaction Documents relating to the Asset, as well as documentation evidencing good title to the Asset, the airworthiness of the Asset, insurance in respect of the Asset and the Company's authorisations to enter into the Loan Transaction Documents.

**Governing law and jurisdiction**

The Loans are governed by English law and any disputes will be subject to the jurisdiction of the English Courts.

**Section II**

Following acquisition of the Second Tranche Assets in accordance with the Purchase Agreement Assignments, it is expected that the Company will enter into the Second Tranche Finance Agreements. It is expected that each of the Second Tranche Finance Agreements shall contain substantially similar terms and conditions as those set out above in Section I with respect to the First Tranche Finance Agreement.

**PART IX**  
**ADDITIONAL INFORMATION ON THE COMPANY**

**1. Incorporation and administration**

- 1.1 The Company was incorporated as a non-cellular company limited by shares in Guernsey under the Companies Laws on 16 January 2015 with registered number 59675. The registered office and principal place of business of the Company is PO Box 156, Frances House, Sir William Place, St Peter Port, Guernsey GY1 4EU, and the telephone number is 01481 702 400. The Company operates under the Companies Laws and ordinances and regulations made thereunder.
- 1.2 Changes in the issued share capital of the Company since incorporation are summarised in section 2 below.
- 1.3 The Guernsey office of Deloitte LLP has been the only auditor of the Company since its incorporation. Deloitte LLP is a member of the Institute of Chartered Accountants of England & Wales. The annual report and accounts will be prepared according to IFRS. The auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and accounting standards.
- 1.4 Since the date of incorporation, the Company has not commenced operations and no financial statements have been made up as at the date of this Prospectus.
- 1.5 There has been no significant change in the trading or financial position of the Company since the date of its incorporation.
- 1.6 The Company has no employees as at the date of this Prospectus.
- 1.7 The Company intends to establish one or more wholly-owned subsidiaries for efficient portfolio management, but has no subsidiaries at the date of this Prospectus.

**2. Share capital**

- 2.1 The Company has authority to issue an unlimited number of shares of no par value or with a par value or a combination of both. At incorporation on 16 January 2015, one share of no par value was subscribed for by the subscriber to the Memorandum of Incorporation, Amedeo Capital, for a price of £1. On 29 April 2015, this share was re-designated as a Share by special resolution of the Company. As at the date of this Prospectus, there have been no other changes to the issued share capital of the Company since incorporation. If Admission had taken place on the date of incorporation (and assuming that 202,000,000 Shares had been issued pursuant to the Placing), the Placing would have increased the net assets of the Company by at least £199,463,125.
- 2.2 The maximum issued share capital of the Company (all of which will be fully paid or deemed fully paid) immediately following the Placing will consist of 202,000,000 Shares. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether as to dividend, voting, return of capital, redemption or otherwise, as the Board may determine.
- 2.3 The Directors are entitled to issue and allot Shares immediately following the Placing for cash or otherwise on a non-pre-emptive basis.
- 2.4 Subject to the exceptions set out in the sections headed "*Transfer of Shares*" and "*Qualified Holders*" in paragraphs 5.2.7 and 5.2.9 of this Part IX of this Prospectus, Shares are freely transferable and Shareholders are entitled to participate (in accordance with the

rights specified in the Articles of Incorporation) in the assets of the Company attributable to their Shares (in accordance with the Articles) in a winding up of the Company.

- 2.5 Save as disclosed in this paragraph 2 since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.6 All of the Shares will be in registered form and eligible for settlement in CREST. Temporary documents of title will not be issued.

### 3. **Directors' and other interests**

- 3.1 Save that, subject to compliance with applicable legal and regulatory requirements, David Gelber and John Le Prevost each intend, directly or indirectly, to subscribe for 50,000 Shares at the Issue Price pursuant to the Placing and such applications are expected to be met in full, there are no other interests of any Director, including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, such Director whether or not held through another party, in the share capital of the Company, together with any options in respect of such capital immediately following the Admission.
- 3.2 Save as described in this paragraph 3.2, the Company is not aware as at the date of this Prospectus of any person who is or will, immediately following Admission, be directly or indirectly interested in 5 per cent. or more of the Company's capital. Amedeo Capital, directly or through one or more of its affiliates, will acquire at least 5 per cent. of the Shares to be issued pursuant to the Placing. Amedeo Capital has agreed not to sell, transfer or otherwise dispose of any Shares acquired by it in the Placing for a period of 2 years from Admission. None of the Company's shareholders has voting rights attached to the shares they hold different from the voting rights attached to any other shares in the same class in the Company. As at the date of this document the Company, insofar as it is aware, is not directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.
- 3.3 The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 March 2016 which will be payable out of the assets of the Company are not expected to exceed £150,000. Each of the Directors will receive £30,000 per annum. The Chairman will be entitled to receive £35,000 per annum and the chairman of the audit committee will receive an additional fee of £4,000 per annum. In the event that any aircraft other than the Initial Assets are acquired by the Company, it is expected that the Directors' remuneration will be increased accordingly.
- 3.4 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more (where the Board resolves that such Director's office shall be vacated); (iii) written request of the other Directors; and (iv) a resolution of a majority of the shareholders eligible to vote.
- 3.5 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.

- 3.6 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.
- 3.7 Save as disclosed under the heading "*Conflicts of interest*" in Part II of this Prospectus, there are no potential conflicts of interest between the duties that the Directors of the Company or any committee therein owe to the Company and their private interests or other duties.
- 3.8 In addition to their directorships of the Company, the Directors hold or have held the directorships and are or were members of the partnerships, as listed in the table below, over or within the past five years. Details of the directorships that are held and have been held in the past five years by any Director will also be made available to any subscriber or potential subscriber at the registered office of the Company.

<b><u>Name</u></b>	<b><u>Current directorships/partnerships</u></b>	<b><u>Past directorships/partnerships</u></b>
David Gelber	Altus Resource Capital Plc Castellain Capital LLP DDCAP Limited Eclipse Film Partners No. 35 LLP  Exotix (2) Ltd Exotix Holdings Limited Exotix Limited Exotix Partners LLP IPGL (Holdings) Limited Krupaco Finance UK (in members voluntary liquidation) Walker Crips Group PLC	eSeclending LLC Globeop Financial Services Plc Ingenious Film Partners 2 LLP MF Global Holdings LLC (Chapter 11 bankruptcy)
Robin Hallam	Hogan Lovells International LLP	
John Le Prevost	Anson Group Limited BlueCrest AllBlue Fund Limited Doric Nimrod Air One Limited Doric Nimrod Air Two Limited Doric Nimrod Air Three Limited Granite Fund Management Limited  Guaranteed Investment Products 1 PCC Limited Guernsey Sailing Trust  Harewood Structured Investment PCC Limited (I.V.L.) High Banks Property Limited  Markland Thorpe Park Investments Limited (I.V.L.) Markland Thorpe Park Limited Thai Prime Fund Limited  University Capital Trust	Anson Administration (UK) Limited Anson Fund Managers Limited Anson Fund Services (UK) Limited Breton Limited Close Assets Funds Limited (Liquidated) Close Enhanced Commodities Fund Limited (Liquidated) Close European Accelerated Fund Limited (Liquidated) Close Fund Management Portfolios II PCC Limited (Liquidated) DIF S3 General Partners Limited (Liquidated) Equity Partnerships Fund Management (Guernsey) Limited German Aktiv Co-op Limited  German Aktiv General Partner Limited Japanese Accelerated Performance Fund Limited (Liquidated) Louvre Group Limited MW TOPS Limited (Liquidated)

Nordic Aktiv Coop Limited  
Nordic Aktiv Co-op 2 Limited  
Nordic Aktiv General Partner Limited  
Nordic Aktiv General Partner 2 Limited  
Platinum Guernsey Limited (Liquidated)  
TAPP Property Limited  
Teesland Thorpe Park (Guernsey)  
Limited (Liquidated)  
The Advantage Property Income Trust  
Limited  
The Close Man Hedge Fund Limited  
(Liquidated)  
TOPP Bletchley Limited  
TOPP Holdings Limited  
TOPP Property Limited  
University Properties Limited

- 3.9 Save as stated in paragraph 3.8, at the date of this Prospectus:
- 3.9.1 none of the Directors has any convictions in relation to fraudulent offences for at least the previous five years;
  - 3.9.2 none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;
  - 3.9.3 none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has 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 for at least the previous five years; and
  - 3.9.4 none of the Directors is aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this document.
- 3.10 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 3.11 The Company is not aware of any person who directly or indirectly, jointly or severally, exercises or, immediately following the Placing, could exercise control over the Company.
- 3.12 No members of the Administrator have any service contracts with the Company.

#### **4. Taxation**

##### *General*

The information below, which relates only to Guernsey and United Kingdom taxation, summarises advice received by the Board and is applicable to the Company and to persons who are resident in Guernsey or the United Kingdom for taxation purposes and who hold Shares as an investment. It is based on current Guernsey and United Kingdom revenue law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain

Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with an office or employment may be taxed differently and are not considered.

**If you are in any doubt about your tax position, or if you may be subject to tax in a jurisdiction other than Guernsey or the United Kingdom, you should consult your professional adviser.**

### ***Guernsey***

#### (i) The Company

The Company is resident in Guernsey for income tax purposes and is currently subject to income tax at the company standard rate of zero per cent. It will therefore pay no Guernsey income tax on its income on the basis that no investments will be made in Guernsey real property and the Company will not engage in any of the regulated financial and insurance activities or utility services which fall outside the scope of the zero per cent. rate. Payments of dividends to shareholders who are not resident in Guernsey will not be subject to withholding tax. However, as the Company will be subject to the zero per cent. rate, it will be resident in Guernsey for tax purposes and therefore, should any Guernsey resident shareholders hold an interest in the Company, dividends paid to such persons will be paid net of income tax at a rate of 20 per cent. which the Company will be responsible for remitting to the Guernsey Income Tax Office.

#### (ii) Capital Taxes and Stamp Duty

Guernsey currently does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax, which is currently suspended) gifts, sales or turnover, nor are there any estate duties, save for an ad valorem fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares in the Company.

#### (iii) EU Savings Tax Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, has introduced measures that are the same as the EU Savings Tax Directive. Paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive as applied in Guernsey. However, the Company will not, under the existing regime, be regarded as an undertaking for collective investment established in Guernsey that is equivalent to a UCITS authorised in accordance with EC Directive 85/611/EEC of the Council for the purposes of the application in Guernsey of the bilateral agreements on the taxation of savings income entered into by Guernsey with EU Member States. Consequently, in accordance with current States of Guernsey guidance on the application of the bilateral agreements, where the Company's paying agent (as defined for these purposes) is located in Guernsey, the paying agent would not be required to exchange information regarding, distributions made by the Company and/or the proceeds of the sale, refund, or redemption of shares in the Company.

On 24 March 2014 the Council of the European Union formally adopted a directive to amend the EU Savings Tax Directive. The amendments significantly widen the scope of the EU Savings Tax Directive. EU Member States are required to adopt national

legislation to comply with the amended EU Savings Tax Directive by 1 January 2016. The amended EU Savings Tax Directive is anticipated to be applicable from 1 January 2017. However, on 18 March 2015 the European Commission announced a proposal to repeal the EU Savings Tax Directive. This proposal is still being considered and has not yet been adopted.

Guernsey, along with other dependent and associated territories, will consider the effect of the amendments to, or any repeal of, the EU Savings Tax Directive in the context of existing bilateral agreements and domestic law. If changes to the implementation of the EU Savings Tax Directive in Guernsey are brought into effect, or if it is repealed, the treatment of Shareholders in the Company and the position of the Company in relation to the EU Savings Tax Directive may be different to that set out above.

(iv) US-Guernsey IGA

On 13 December 2013 the Chief Minister of Guernsey signed the US-Guernsey IGA regarding the implementation of FATCA, under which certain disclosure requirements may be imposed in respect of certain investors in the Company who are, or are entities that are controlled by one or more, residents or citizens of the United States. Where applicable, information that will require disclosure will include certain information about investors, their ultimate beneficial owners or controllers, and their investment in and returns from the Company. The US-Guernsey IGA is implemented through the Guernsey IGA Legislation in accordance with guidance which is currently published in draft form.

(v) UK-Guernsey IGA

On 22 October 2013 the Chief Minister of Guernsey signed the UK-Guernsey IGA under which certain disclosure requirements may be imposed in respect of certain investors in the Company who are, or are entities that are controlled by one or more, residents of the United Kingdom. Where applicable, information that will require disclosure will include certain information about investors, their ultimate beneficial owners or controllers, and their investment in and returns from the Company. The UK-Guernsey IGA is implemented through the Guernsey IGA Legislation in accordance with guidance which is currently published in draft form.

(vi) Multilateral Agreement

On 13 February 2014, the Organization for Economic Co-operation and Development released the Common Reporting and Due Diligence Standard (CRS) designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the Multilateral Agreement that activates this automatic exchange of FATCA-like information in line with the CRS. Pursuant to the Multilateral Agreement, certain disclosure requirements may be imposed in respect of certain investors in the Company who are, or are entities that are controlled by one or more, residents of any of the signatory jurisdictions. It is expected that, where applicable, information that will require disclosure will include certain information about investors, their ultimate beneficial owners or controllers, and their investment in and returns from the Company. Both Guernsey and the UK have signed up to the Multilateral Agreement, but the US has not signed the Multilateral Agreement.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018. Guidance and domestic legislation regarding the implementation of the CRS and the Multilateral Agreement in Guernsey is yet to be published in finalised form. Accordingly, the full impact of the CRS and the Multilateral Agreement on the Company and the Company's reporting responsibilities pursuant to the Multilateral Agreement as it will be implemented in Guernsey is currently uncertain.

**Potential investors should consult their own tax advisers regarding all of the reporting requirements referred to above. Failure by a Shareholder to provide any such information that is requested by the Company to aid compliance with any of the above reporting requirements could result in adverse consequences applying to such Shareholder, and the Shareholder may be required to sell their Shares.**

(vii) Other

Guernsey does not impose any additional tax liabilities or withholding taxes on non-Guernsey resident Shareholders. Thus, a non-Guernsey resident Shareholder should not be liable to any Guernsey tax on dividends paid by the Company.

The receipt of dividends by Shareholders may result in a tax liability for Shareholders according to the tax regime applicable in their various countries of citizenship, residence, ordinary residence or domicile, as the case may be. Investors resident in or citizens of certain countries which have anti-offshore company legislation, may have a current liability for a proportion of the undistributed income and gains of the Company. Such investors should seek their own professional advice.

#### ***United Kingdom***

(i) The Company

The Directors have been advised that following certain changes to the United Kingdom tax rules regarding "alternative investment funds" implemented by the Finance Act 2014 and contained in section 363A of the Taxation (International and other Provisions) Act 2010 ("**TIOPA**") the Company should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a branch, agency or permanent establishment situated there), the Company will not be subject to United Kingdom income tax or corporation tax other than on any income arising in the United Kingdom.

(ii) Shareholders

#### ***Disposal of Shares***

The Directors have been advised that, under current law, the Company should not be treated as an offshore fund for the purposes of United Kingdom taxation and so the legislation contained in Part 8 of the TIOPA (apart from section 363A of the TIOPA) should not apply. Accordingly, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident in the United Kingdom, or who carry on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to United Kingdom tax on chargeable gains realised on the disposal of their Shares (which will include any liquidation of the Company).

If the Company takes steps to return capital to Shareholders, on the passing of a Liquidation Resolution or otherwise, it is currently intended that such returns of capital will be structured so as to be treated as a capital receipt in the hands of Shareholders who hold their Shares as investments and are subject to UK tax on chargeable gains.

For individual Shareholders a flat rate of tax at 18 per cent. (for basic rate taxpayers) or at 28 per cent. (for higher and additional rate taxpayers) will be payable on any gain. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which for the tax year 2015-2016 will exempt the first £11,100 of gains from tax) depending on their circumstances. Shareholders which are bodies corporate resident in the United Kingdom for taxation purposes will benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index.

#### *Dividends*

Individual Shareholders resident in the United Kingdom for tax purposes will be liable to United Kingdom income tax in respect of dividends or other income distributions of the Company. An individual Shareholder resident in the United Kingdom for tax purposes and in receipt of a dividend from the Company will, provided they own less than 10 per cent. of the Shares, be entitled to claim a non-repayable dividend tax credit equal to one-ninth of the dividend received.

The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who currently pay tax at the dividend ordinary rate of 10 per cent.). The effect for current eligible higher rate taxpayers (who pay tax at the current dividend upper rate of 32.5 per cent.) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received, to the extent that the gross dividend falls above the threshold for the higher rate of UK income tax but below the threshold for the additional rate of UK income tax when it is treated as the top slice of the Shareholder's income.

An additional rate of income tax applies for United Kingdom resident individuals with income in excess of £150,000 and such individuals will pay 37.5 per cent. tax on dividends received (reduced to an effective tax rate of 30.56 per cent. for eligible taxpayers as a result of applying the tax credit), to the extent that the gross dividend falls above the threshold for the additional rate of UK income tax when it is treated as the top slice of the Shareholder's income.

Shareholders within the charge to United Kingdom corporation tax may be liable for United Kingdom corporation tax (the main rate of United Kingdom corporation tax is currently 20 per cent.) on the receipt of a dividend. There is, however, an exemption from corporation tax on dividends received by United Kingdom resident companies, which may exempt such Shareholders from United Kingdom taxation on dividends paid by the Company, depending on their circumstances and subject to certain conditions being satisfied.

#### *Stamp duty and Stamp Duty Reserve Tax ("SDRT")*

No United Kingdom stamp duty or SDRT will arise on the issue of Shares.

No UK stamp duty will be payable on a transfer of Shares, provided that any instrument of transfer is not executed in the United Kingdom and does not relate to any property situate, or to any matter or thing done or to be done, in the United Kingdom.

Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a Company incorporated in the United Kingdom, any agreement to transfer the Shares will not be subject to UK SDRT.

#### *ISAs and SSAS/SIPPs*

From 1 July 2014, ISAs became "New ISAs" ("**NISAs**"). Shares acquired pursuant to the Placing will not be eligible for inclusion in a stocks and shares NISA. On admission to the SFM, Shares acquired by purchase in the market should be eligible for inclusion in a stocks and shares NISA, subject to applicable subscription limits.

The annual NISA investment allowance is £15,240 for the tax year 2015-2016. The amount of the allowance can be split between a cash NISA and a stocks and shares NISA in any way chosen.

The Shares should be eligible for inclusion in a SSAS or SIPP, subject to the discretion of the trustees of the SSAS or SIPP, as the case may be.

#### *Other United Kingdom Tax Considerations*

United Kingdom resident companies having an interest in the Company, such that 25 per cent. or more of the Company's profits for an accounting period could be apportioned to them, may be liable to United Kingdom corporation tax in respect of their share of the Company's undistributed profits in accordance with the provisions of Part 9A of TIOPA relating to controlled foreign companies (CFCs). These provisions only apply if the company is controlled by United Kingdom residents. "Control" for this purpose is established by reference to control of a company's affairs, economic control over a company's income and assets and, in certain cases, where a company is regarded as a parent of a CFC for accounting purposes.

Individuals resident in the United Kingdom should note that Chapter 2 of Part 13 of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

The attention of Shareholders resident in the United Kingdom is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 25 per cent. of the Shares.

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1 of Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

**Any Shareholder who is in doubt as to his or her taxation position, is strongly recommended to consult an independent professional adviser without delay.**

## **5. Memorandum and Articles of Incorporation**

- 5.1 Under the Memorandum of Incorporation of the Company the objects and powers of the Company are not restricted. However, the Articles provide that during the term of the

Leases, the Company may not engage in any business save for that set out in this Prospectus. Any material change to the investment policy as set out in this Prospectus can only be made with the sanction of an ordinary resolution of the members of the Company. The Memorandum of Incorporation is available for inspection at the addresses specified in paragraph 14 of this Part IX.

5.2 The Articles of Incorporation contain provisions, inter alia, to the following effect:

5.2.1 Shares Generally

(i) Subject to the Law, the Company may issue an unlimited number of shares in the capital of the Company.

(ii) Holders of Shares shall have the following rights:

*Dividends*

Shareholders are entitled to receive, and participate in, any dividends out of income; other distributions of the Company available for such purposes and resolved to be distributed in respect of any accounting period; or other income or right to participate therein.

*Winding up*

On a winding up, Shareholders shall have the rights set out in paragraph 5.2.1(iv) below.

*Voting*

The Shareholders shall have the right to receive notice of and to attend, speak and vote at general meetings of the Company and each holder of Shares being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote, and upon a poll, each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of each Share held by him.

(iii) Holders of B Shares shall have the following rights:

*Dividends*

Holders of B Shares are entitled to receive a fixed dividend of £0.00001 per B Share held payable on the 12 month anniversary of their issue, provided that any amounts less than £5.00 shall not be paid to such holder but instead shall be paid to a charity designated by the Directors.

*Voting*

Holders of B Shares have no rights to receive notice of or vote at general meetings of the Company.

*Winding up*

Holders of B Shares have no rights to receive amounts available for distribution on a winding up.

(iv) In the event of a winding up of the Company, the surplus assets of the Company available for distribution to Shareholders remaining after payment of all other debts and liabilities of the Company (and of the costs, charges and expenses of any such winding up) shall be applied in the following manner and order of priority:

- (1) first, in paying to each holder of Shares, in respect of each Share of which it is the holder, a sum equal to the amount paid up or credited as paid up thereon; and
  - (2) second, the balance of such assets (if any) shall be distributed amongst the holders of the Shares (in proportion to the numbers of Shares held by them).
- (v) Subject to the provisions of the Companies Laws and the Articles, the Company only may redeem Shares and/or B Shares on such terms as it may determine from time to time and only at the instance of the Company.
  - (vi) The Company may issue an unlimited number of Shares or B Shares. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or restrictions whether as to dividend, distribution, voting, return of capital, redemption or otherwise as the Board may determine. The Company may issue shares of no par value or shares with a par value or a combination of both.
  - (vii) Subject to the provisions of the Companies Laws and the Articles, the Company may from time to time purchase its own shares whether or not they are redeemable and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Companies Law. The shares may be issued on terms that they are liable to be redeemed on such terms and in such manner as the Board may determine. The Company and any of its subsidiary companies may, at the discretion of the Board, give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of shares in the Company or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company.
  - (viii) At any time when the share capital is divided into classes of shares the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.
  - (ix) There are no provisions of Guernsey law which confer rights of pre-emption in respect of the issue of additional Shares. If the Company were to issue additional Shares, such issue would be on a non-pre-emptive basis and any such issue may dilute the Shareholdings of existing Shareholders. The Company currently has no intention to issue Shares other than pursuant to the Placing within the next 12 months.

#### 5.2.2 Duration

Although the Company does not have a fixed life, the Articles require that the Directors convene a Liquidation Proposal Meeting in 2029 or such other date as Shareholders may approve by ordinary resolution. At the Liquidation Proposal Meeting, a Liquidation Resolution will be proposed that the Company proceed to an orderly wind up at the end of the term of the leases then in place. In the event the Liquidation Resolution is not passed, the Directors will consider alternatives for the Company and shall propose such alternatives at a general meeting of the

Shareholders, including re-leasing the Assets (to the extent the Assets have not already been disposed of in the market) or selling the Assets and applying the capital received from the sale of those Assets to: (i) repayment of debt; (ii) reinvestment in other aircraft; and/or (iii) any maintenance expenses associated with Assets other than those disposed of.

#### 5.2.3 Capitalisation of profits and B Shares

- (i) Subject to the Law, the Board may resolve that it is desirable to capitalise any undistributed profits including but not limited to realised gains of the Company or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or a share premium account or capital redemption account and accordingly that such sums be set free for distribution amongst the members who would have been entitled thereto if distributed and in the same proportions, on the condition that the same not be paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued B Shares of the Company to be allotted and distributed credited as fully paid to and amongst such members. The Board is authorised under the Articles to issue an unlimited number of B Shares for such purposes.
- (ii) The Board may, by notice to members, provide such members with the right to elect either to receive B Shares pursuant to the Articles or to receive a dividend payment in an amount equal to the amount which would otherwise have been utilised in paying up B Shares to which each member would otherwise have been entitled or to receive such amount in such other lawful manner that the Directors in their absolute discretion determine (an "**Alternative Value Return**"). The Directors may pay any such dividend or make any such Alternative Value Return notwithstanding that such dividend or Alternative Value Return would not be payable or made *pari passu* to all holders of Shares of the Relevant Class, provided that the aggregate amount of profit distributable to each Shareholder either by way of capitalisation of B Share or payment of dividend share or Alternative Value Return is in proportion to the number of Shares of the relevant class held. The Directors may at their discretion redeem the relevant B Shares to which such member is entitled at a redemption price equal to the amount paid up thereon (with such redemption proceeds being paid to the holders of such B Shares on such terms and in such manner as the Directors may from time to time determine).

#### 5.2.4 Winding up

- (i) Subject to any special rights attaching to the shares, on a winding up the liquidator may, with the authority of a special resolution, divide amongst the shareholders (excluding the holders of Treasury Shares) in specie the whole or any part of the assets of the Company, and may set such value as he deems fair upon any one or more class or classes of property, and may determine the method of division of such assets between shareholders. The liquidator (subject to any special rights attaching to the shares) may with like authority vest any part of the assets in trustees upon such trusts for the benefit of shareholders as he shall think fit but no

shareholder shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.

- (ii) Where the Company is proposed to be or is in the course of being wound-up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee for distribution among the shareholders of the Company or may enter into any other arrangements whereby the shareholders may, in lieu of receiving cash, shares, policies, or other like interests, or in addition thereto, participate in the profits of or receive any other benefit from the transferee.

#### 5.2.5 Notice requiring disclosure of interest in shares

The Directors shall have power by notice in writing to require any shareholders to disclose to the Company the identity of any person other than the shareholder (an interested party) who has any interest in the shares held by the shareholder and the nature of such interest.

Any such notice shall require any information in response to such notice to be given in writing within the prescribed period which shall be 28 days after the service of the notice, or 14 days if the shares concerned represent 0.25 per cent. or more in value of the issued shares of the relevant class.

If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period, the Directors may in their absolute discretion serve a notice (a "direction notice") on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") and any other shares held by the shareholder, the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned, the direction notice may additionally direct that dividends and/or distributions or the proceeds of any repurchase or repayment on the default interests or part thereof will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

#### 5.2.6 Dividends and distributions

- (i) Subject to compliance with the solvency test set out in the Companies Law, the Board may if they think fit at any time declare and pay such annual or interim dividends and distributions as appear to be justified by the position of the Company. No dividend shall be paid in excess of the amounts permitted by the Companies Law or approved by the Board.
- (ii) The Board are empowered to create reserves before recommending or declaring any dividend or distribution.
- (iii) The Board may carry forward such sums (out of profits or otherwise) which they think prudent not to distribute by dividend or distribution.
- (iv) Subject to the other provisions of the Articles, the Board may, in relation to any dividend or distribution, direct that the dividend or distribution shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares, debentures, or other securities of any other company.

- (v) The Board may deduct from any dividend payable to any shareholder on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- (vi) The Board may retain any dividend, distribution or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- (vii) The Board may retain dividends or distributions payable upon shares in respect of which any person is entitled to become a shareholder until such person has become a shareholder.
- (viii) The method of payment of dividends shall be at the discretion of the Board. The Board may in its discretion elect that any dividend, distribution, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post at the risk of the person entitled to the money represented thereby to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the Register. Any one of two or more joint holders may give effectual receipts for any dividend, distribution, interest, bonus or other monies payable in respect of their joint holdings.
- (ix) No dividend, distribution or other monies payable on or in respect of a share shall bear interest against the Company.
- (x) All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having been declared or became due for payment shall be forfeited and shall revert to the Company.

#### 5.2.7 Transfer of shares

The Articles provide that the Directors may implement such arrangements as they may think fit in order for any class of shares to be admitted to settlement by means of the CREST system. If the Directors implement any such arrangements, no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

- (i) the holding of shares of that class in uncertificated form;
- (ii) the transfer of title to shares of that class by means of the CREST system;  
or
- (iii) the Guernsey USRs or the CREST Rules.

Where any class of shares is, for the time being, admitted to settlement by means of the CREST system such securities may be issued in uncertificated form in accordance with and subject as provided in the Guernsey USRs or the CREST Rules. Unless the Directors otherwise determine, such securities held by the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings. The permitted number of joint holders of a share shall be four. No provision of the Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in uncertificated form. Such securities may be changed from uncertificated to

certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Guernsey USRs or the CREST Rules. Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST system and as provided in the Guernsey USRs or the CREST Rules.

Subject to such of the restrictions of the Articles as are described in this paragraph 5, any shareholder may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Directors may approve. The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. The Directors may refuse to register a transfer of any share in certificated form which is not fully paid up or on which the Company has a lien provided in the case of a listed share that this would not prevent dealings from taking place on an open and proper basis on the London Stock Exchange.

Subject to such of the restrictions of the Articles as are described in this paragraph 5, any shareholder may transfer all or any of his uncertificated shares by means of a relevant system authorised by the Directors in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Companies Laws or such as may otherwise from time to time be adopted by the Directors on behalf of the Company and the rules of any relevant system and accordingly no provision of the Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing.

#### 5.2.8 Register of Members

Subject to the provisions of the Guernsey USRs or the CREST Rules, the register may be closed during such periods as the Directors thinks fit, not exceeding in all thirty days in any year.

#### 5.2.9 Qualified Holders

No transfer to any person will be registered without the consent of the Directors if it would: (i) give rise to an obligation on the Company to register as an "investment company" under the US Investment Company Act or any similar legislation; (ii) give rise to an obligation on the Company to register under the US Securities Exchange Act of 1934 (the "**US Exchange Act**"), or any similar legislation; (iii) result in the Company not being considered a "foreign private issuer" as such term is defined in Rule 3b-4(c) under the US Exchange Act; (iv) result in a US Plan Investor holding shares; or (v) result in a person holding shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; (vi) cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the US Tax Code); (vii) cause the Company to be required to comply with any registration or filing requirements in any jurisdiction with which the Company would not otherwise be required to comply; or (viii) result in the Company suffering any other pecuniary, fiscal, administrative, regulatory or similar disadvantage (each person described in (i) through (vi) above, a "**Prohibited Person**"), and in each of the cases described in (i) through (vi) above, only to the extent permitted under the Guernsey USRs or the CREST Rules. In the event any shareholder becomes or holds shares on

behalf of a Prohibited Person such shareholder shall be required to notify the Administrator immediately.

If it shall come to the notice of the Directors that a Prohibited Person holds or is a beneficial owner of shares; that any shares are held or beneficially owned in a manner that would, in the absolute discretion of the Directors, prevent the Company from relying on the exemption from the obligation to register as an "investment company" under the US Investment Company Act; or the holding or beneficial ownership of any shares (whether on its own or in conjunction with any other shares) would in the absolute discretion of the board of Directors cause the assets of the Company to be considered "plan assets" within the meaning of the US Plan Asset Regulations, then any shares which the Directors decide, in their absolute discretion, are shares which are held or beneficially owned as described above (such shares, together the "**Prohibited Shares**") must be dealt with as described below.

The Directors shall give written notice to the holder of any share which the Directors decide, in their absolute discretion, to be a Prohibited Share requiring him within 21 days (or such other time as the Directors consider reasonable) to provide the Directors with sufficient satisfactory documentary evidence to satisfy the Directors that such share is not a Prohibited Share or to sell or transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share and to provide the Directors with satisfactory evidence of such sale or transfer. From the date of such notice until such person has established to the satisfaction of the Directors that the share is not a Prohibited Share or until registration of such a transfer or a transfer arranged by the Directors as referred to below, (i) the share will not confer any right on the holder to receive notice of or to attend or vote at general meetings of the Company and of any class of shareholders (and those rights will vest in the chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion) and (ii) no payments shall be made by the Company in respect of such Prohibited Shares. Further, the holder shall repay the Company any amounts distributed to such holder by the Company during the time such holder held Prohibited Shares. If the notice is not complied with within 21 days (or such other time as the Directors consider reasonable) to the satisfaction of the Directors, the Directors may, in their absolute discretion, (i) impose a penalty for each day such beneficial holder continues to hold Prohibited Shares or (ii), to the extent permitted under the Guernsey USRs or the CREST Rules, arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. For the purpose of arranging the sale of Prohibited Shares to any other person so that the shares will cease to be Prohibited Shares, the Directors may, but only to the extent permitted under the Guernsey USRs or the CREST Rules, (x) require that the shareholder in question execute powers of attorney or other authorisations as the Directors, in their discretion, deem necessary to effect the transfer as if such transfer had been executed by the holder of, or person entitled to transfer, the shares or (y) (1), in the case of a share in certificated form, authorise in writing any officer of the Company or person appointed by them to execute on behalf of the shareholder a transfer of the share to a purchaser and may issue a new certificate to such purchaser or (2), in the case of a share in uncertificated form, (a) may instruct Euroclear or the operator of any other relevant system to convert such uncertificated share into certificated form and take such other steps (including the

giving of directions to or on behalf of the shareholder who shall be bound by them) as they think fit to effect the transfer of the share to that person or (b), as hereby irrevocably authorised, authorise any officer of the Company or any person appointed by the Directors, to deliver an instruction to Euroclear, or the operator of any other relevant system, or to complete and execute all or any documents required to effect such transfer as required by Euroclear or the operator of any other relevant system. The purchaser will not be bound to see to the application of the purchase monies nor will his title to the shares be affected by an irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale will belong to the Company and, upon their receipt, the Company will become indebted to the former holder of, or person entitled to transfer, the shares for an amount equal to the net proceeds. No trust will be created in respect of the debt and no interest will be payable in respect of it and the Company will not be required to account for any monies earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Payment of any amount due to the former holder of, or person entitled by transmission to, the shares shall be subject to any requisite exchange control consents first having been obtained and the satisfactory completion by the Company or its authorised agent of any relevant anti-money laundering due diligence and the amount due to such person will be deposited by the Company in a bank for payment to such person upon such consent being obtained against surrender of the certificate or certificates representing the relevant shares previously held by such person. Upon deposit of such amount as aforesaid, such person shall have no further interest in such relevant shares or any of them or any claim against the Company in respect thereof except the right to receive such amount so deposited (without interest) upon such consents as aforesaid being obtained.

The Directors may, in their absolute discretion and without giving a reason, refuse to register any transfer of certificated shares which is prohibited by the provisions described above, or any transfer of shares unless such transfer is in respect of only one class of shares, is not in favour of any Prohibited Person, is in favour of a single transferee or no more than four joint transferees, is delivered for registration to the registered office or such other place as the Directors may decide, and is accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The above provisions, including in relation to Prohibited Shares, shall also apply where a holder of any share, following a request by the Directors or the Administrator, fails to provide within a reasonable time (not being less than 14 days after service of the notice requiring the same) information, representations, certificates or forms that are necessary or appropriate for the Company to comply with reporting and other obligations under FATCA or measures similar to FATCA.

#### 5.2.10 Alteration of capital

The Company may, by ordinary resolution: consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; subdivide all or any of its shares into shares of a smaller amount than its existing shares; cancel any shares which at the date of the resolution have not been taken or agreed to be taken and diminish the amount of its authorised share capital by the amount of shares so cancelled; where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its

amount in units or subdivisions of that currency or former currency; or convert all or any of its shares, the nominal amount of which is expressed in a particular currency or former currency, into shares of a nominal amount of a different currency. The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authority and consent required by the Companies Laws.

#### 5.2.11 Notices

A notice or other communication or other document may be given by the Company to any shareholder entitled to receive such notice either personally or by sending it by post in a pre-paid envelope addressed to the shareholder at his registered address (or such other address as nominated for the purpose).

- (i) A notice or other document sent by post shall, unless the contrary is shown, be deemed to have been received in the case of a notice sent to an address in the United Kingdom, Channel Islands or the Isle of Man, on the third working day after the day of posting and in, any other case, on the seventh business day after posting. The term "working day" shall be construed in accordance with the Companies Law.
- (ii) Service of a document sent by post shall be proved by showing the date of posting, the address thereon and the fact of pre-payment.
- (iii) Any notice or other document, if transmitted by electronic communication, facsimile transmission or other similar means which produce or enable the production of a document containing the text of the communication, shall be regarded as served when it is received. Electronic communication of a notice (properly addressed and dispatched to the shareholder's electronic address last notified in writing) is given or deemed to have been given at the time the electronic notice leaves the information system of the Company or the information system of any other person sending notices on behalf of the Company (as the case may be).

A notice or other communication may be given by the Company to the joint holders of a share by giving the notice or other communication to the joint holder first named in respect of the share in the register of shareholders to be kept pursuant to the Companies Laws.

All shareholders shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with the Companies Laws unless a shareholder notifies the Company otherwise (which must be in writing and signed by the shareholder and delivered to the registered office or such other place as directed by the Board).

Any notice or document delivered or other communication sent by post to or left at the registered address of any shareholder shall, notwithstanding the death, disability or insolvency of such shareholder and whether the Company has notice thereof, be deemed to have been duly served in respect of any share registered in the name of such shareholder as sole or joint holder and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.

Notice for any general meeting shall be sent not less than ten clear days before the meeting. Notices may be published on a website in accordance with the requirements of the Companies Laws. The notice shall be given to:

- (i) every shareholder entitled to receive notice of a general meeting;
- (ii) each Director; and
- (iii) every alternate director registered as such.

The notice must specify the time, date and place of the general meeting, state the general nature of business to be dealt with at the meeting and specify any special business to be put to the meeting and such other information required by the Companies Laws. A general meeting may be called by shorter notice than otherwise required if all the shareholders entitled to attend and vote so agree. The special notice is not effective unless notice of the intention to move it has been given to the Company at least 28 clear days before the date of the meeting at which it is moved. The accidental omission to give notice of any meeting or the non-receipt of such notice by any shareholder shall not invalidate any resolution, or any proposed resolution otherwise duly approved, passed or proceeding at any meeting.

#### 5.2.12 Interests of Directors

- (i) A Director who to his knowledge is in any way, directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest to the Board in accordance with the Companies Laws.
- (ii) A Director shall not vote or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any contract or arrangement or any other proposals to which the Company is or is to be a party and in which he has an interest which (together with any person connected with him) is, to his knowledge, a material interest (other than by virtue of his interest in shares or debentures or other securities of the Company) but, in the absence of some other material interest than is mentioned below, this prohibition does not apply to a resolution concerning any of the following matters:
  - (a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
  - (b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
  - (c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company;
  - (d) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a shareholder of the Company's group) in which he (and any persons connected with him) is interested and whether as an officer, shareholder, creditor or otherwise, if he (and any

persons connected with him) does not to his knowledge hold an interest in shares representing one per cent. or more of either a class of the equity share capital of or the voting rights in the relevant company (or of any other company through which his interest is derived);

- (e) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiary undertakings which only awards him a privilege or benefit generally awarded to the employees to whom it relates; or
  - (f) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.
- (iii) Any Director may act by himself or by his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
  - (iv) Any Director may continue to be or become a director, managing director or other officer or shareholder of a company promoted by the Company or in which the Company may be interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him.

#### 5.2.13 Remuneration of Directors

- (i) The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £400,000 per annum (or such sum as the Company in general meeting shall from time to time determine). The Directors shall also be entitled to be paid all reasonable out of pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Board or of committees or general meetings.

#### 5.2.14 Alternate Directors

- (i) Any Director may, by notice in writing under his hand served upon the Company, appoint any person (whether a shareholder of the Company or not) as an alternate Director to attend and vote in his place at any meeting of the Directors at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions.
- (ii) No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable expenses incurred in exercise of his duties.

#### 5.2.15 Number, Appointment and Qualification of Directors

- (i) At each annual general meeting of the Company all the Directors who held office at the two preceding annual general meetings and did not retire shall retire from office and shall be available for re-election at the same meeting.

- (ii) A Director shall not be required to hold any shares in the Company in order to qualify to be a Director.
- (iii) There is no age limit at which a Director is required to retire.

#### 5.2.16 Disqualification and Removal Of Directors

The office of Director shall be vacated if, inter alia, the Director resigns his office by written notice, if he shall have absented himself from meetings of the Board for a consecutive period of twelve months and the Board resolves that his office shall be vacated, if he dies, becomes of unsound mind or incapable, if he becomes insolvent, suspends payment or compounds with his creditors, if he is requested to resign by written notice signed by all his co-Directors, if the Company in general meeting by ordinary resolution shall declare that he shall cease to be a Director, or if he becomes prohibited from being a Director by reason of any order made under any provisions or any law or enactment.

#### 5.2.17 Borrowing Powers

- (i) The Board may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property or assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party provided always that the aggregate principal amount of all borrowings by the Company shall not at the point of drawdown of any borrowings exceed 15 per cent. of the Net Asset Value of the Company except with the previous sanction of a special resolution passed by the Company in general meeting.
- (ii) Notwithstanding the borrowing limit imposed the Board may exercise all the powers of the Company to enter into the First Tranche Finance Agreements, or any other loan agreement the purpose of which is to finance the acquisition of aircraft.

#### 5.2.18 Indemnity and Insurance

The Directors, Company Secretary and officers for the time being of the Company and their respective heirs and executors shall, to the extent permitted by the Companies Law, be fully indemnified out of the assets and profits of the Company from and against all actions, expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any monies or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any monies of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

The Directors may agree to such contractual indemnities for the benefit of the Company Secretary, officers, employees and other agents and contracting parties as they may, from time to time, deem fit.

In addition, the board of Directors may purchase and maintain, at the expense of the Company, insurance for the benefit of the Directors, Company Secretary, officers, employees and other agents and/or to cover corporate reimbursement of such Directors, secretary, officers, employees and other agents.

#### 5.2.19 Change of Name

On any resolution to change the name of the Company in response to any actual or threatened claim or potential claim of trademark infringement, whether on a show of hands or by poll, every shareholder present in person or by proxy voting in favour of changing the name to remove any reference to any offending part of the name shall have such number of votes as are required for the resolution to be duly adopted. In the event of any deadlock in relation to a resolution on change of name, the chairman of the meeting shall have a casting vote.

#### 5.2.20 Acquisitions of aircraft

The Company may only acquire aircraft with the approval of Shareholders by ordinary resolution in relation to each proposed acquisition, save that Shareholder approval shall not be required in relation to the purchase of:

- (i) the Initial Assets; and
- (ii) two further A380s for lease to Emirates provided that: (a) the Board considers that the terms of purchase and lease are substantially similar to those of the Initial Assets; (b) suitable debt financing is available on terms acceptable to the Board; (c) the target returns specified in the Prospectus will be supported by those acquisitions; and (d) no other aircraft (that is, no aircraft which are not A380s for lease to Emirates) have been acquired by the Company.

### 6. Material contracts

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since its incorporation and are, or may be, material or that contain any provision under which any entity within the Company has any obligation or entitlement which is or may be material to the Company as at the date of this Prospectus.

#### 6.1 Placing Agreement

The Company, Amedeo Limited and Nimrod have entered into the Placing Agreement, dated on or about the date of this Prospectus, whereby Nimrod has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for Shares under the Placing at the Issue Price. Nimrod is not under an obligation to purchase Shares in the event that it is unable to procure subscribers for Shares. For its services in connection with the Placing, Nimrod will be entitled to fees and a placing commission as described below.

The Company will reimburse Amedeo and Nimrod for all costs and expenses incurred by them in connection with the Placing and will pay Amedeo and Nimrod's reasonable legal fees.

In consideration for Nimrod acting as placing agent in the Placing the Company has agreed to pay Nimrod, as at Admission, a placing commission of £1,711,875, which represents 0.85 per cent. of the Placing Proceeds. All fees, expenses and commissions payable to

Nimrod by the Company shall be paid to Nimrod together with any VAT payable in respect of such fees, expenses or commissions.

Under the Placing Agreement, which is subject to certain customary conditions precedent and which may be terminated by Nimrod in certain customary circumstances prior to Admission, the Company and Amedeo have given warranties to Nimrod concerning, inter alia, the accuracy of the information contained in this Prospectus. In addition, the Company and Amedeo have given standard indemnities to Nimrod. The warranties and indemnities given by the Company and Amedeo are standard for an agreement of this nature. There is no cap on the liability of the Company.

## 6.2 The Agency Agreement

The Company and Amedeo Limited have entered into the Agency Agreement, dated on or about the date of this Prospectus, whereby Amedeo has agreed to assist the Company and each Lessor (as relevant), and shall act as the sole and exclusive agent to the same, in relation to:

- (a) the arrangement, negotiation, review and, following the approval and execution by the Company, the management of the acquisition of the Initial Assets as well as any other Assets which may be acquired by the Company subsequent to the Initial Assets;
- (b) the borrowings (including any Debt Financing Documentation); and
- (c) each lease and ensuring that the Material Agreements are consistent with market practice in the aviation industry.

In consideration for providing the services pursuant to the Agency Agreement, the Company shall (for itself and on behalf of each Lessor) upon Admission pay to Amedeo an upfront lease and debt arrangement fee of £2,438,125 (the "**Upfront Fee**"). The Company shall also upon Admission reimburse Amedeo for all expenses reasonably and properly incurred by Amedeo in connection with the performance of the services provided under the Agency Agreement in advance of Admission (including, without limitation, all commitment and arrangement fees with respect to the First Tranche Assets).

The Company shall indemnify Amedeo against all claims by third parties which may be made against Amedeo, its members, partners, officers or employees as a consequence of the proper performance of its duties under the Agency Agreement except to the extent that the claim is due to fraud, negligence or wilful default of, or a material breach of the Agency Agreement or applicable law or regulations by, Amedeo or any of its members, partners, officers or employees.

Amedeo's appointment as the exclusive provider of each of the services under the Agency Agreement shall continue in force until the date of the Disposition of the final Asset owned by the Company (or, as the case may be, any Lessor) in respect of which Amedeo is providing services under the Agency Agreement. Amedeo's appointment shall end automatically without the need for any notice of termination upon the completion of the dissolution of the Company or upon the winding up of the Company following a Liquidation Resolution. Either party shall be entitled to terminate the Agency Agreement on giving notice in writing if insolvency proceedings or judicial or extra judicial composition proceedings are instituted with respect to either party, or when the institution of such proceedings is prevented for lack of assets. Amedeo shall be entitled to terminate the Agency Agreement or, at its discretion, suspend its obligation to provide any or all of the services under the Agency Agreement if the Company is in breach of any of its payment or material non-payment obligations under the Agency Agreement.

### 6.3 The Asset Management Agreement

The Company, Amedeo Limited and Amedeo Services (UK) Limited have entered into the Asset Management Agreement, dated on or about the date of this Prospectus, whereby Amedeo Limited is appointed as the Company's exclusive agent and representative in respect of the Assets and the leases with, subject to the terms and conditions set out in the Asset Management Agreement, the authority to fully represent the Company and each Lessor in all matters relating to the exercise of the rights (and, to the extent required, the observance of the obligations) of the Company and the Lessors with respect to the leases and the Assets. In such capacity the Asset Manager shall, without limitation to the generality of the foregoing: (i) monitor and, to the extent required pursuant to the terms and conditions set out in each lease, administer each relevant lessee's performance of its obligations under the relevant lease (including such lessee's obligations relating to the insurance of the Asset); (ii) as the Company's exclusive remarketing agent in respect of the Assets, use all reasonable endeavours to solicit offers to lease or sell each of the Assets on the best terms reasonably obtainable having due regard to the then current market conditions (including current industry and market practice); (iii) carry out mid-lease inspections of the Assets; (iv) provide the Company with information and analysis with respect to each Asset, including a quarterly asset monitoring report which will include recent developments and a forward looking statement including inspection results, events, any material information, significant changes, decisions which have been made or need to be made, events affecting distributions, and other major or pending events, issues or outcomes as far as known to the Asset Manager; and (v) if requested by the Company, acting reasonably, a financial model that would allow the Board to prepare or re-assess target distributions based on the Asset Manager's view of projected cash flows and liabilities. The Asset Management Agreement additionally provides that, to the extent that the Company requests that any services be provided under the Asset Management Agreement which represent 'asset management activities' (as such term is given meaning pursuant to the UCITS Directive), the Company shall only request that such activities be undertaken by Amedeo Services (UK) Limited and not by Amedeo Limited.

With respect to each service provided under the Asset Management Agreement, the Asset Manager shall use reasonable care and diligence at all times in the performance of the services as if it were the owner of the aircraft and at all times in a manner at least consistent with the customary commercial practice of a first class international aircraft operating lessor in the management and re-marketing of commercial jet aircraft and related assets.

The Asset Manager shall agree an initial budget for its estimated annual costs and expenses relating to the provision of the services pursuant to the Asset Management Agreement which shall be included in the overall projected cash flows. In case there are material changes to this budget or additional expenses anticipated in any year, the Company and the Asset Manager shall agree such changes or increased amount for that year.

In consideration for providing the services pursuant to the Asset Management Agreement the Company will pay the Asset Manager a management and advisory fee of £247,500 per annum per Initial Asset (adjusted annually for inflation commencing from 1 January 2016 onwards at 2.5 per cent. per annum), payable monthly in arrear (the "**Annual Fee**"). The Annual Fee for each Initial Asset shall accrue from the date of Admission.

With respect to the Disposition of the Initial Assets, the Company shall pay to the Asset Manager Disposition Fees calculated as follows:

- (a) upon the Disposition of each Initial Asset, the Company shall pay to Amedeo a base fee equal to 1.75 per cent. of the Realised Value of such Initial Asset (the "**Base Disposition Fee**") (the aggregate of the Base Disposition Fees to be paid by the

Company to Amedeo with respect to the Initial Assets being the "**Aggregate Base Disposition Fees**";

(b) in addition to the Base Disposition Fee, upon the completion of the Disposition of the fourth and final Initial Asset, if the aggregate of the Aggregate IARV less the Aggregate Junior Loan Balances (such amount being the "**Adjusted IARV**") equals or exceeds the aggregate amount represented by:

- (i) the Additional Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate); plus
- (ii) the aggregate of: (x) the Aggregate Base Disposition Fees; plus (y) the amount equal to 1 per cent. of the Aggregate IARV,

(the total of (i) and (ii) above being the "**Additional Reference Amount**") then the Company shall pay to the Asset Manager an additional disposition fee equal to 2.75 per cent. of the Aggregate IARV less the Aggregate Base Disposition Fees (the "**Additional Disposition Fee**"). If the Adjusted IARV is less than the Additional Reference Amount but more than the Additional Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate), the Asset Manager and the Company agree that the Additional Disposition Fee to be paid by the Company to the Asset Manager shall be calculated using the same methodology as set out above save that the amount described in (y) shall be calculated using such percentage less than 1 per cent. required in order to allow the net amount to be retained by the Company following the payment of the Aggregate Base Disposition Fees and the Additional Disposition Fee to Amedeo to equal the Additional Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate); and

(c) in addition to the Base Disposition Fee and the Additional Disposition Fee, upon the completion of the Disposition of the fourth and final Initial Asset, if the Adjusted IARV equals or exceeds the aggregate amount represented by:

- (i) the Incentive Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate); plus
- (ii) the aggregate of: (x) the Aggregate Base Disposition Fees; plus (y) the Additional Disposition Fee; plus (z) the amount equal to 1.25 per cent. of the Aggregate IARV,

(the total of (i) and (ii) above being the "**Incentive Reference Amount**") then the Company shall pay to the Asset Manager an incentive disposition fee equal to 4 per cent. of the Aggregate IARV less the aggregate of the Aggregate Base Disposition Fees and the Additional Disposition Fee (the "**Incentive Disposition Fee**"). If the Adjusted IARV is less than the Incentive Reference Amount but more than the Incentive Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate), the Asset Manager and the Company agree that the Incentive Disposition Fee to be paid by the Company to the Asset Manager shall be calculated using the same methodology as set out above save that the amount described in (z) shall be calculated using such percentage less than 1.25 per cent. required in order to allow the net amount to be retained by the Company following the payment of the Aggregate Base Disposition Fees, the Additional Disposition Fee and the Incentive Disposition Fee to the Asset Manager to equal the Incentive Threshold (converted into Dollars at the then prevailing Sterling/Dollar exchange rate).

The Company and the Asset Manager further agree that, if an Initial Asset is the subject of a Disposition prior to the end of its 12 year lease term:

- (a) the Company shall pay to the Asset Manager a disposition fee equal to: (i) 3 per cent. of the Realised Value which results from any such Disposition; or, (ii) if the Disposed Asset's Realised Value is equal to or greater than the amount equal to one quarter of the Incentive Threshold, 4 per cent. of the Realised Value which results from any such Disposition; and
- (b) the Additional Disposition Fee and the Incentive Disposition Fee with respect to the remaining Initial Assets shall remain due and payable by the Company to the Asset Manager; however, the Additional Threshold and the Incentive Threshold shall, respectively, be reduced proportionally with reference to the actual number of Initial Assets which were Disposed of at the end of their 12 year lease terms. By way of example; if one Initial Asset is Disposed of in advance (whether by sale / lease or as the result of a Total Loss), the Additional Threshold and Incentive Threshold shall be reduced by a factor of one quarter to an amount equal to three quarters of the original amounts as such were calculated with reference to all four Initial Assets.

With respect to any aircraft which are acquired by the Company in addition to the Initial Assets, the Company and the Asset Manager agree that, with respect to the Disposition of such Asset, the Company shall pay to the Asset Manager on an Asset-by-Asset basis a disposition fee equal to 3 per cent. of the Realised Value of such Asset.

If the Asset Manager arranges the disposal of an Asset by arranging a long term re-lease of the same (the "**Re-Leased Aircraft**"), rather than by arranging the sale of the Asset, then for the purposes of the calculation of fees payable to the Asset Manager in relation to such re-lease the Disposition of the Re-Leased Aircraft shall be taken to have occurred on the date of commencement of such long-term re-lease. The Company and the Asset Manager, each acting reasonably, shall agree the Realised Value attributable to such re-lease, the calculation of which shall be agreed by reference to various factors, including, amongst other things, the periodic amount of rent paid under, and for the full term of, such subsequent lease. No further Disposition Fee, as determined pursuant to the Asset Management Agreement, shall be payable on the eventual sale of the Re-Leased Aircraft (without prejudice to the Asset Manager's ability to be paid under any separate arrangements agreed in the future in respect of such sale in the event that the Asset Manager subsequently arranges the sale).

If a special situation arises which is not part of the routine asset management activities of the Asset Manager as set out in the Asset Management Agreement (a "**Special Situation**"), including but not limited to: (i) a termination event under any of the leases (except for an end of term termination); and (ii) any operational or technical incident or accident (including with respect to the design of the aircraft) involving the Asset which does not constitute a Total Loss (whether resulting in the grounding of the aircraft or otherwise) and which results in the need for a significant repair to the Asset, the engines or any significant component installed thereon and the scope of work requires the services of:

- (a) one or more dedicated engineers, the Asset Manager shall be entitled to charge a reasonable daily rate equal to the then market rate (based upon quotes obtained from a third-party technical advisory and consultancy organisation) per man day (of eight hours elapsed time) for a dedicated engineer or engineers; and/or
- (b) a dedicated project manager, the Asset Manager shall be entitled to charge a reasonable daily rate equal to the then market rate (based upon quotes obtained from a third-party technical advisory and consultancy organisation) per man day (of eight working hours elapsed time) for a dedicated project manager.

The category (or categories) and the number of persons allocated to a project shall be coordinated and agreed between the Asset Manager and the Company prior to commencement of such activities and shall depend on the nature of activities required to be performed. The daily rate shall apply during any day irrespective of any delay in performing or any inability to perform the project activities and shall also apply for any day (or part thereof) of travel.

A Total Loss (and any subsequent receipt of proceeds) in respect of an Asset shall be considered a Disposition for the purposes of the Asset Management Agreement, with the Realised Value for the purposes of the calculation of the Disposition Fee being the "total loss proceeds" (howsoever defined under the relevant lease). In the event of a Total Loss of an Asset the Annual Fee payable on that Asset shall be pro-rated to the date of the Total Loss.

The Company will, fully and promptly upon presentation, reimburse the Asset Manager for all expenses (except for those incurred following a sub-delegation in accordance with the terms of the Asset Management Agreement) reasonably and properly incurred by the Asset Manager in connection with the performance of the services under the Asset Management Agreement. Any maintenance invoices, any airport charges or similar Asset related costs and expenses shall be invoiced to and paid directly by the Company, unless otherwise agreed, in which case the Asset Manager shall also be reimbursed for any such costs and all expenses so incurred on behalf of the Company. The reimbursement of such costs and expenses shall apply to all costs and expenses in relation to services performed by the Asset Manager under the Asset Management Agreement, whether incurred in relation to aircraft management services, lessor investor services, remarketing services (also when sub-delegated) or lease and technical management services in Special Situations. For these purposes, 'expenses' means all out of pocket costs and expenses accompanied by supporting evidence (including legal, accounting and tax fees and other professional fees; fees of technical and other industry expert consultants; hotels; travelling; publicity; and other such expenses) reasonably and properly incurred by the Asset Manager in relation to its provision of the services under the Asset Management Agreement.

The Company shall indemnify the Asset Manager against all claims by third parties which may be made against the Asset Manager, its members, officers or employees as a consequence of the proper performance of its duties under the Asset Management Agreement, except to the extent that the claim is due to the fraud, negligence or wilful default of, or a material breach of the Asset Management Agreement or applicable law or regulations by, the Asset Manager or any of its members, officers or employees. All sums payable pursuant to this indemnity shall be paid free and clear of all deductions or withholdings and without any set-off or counterclaim unless the deduction, withholding or set-off is required by law, in which event such additional amount shall be paid as shall be required to ensure that the net amount received will equal the full amount which would have been received had no such deduction, withholding or set-offs been made.

The amount of liability on the part of the Asset Manager with respect to any Asset, its legal representatives and agents vis-à-vis the Company and its shareholders shall, unless the liability is due to the fraud or wilful misconduct of the Asset Manager, be limited to the Annual Fee payable to the Asset Manager relating to that Asset in the calendar year in which the relevant liability was incurred.

The Asset Manager accepts responsibility for, and shall indemnify the Company for, any loss to the Company to the extent that such loss is due to the fraud, negligence or wilful default of, or a material breach of the Asset Management Agreement or applicable law or regulations by, the Asset Manager or any of its members, partners, officers or employees.

The Asset Manager shall at its expense maintain liability insurance for an amount of not less than £10,000,000 covering its potential liabilities under the Asset Management Agreement and shall provide details of such insurance cover to the Company upon request.

The Asset Manager's appointment as the exclusive provider of each of the services under the Asset Management Agreement shall continue until the date of the Disposition of the final Asset owned by the Company (or, as the case may be, any Lessor) in respect of which the Asset Manager is providing services. The Asset Manager's appointment shall end automatically without the need for any notice of termination upon the completion of the dissolution of the Company or upon the winding up of the Company following a Liquidation Resolution.

The Company shall be entitled, on a service by service basis, to terminate the Asset Manager's appointment as the Company's exclusive agent with respect to the provision of a Service if the Asset Manager, solely through fraud, gross negligence or wilful misconduct, fails to perform its material obligations owed with respect to such Service and the Asset Manager fails to remedy such default within 30 days after receipt by the Asset Manager of notice from the Company requiring the same to be remedied. Without prejudice to: (i) the Company's payment and non-payment obligations as set out in the Asset Management Agreement each of which shall, at all times and notwithstanding any actions taken by the Company, remain in full force and effect as the binding obligations of the Company; and (ii) the limit on the Asset Manager's liability under the Asset Management Agreement with respect to any aircraft (being the Annual Fee payable in relation to that aircraft in the calendar year in which the relevant liability was incurred), nothing will be construed so as to limit the Company's right (if any) to bring a claim for damages against the Asset Manager in the event of the Asset Manager's failure to perform its material obligations owed with respect to a service under the Asset Management Agreement.

If the Company considers that the Asset Manager has failed to perform one or more of its material obligations under the Asset Management Agreement, but that such failure has not arisen as a result of fraud, gross negligence or wilful misconduct, the Company will give written notice of the same to the Asset Manager, following which representatives of the Company and the Asset Manager will enter into negotiations with a view to resolving the issues specified. If resolution of this issue is not possible within 30 days of the service of the written notice by the Company, either party may refer the matter to be resolved by arbitration pursuant to the arbitration procedure specified in the Asset Management Agreement (which provides that the matter shall be referred to and finally resolved by arbitration in London under the LCIA Rules, with a tribunal of three arbitrators). In the event that the tribunal determines that the Asset Manager's failure represents a material breach of the Asset Management Agreement, the Asset Manager shall have a period of 30 days to remedy such breach. If this breach is not remedied at the end of that period, the Company may terminate the Asset Manager's appointment as the exclusive agent of the Company in respect of the service in question.

The Asset Manager shall be entitled to terminate the Asset Management Agreement or, at its discretion, suspend its obligation to provide any or all of the services if the Company is in breach of any of its payment or material non-payment obligations under the Asset Management Agreement.

Either party shall be entitled to terminate the Asset Management Agreement on giving notice in writing if:

- (a) insolvency proceedings or judicial or extra judicial composition proceedings are instituted with respect to either party, or when the institution of such proceedings is prevented for lack of assets; or

- (b) either due to a change of law in Ireland or any jurisdiction where the Asset Manager is legally resident (and, where the effect of such change in law cannot be mitigated by the Asset Manager or, as the case may be, the Company within 30 days after the occurrence of such event), the Company becomes resident in any jurisdiction other than Guernsey for tax purposes.

#### 6.4 Liaison and Administration Oversight Agreement

The Company and Amedeo Services (UK) Limited have entered into the Liaison and Administration Oversight Agreement, dated on or about the date of this Prospectus, whereby Amedeo Services (UK) Limited has agreed to assist, in an administrative role, the Asset Manager and the Administrator in the provision of their services to the Company. The Company shall pay Amedeo Services (UK) Limited a fee of £10,000 (exclusive of any applicable taxes), adjusted annually for inflation from 1 January 2016 onwards at 2.5 per cent. per annum for its services under the Liaison and Administration Oversight Agreement. The initial payment of the Liaison and Administration Oversight Fee shall be due upon the date of Admission, with each subsequent payment being payable annually in advance on each anniversary of the date of Admission.

The Company may immediately terminate the Liaison and Administration Oversight Agreement at any time on written notice. The Liaison and Administration Oversight Agent may terminate the Liaison and Administration Oversight Agreement at any time by giving one month's written notice to the Company, or immediately on written notice in the event of material breach of the Liaison and Administration Oversight Agreement by the Company or (without notice) on the completion of the dissolution of the Company.

#### 6.5 The Administration Agreement

The Company and the Administrator have entered into the Administration Agreement, dated on or about the date of this Prospectus, pursuant to which the Company appoints the Administrator to act as administrator and secretary of the Company. The Administration Agreement may be terminated by either party on three months' written notice, provided that such termination is not to take effect at any time prior to the first anniversary of Admission.

The Administrator is entitled to fees as set out below in consideration for the services to be provided:

- (a) an establishment fee for establishing the Company, calculated on a time charge basis but capped at £15,000. An establishment fee for establishing a subsidiary will likewise be calculated on a time charge basis but capped at £1,800 per subsidiary;
- (b) an administration fee for the Company of £18,000 per annum and for each subsidiary of £2,500 per annum;
- (c) a secretarial fee for the Company of £25,000 per annum assuming quarterly board meetings, four dividend declaration meetings and an annual general meeting each year, and for each subsidiary of £2,400 per annum for four routine dividend board meetings and an annual general meeting each year. Where a meeting is held outside of Guernsey a charge of £1,500 per day for each person attending from the Administrator will be levied;
- (d) a value fee of 0.015 per cent of the Gross Asset Value of the Company, in excess of the first £100 million, capped at £15,000 per annum per Asset owned by the Company directly or through any subsidiaries;
- (e) a financial reporting fee in respect of the preparation and approval for the Company on a group consolidated basis of audited annual reports and half yearly reports, calculated on a time charge basis but capped at £25,000 per annum with a supplement of no

more than £1,000 for each Asset owned by the Company, directly or through any subsidiaries;

- (f) a working capital model and target return calculation fee in respect of the production of a model forecasting the cash flows of the Company over its life time and an assessment of the reasonableness of the Company's target return (as described in the Prospectus) calculated on a time charge basis but capped at £12,500; and
- (g) an aircraft transaction fee calculated on a time-charge basis for each specific transaction as follows:
  - (i) for the documenting and completion of a bank debt facility arrangement, a fee not exceeding £2,500;
  - (ii) for corporate matters in connection with the acquisition and/or lease of an Asset, a fee not exceeding £2,500; and
  - (iii) for matters arising on the sale or transfer of an Asset or a subsidiary, a fee not exceeding £3,000 per Asset or subsidiary.

The fees described in sub-paragraph (a) shall be payable by the Company upon presentation of an invoice by the Administrator to the Company once the event referred to has occurred.

The fees described in paragraphs (b) to (e) shall be payable by the Company monthly in arrears, and where applicable shall be subject to a pro rata reduction on a daily basis in respect of any services performed for only part of any month, and shall be automatically subject to an annual increase by reference to the States of Guernsey Retail Price Index capped at a mean average of 2.5 per cent. per annum applied pro rata on 1 April 2016 and annually thereafter.

In addition to the above remuneration the Administrator shall also be entitled to such other remuneration as shall be agreed between the Administrator and the Company from time to time (including activity fees as previously agreed with the Company or time cost charges which shall be levied by the Administrator for any other matter not already included under the Administration Agreement).

The Administrator will be entitled to recover by way of reimbursement from the Company: (a) its reasonable out-of-pocket expenses incurred by it in the performance of its services under the Administration Agreement; and (b) all reasonable costs and charges (to include a reasonable time cost charge of the Administrator) incurred in procuring the announcement and dissemination of all communications to shareholders (to include reports, circulars, certificates, dividend warrants and cheques), provided that the Administrator shall if requested provide reasonable documentary evidence of such expenses.

The Administrator will be held harmless and indemnified by the Company against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Administrator by reason of its proper performance of its duties under the terms of the Administration Agreement (including but not limited to the Administrator's duties under the terms of the Administration Agreement in respect of the Company and any SPV), including all reasonable legal, professional and other expenses properly and reasonably incurred, except such as shall arise from the Administrator's breach of its obligations or its bad faith, negligence, wilful default, wilful misconduct or fraud or in respect of any liability or breach of any duties or obligations which the Administrator may have under any statute, governmental decree or order, or rules or regulations made pursuant to the same or rules and/or code of conduct of any professional or regulatory body or association of which the Administrator is a member.

## 6.6 The Registrar Agreement

The Company and the Registrar have entered into the Registrar Agreement, dated on or about the date of this Prospectus, between the Company and the Registrar pursuant to which the Company appoints the Registrar to act in Guernsey as registrar, transfer agent and paying agent of the Company. The Registrar Agreement may be terminated by either the Company or the Registrar giving to the other at any time after six months from the date of the Registrar Agreement not less than 90 days' notice in writing. The Registrar will be entitled to an annual basic fee from the Company equal to the higher of £4,000 per annum, or £1,500 per Register per annum or part thereof, or £2.00 per shareholder per annum or part thereof. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as listed in the Registrar Agreement. The annual basic fee and certain fees for other registrar activity shall be automatically subject to an annual increase as at each anniversary of the effective date of the Registrar Agreement by reference to the States of Guernsey Retail Price Index, provided that any such annual increase shall be capped at 2.25 per cent. The Company will also reimburse the Registrar for all reasonable out-of-pocket disbursements incurred by the Registrar in connection with the performance of its services under the Registrar Agreement.

The Company has undertaken to indemnify and hold harmless the Registrar against all claims and demands (including reasonable costs and expenses arising therefrom or incidental thereto) which may be made against the Registrar in respect of any loss or damage sustained or suffered or alleged to have been sustained or suffered by any third party (including in respect of any forged transfers) as a result or in consequence of the performance or non-performance by the Registrar of its obligations under the Registrar Agreement otherwise than by reason of the fraud, negligence, wilful misconduct or the breach by it of the terms of the Registrar Agreement or the CREST Rules.

The liability of the Registrar under the Registrar Agreement will be capped at the lesser of £1,000,000 or an amount equal to ten times the annual basic fee described above, except in the case of fraud committed by the Registrar, its agents or employees.

## 6.7 The UK Transfer Agent Agreement

The Company, the Registrar and the UK Transfer Agent have entered into the UK Transfer Agreement, dated on or about the date of this Prospectus, pursuant to which the Registrar appoints the UK Transfer Agent to act as the Company's transfer agent in the United Kingdom. The UK Transfer Agent Agreement may be terminated by the Registrar giving to the UK Transfer Agent at any time after six months from the date of the UK Transfer Agreement not less than 90 days' written notice. The remuneration of the UK Transfer Agent will be borne by the Registrar as agreed separately between the UK Transfer Agent and the Registrar from time to time. The Company shall not be liable to pay the UK Transfer Agent any remuneration, although the Company will reimburse the Registrar for all reimbursable expenses payable by it for all out-of-pocket costs and reasonable expenses reasonably and properly incurred by the UK Transfer Agent in connection with the performance of the services of the UK Transfer Agent, together with a fee of £1,500 per annum for provision of a UK Transfer Agent facility.

The Company has undertaken to indemnify and hold harmless the UK Transfer Agent against all claims and demands (including reasonable costs and expenses arising therefrom or incidental thereto) which may be made against the UK Transfer Agent in respect of any loss or damage sustained or suffered or alleged to have been sustained or suffered by any third party as a result of or in consequence of the performance or non-performance by the UK Transfer Agent of its obligations, otherwise than by reason of the

fraud, negligence, wilful misconduct or wilful default or the breach by it of the terms of the UK Transfer Agreement.

The liability of the UK Transfer Agent shall not exceed the lesser of £1,000,000 or an amount equal to ten times the total annual fee paid by the Company to the Registrar for procuring the services of the UK Transfer Agent, except in cases of fraud committed by the UK Transfer Agent, directors, officers, agents or employees.

#### 6.8 The Corporate and Shareholder Advisory Agreement

The Company and Nimrod have entered into the Corporate and Shareholder Advisory Agreement, dated on or about the date of this Prospectus, pursuant to which the Company appoints Nimrod to, inter alia, maintain a regular dialogue with Shareholders as and when Nimrod considers it appropriate to do so in order to ensure that any significant developments in relation to the Company are communicated appropriately to Shareholders, including after the announcements of annual and interim results by the Company, monitor the Register, report to the Company on its Shareholder composition and significant Shareholders as and when reasonably requested by the Company and track the market price and any discount to NAV that the Shares may be trading at.

The Company shall pay to Nimrod for its services as Corporate and Shareholder Adviser an annual fee of £702,128 (which represents 0.35 per cent. of the Placing Proceeds), payable quarterly in arrear and adjusted annually for inflation from 2016 onwards at 2.5 per cent. per annum. This annual fee shall accrue from the date of Admission.

The Company shall indemnify Nimrod against all claims by third parties which may be made against Nimrod, its members, partners, officers or employees as a consequence of the proper performance of its duties under the Corporate and Shareholder Advisory Agreement except to the extent that the claim is due to fraud, negligence or wilful default of, or a material breach of the Corporate and Shareholder Advisory Agreement or applicable law or regulations by, Nimrod or any of its members, partners, officers or employees. All sums payable under this indemnity shall be paid free and clear of all deductions or withholdings without any set-off or counterclaim unless the deduction, withholding or set-off is required by law, in which event such additional amount shall be paid as shall be required to ensure that the net amount received will equal the full amount which would have been received had no such deduction, withholding or set-offs been made.

Nimrod accepts responsibility for, and shall indemnify the Company for, any loss to the Company to the extent that such loss is due to the fraud, negligence or wilful default of, or a material breach of the Corporate and Shareholder Advisory Agreement or applicable law or regulations by, Nimrod or any of its members, partners, officers or employees.

The Corporate and Shareholder Advisory Agreement shall continue in force unless and until terminated by the Company or Nimrod giving to the other not less than 18 months' written notice, such notice not to expire before the twelfth anniversary of Admission. The Corporate and Shareholder Advisory Agreement may be terminated by either party immediately in certain circumstances, including where the other party goes into liquidation or becomes subject to similar insolvency proceedings, or where one party has committed a material breach of its obligations and fails to remedy such breach within 90 days after receiving written notice requiring the same to be remedied.

#### 6.9 The Amedeo Lock-up Agreement

Amedeo Capital has undertaken that, subject to certain standard exceptions (such as the acceptance of any general offer for the issued share capital of the Company made in accordance with the Takeover Code, pursuant to any sale or transfer required by applicable law or regulation, pursuant to an offer by the Company to purchase its own

Shares where such offer is made on identical terms to all holders of Shares in the Company), for the period ending on the second anniversary of Admission it will not, without the prior written consent of the Company, make a disposal of Shares acquired by it in the Placing (the "**Lock-up**"). The Lock-up is subject to the following conditions: (i) it shall apply only to such number of Shares acquired by it in the Placing which together represent up to 10 per cent. of the Shares issued on Admission; and (ii) in respect of any Shares held in excess of 5 per cent. of those issued on Admission, it shall cease to apply where Amedeo Capital, acting in good faith, notifies the Company that it or any Amedeo group entity intends to use the proceeds of the disposal of such Shares to fund the furtherance of its business activities (which may include the acquisition of further shares in the Company on subsequent capital raisings).

A disposal for these purposes shall mean any sale, transfer, mortgage, assignment, grant of options over, charge, pledge, or other disposal or alienation or effecting of a reduction of an interest (including selling short), or entry into a derivative transaction or an agreement to sell, transfer, mortgage, assign, grant options over, charge, pledge, or otherwise dispose, effect a reduction, enter into a derivative transaction or any transaction which has the same economic effect as any of the foregoing.

Amedeo Capital has further agreed that it may only dispose of Shares acquired by it in the Placing to a person connected to it if such transferee first executes a deed of adherence in favour of the Company in terms identical to the Lock-up Agreement and agrees to be bound by the provisions of the Lock-up Agreement.

#### 6.10 Netting Agreement

Certain Amedeo group companies and the Company have entered into a Netting Agreement, dated on or about the date of this Prospectus, which is designed to set out the payment of certain cash obligations that exist between them at or around the Admission date. These payment flows are expected to be as follows:

- (i) The Current Owners (being wholly owned subsidiaries of the Amedeo group) are entitled to receive a cash payment of the purchase price for each First Tranche Asset pursuant to each First Tranche Purchase Agreement.
- (ii) Under the First Tranche Finance Transfer Agreements the Company shall assume the liability to repay the full outstanding debt amount owing under the First Tranche Finance Agreements.
- (iii) Each Current Owner shall pay to the Company an amount equal to the aggregate lease rental payments attributed as equity rental payments under the leases for the First Tranche Assets received up to the date of sale of those First Tranche Assets.
- (iv) The Company shall pay to Amedeo certain fees, costs and expenses incurred by Amedeo in relation to the purchase of the Initial Assets.
- (v) Amedeo Capital has agreed to subscribe for a minimum of 5 per cent. of the Shares to be issued pursuant to the Placing, with the exact amount to be confirmed immediately prior to the closing of the Placing.

The Netting Agreement shall set out the mechanism by which these payment flows are aggregated (and where payments are in different currencies, a common rate of exchange shall be agreed between the Company and Amedeo prior to publication of this Prospectus) to result in one payment being due to either Amedeo or the Company at the time at which all obligations have crystallised following Admission. To the extent that there is any amount for the payment of the Shares acquired by Amedeo Capital which remains outstanding on the day falling 10 Business Days after the date on which all subscriptions

(other than that of Amedeo Capital) have been settled, the Company may redeem such number of Shares held by Amedeo Capital (valued at the Issue Price) as represents the amount outstanding for an aggregate of £0.01, unless the Board, in its sole and absolute discretion, determines that it is in the best interests of the Company to take an alternative course of action (which may include, for example, accepting an offer by Amedeo Capital or any other member of the Amedeo group of companies of cash payment for the relevant Shares).

## **7. Litigation**

There are no governmental, legal or arbitration proceedings since the date of the incorporation of the Company which may have, or have had in the recent past, a significant effect on the Company's financial position or profitability and there are no such proceedings which are pending or threatened of which the Company is aware.

## **8. Related party transactions**

Save as described in the section headed "Material Contracts" in this Part IX of this Prospectus, the Company has not entered into any related party transactions since incorporation.

## **9. General**

- 9.1 The Placing of the Shares is being carried out on behalf of the Company by Nimrod which is authorised and regulated in the UK by the Financial Conduct Authority.
- 9.2 No amount or benefit has been paid, or given, to any promoter of the Company or any of their subsidiaries since the incorporation of the Company and none is intended to be paid, or given.
- 9.3 The Company does not expect initial expenses to exceed 1.27 per cent. of the Placing Proceeds. On the basis that 202,000,000 Shares are issued under the Placing, Net Placing Proceeds after costs are expected to be £199,463,125. These Net Placing Proceeds will be applied as described in the section headed "Investment Policy" in Part I of this Prospectus.
- 9.4 If fully subscribed, the Placing will increase the net assets of the Company by approximately £199,463,125. The fees and expenses of the Placing will reduce the earnings or increase the losses of the Company.
- 9.5 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 9.6 Amedeo has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. Amedeo has given and not withdrawn its written consent to the inclusion in this Prospectus of the information and opinions contained under the headings "Current market opportunity" and "Distribution policy" of Part I of this Prospectus and for Parts IV to VIII of this Prospectus and any other information or opinion related to or attributed to it and the references thereto in the form and context in which they appear and has authorised such information and opinions for the purposes of Prospectus rule 5.5.3(2)(c).
- 9.7 CREST is a paperless settlement procedure enabling securities to be evidenced other than by certificates and transferred other than by written instrument. The Articles of

Incorporation of the Company permit the holding of the Shares under the CREST system. The Directors intend to apply for the Shares to be admitted to CREST with effect from Admission. Accordingly it is intended that settlement of transactions in the Shares following Admission may take place within the CREST system if the relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrars.

- 9.8 The Company does not own any premises and does not lease any premises.
- 9.9 The Takeover Code applies to the Company.
- 9.10 Pursuant to a duly adopted written resolution dated 29 April 2015, the Company is authorised in accordance with the Companies Laws to make market acquisitions as defined in the Companies Laws of any of its Shares provided, notably, that (i) the maximum number of Shares hereby authorised to be purchased is up to 14.99 per cent. of the Company's issued share capital immediately following Admission; (ii) the minimum price which may be paid for a Share shall be £0.01; and (iii) the maximum price which may be paid for a Share shall be not more than the higher of (a) five per cent. above the average of the mid-market value of the Shares for the five business days prior to the day the purchase is made, and (b) the higher of the price of the last independent trade and the highest current independent bid for the Shares on the trading venue where the purchase is carried out. Such authority expires on the date which is 18 months from the date of the passing of this resolution or, if earlier, at the end of the next annual general meeting of the Company following the date of the passing of this resolution. The Directors intend to request that the authority to make market acquisition of its Shares is renewed at each subsequent annual general meeting of the Company.

## **10. Working capital**

The Company does not have sufficient working capital available to it for its present requirements, that is, for at least the next 12 months from the date of this Prospectus.

However, the shortfall in working capital relates exclusively to working capital required in order to acquire the Initial Assets. Such financing is subject to the completion of the Placing and, in relation to the First Tranche Assets, the Company entering into the First Tranche Finance Transfer Agreements and, in relation to the Second Tranche Assets, the Company agreeing the terms of and entering into the Second Tranche Finance Agreements (or employing an alternative means of debt financing).

### *Relative timing*

As further described in Part III of this Prospectus, the Placing is not being underwritten and the Placing will not proceed if the Net Placing Proceeds would be less than £199,463,125.

In respect of the First Tranche Assets, the Company's entry into the First Tranche Purchase Agreements and the First Tranche Leases is conditional on the Company entering into the First Tranche Finance Transfer Agreements. In respect of the Second Tranche Assets, the Company's entry into the Purchase Agreement Assignments and the Second Tranche Leases is conditional on financing being available to the Company under the Second Tranche Finance Agreements or pursuant to an alternative means of debt financing.

The Company's liability to fund the relevant Asset Purchase Price in relation to each of the First Tranche Assets and proceed with the acquisition of each of the First Tranche Assets will be conditional upon the Company having entered into the First Tranche Leases and the

First Tranche Finance Transfer Agreements. The Company's liability to fund the relevant Asset Purchase Price in relation to each of the Second Tranche Assets and proceed with the acquisition of each of the Second Tranche Assets will not arise until the Company has executed the relevant Purchase Agreement Assignment and the Company will not do so until it has entered into the Second Tranche Finance Agreements (or raised debt by alternative means). Similarly, the Company's entry into the relevant Lease is conditional on the Company having entered into the First Tranche Finance Transfer Agreements in respect of the First Tranche Assets or the Company having entered into the Second Tranche Finance Agreements (or having raised any financing by alternatives) in respect of the Second Tranche Assets.

#### *Shortfall*

Assuming completion of the Placing, the shortfall in working capital equates to the balance of the Asset Purchase Price for each Initial Asset that is not funded out of the Net Placing Proceeds. On the basis that the estimated Net Placing Proceeds are £199,463,125, the shortfall required to be funded from the Finance Agreements (or any other form of debt financing) is expected to be approximately US\$197,439,310 per Initial Asset (the "Required Debt").

In the opinion of the Board, there is no shortfall in respect of the working capital required for the Company's existing operations other than the acquisition of the Initial Assets, as set out above, and accordingly there is no requirement for additional funding for such existing operations.

#### *Implications*

If the Company is unable to successfully raise the Required Debt by way of the Finance Agreements (or any other form of debt financing), then the Company would need to arrange alternative debt finance to fund the acquisition of the Initial Assets. If such funding is ultimately not available then the Company will be unable to purchase one or more of the Initial Assets. In such circumstances, the Directors will return any unused capital (less abort costs) to Shareholders. Should the Company be able to purchase the First Tranche Assets but unable to purchase the Second Tranche Assets, the Company will either: (i) put proposals to Shareholders for the acquisition of alternative Assets; or (ii) return the relevant unused capital to Shareholders.

### **11. Capitalisation and indebtedness**

The following table shows the Company's gross indebtedness as at 30 April 2015.

<b><u>Total current debt</u></b>	<b>As at 30 April 2015</b>
	<b>£</b>
Guaranteed .....	0
Secured .....	0
Unguaranteed/unsecured .....	0
<b><u>Total non-current debt (excluding current position of non-current debt)</u></b>	<b>As at 30 April 2015</b>
	<b>£</b>
Guaranteed.....	0
Secured .....	0
Unguaranteed/unsecured .....	0

The following table shows the capitalisation of the Company as at 30 April 2015:

**Shareholders' equity****As at 30 April 2015**

	<b>£</b>
Share capital .....	1
Legal reserve .....	0
Other reserves .....	0
Total.....	0

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**12. Relationship between Shareholders, the Company and service providers*****Relationship between Shareholders and the Company***

12.1 The Company is a non-cellular company limited by shares, registered and incorporated in Guernsey under the Companies Law. While prospective investors will acquire an interest in the Company on subscribing for Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them.

12.2 Shareholders' rights in respect of their investment in the Company are governed by the Articles, the Companies Law, and the terms of any placing letter (as appropriate). Under Guernsey law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of incorporation; claims in misrepresentation in respect of statements made in its prospectus and other documents; claims in respect of assumptions of responsibility by a director in favour of an individual shareholder; unfair prejudice claims under sections 349 to 352 of the Companies Law; and derivative actions arising under Guernsey customary law. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.

***Rights against third parties, including third party service providers***

12.3 The Company is in part reliant on the performance of third party service providers, including Amedeo, the Registrar, the Corporate and Shareholder Adviser, the Administrator and the Auditor.

12.4 Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

12.5 In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

**13. Jurisdiction and applicable law and recognition and enforcement of foreign judgments*****Jurisdiction and applicable law***

13.1 As noted above, Shareholders' rights are governed principally by the Articles and the Companies Law. By subscribing for Shares, investors agree to be bound by the Articles, and the terms of any placing letter (as appropriate), which are governed by, and construed in accordance with, the laws of Guernsey or England and Wales, as appropriate.

### ***Recognition and enforcement of foreign judgments***

- 13.2 A final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or penalty) obtained in the superior courts in the reciprocating countries set out in the Judgments (Reciprocal Enforcement) (Guernsey) Law 1957 (the "**1957 Law**") (which include the Supreme Court and the Senior Courts of England and Wales, excluding the Crown Court) after a hearing on the merits would be recognised as a valid judgment by the Guernsey courts and would be enforceable in accordance with and subject to the provisions of the 1957 Law.
- 13.3 The Courts of Guernsey would also recognise any final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) obtained in a court not recognised by the 1957 Law provided such court is deemed to have jurisdiction in accordance with the principles of private international law as applied by Guernsey, and such judgment would be sufficient to form the basis of proceedings in the Guernsey Courts for a claim for liquidated damages in the amount of such judgment. In such proceedings, the Guernsey Courts would not re-hear the case on its merits save in accordance with such principles of private international law.

### **14. Documents available for inspection**

Copies of the following documents will be available for inspection at the registered office of the Company, the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG and the offices of Nimrod Capital LLP, 3 St Helen's Place, London EC3A 6AB during normal business hours on any weekday (Saturdays and Public Holidays excepted) until the date of Admission:

- (a) the Memorandum and Articles of Incorporation of the Company; and
- (b) this Prospectus.

In addition, copies of this Prospectus will be uploaded to the National Storage Mechanism, at (<http://www.morningstar.co.uk/uk/nsm>).

Dated: 30 April 2015

**PART X**  
**DEFINITIONS**

The following definitions apply in this Prospectus unless the context otherwise requires:

**"Additional Disposition Fee"** has the meaning given to it in paragraph 6.3 of Part IX of this Prospectus;

**"Additional Reference Amount"** has the meaning given to it in paragraph 6.3 of Part IX of this Prospectus;

**"Additional Threshold"** means the Total Subscribed Equity (expressed in Sterling);

**"Adjusted IARV"** has the meaning given in paragraph 6.3 of Part IX of the Prospectus

**"Adjusted NAV"** has the meaning given to it in Part I under the heading "Net Asset Value";

**"Adjusted NAV per Share"** has the meaning given to it in Part I under the heading "Net Asset Value";

**"Administrator"** means JTC (Guernsey) Limited and/or such other person or persons from time to time appointed by the Company;

**"Administration Agreement"** means the administration agreement between the Company and the Administrator, dated on or about the date of this Prospectus, a summary of which is set out in paragraph 6.5 of Part IX of this Prospectus;

**"Admission"** means admission of the Shares to trading on the SFM becoming effective in accordance with the LSE Admission Standards;

**"Advance Lease Rental"** means an advance lease rental expected to be payable by the Lessee pursuant to the Second Tranche Leases;

**"Affiliate"** in relation to any person means any person for the time being that controls, is controlled by or is under common control with that person, where a person controlling another person means that person having the power to appoint and/or remove all or the majority of that other person's governing body or having the power to control the affairs of that other person;

**"Aggregate Base Disposition Fee"** has the meaning given in paragraph 6.3 of Part IX of the Prospectus;

**"Aggregate IARV"** means the amount equal to the aggregate of the Realised Values of all four Initial Assets;

**"Aggregate Junior Loan Balances"** means the amount equal to the aggregate of the Junior Loan Balances applicable to all four Initial Assets;

**"Agreed Rate"** means a Sterling to US Dollar exchange rate of 1.535:1;

**"Agreed Value"** has the meaning given to it in Part VI of this Prospectus, under the heading "Insurance";

**"Agency Agreement"** means the agency agreement between the Company and Amedeo Limited, dated on or about the date of this Prospectus, a summary of which is set out in paragraph 6.2 of Part IX of this Prospectus;

**"AIF"** means an alternative investment fund under the AIFM Directive;

**"AIFM"** means an alternative investment fund manager under the AIFM Directive;

**"AIFM Directive"** means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers Directive;

**"Airbus"** means Airbus S.A.S;

**"All-parties Agreement"** has the meaning given to it in Part VIII of this Prospectus;

**"Amedeo"** or the **"Asset Manager"** means Amedeo Limited;

**"Amedeo Capital"** means Amedeo Capital Limited;

**"Amedeo Lock-up Agreement"** means the lock-up agreement among the Company and Amedeo Capital, dated on or about the date of this Prospectus, a summary of which is set out in paragraph 6.9 of Part IX of this Prospectus;

**"Annual Fee"** has the meaning given in paragraph 6.3 of Part IX of this Prospectus;

**"Applicable Law"** means, in relation to any jurisdiction, any law, regulation, treaty, directive, decision, rule, regulatory requirement, judgment, order, ordinance, request, guideline or direction or any other act of any government entity of such jurisdiction whether or not having the force of law (but, if not having the force of law, with which parties in the relevant jurisdiction generally comply) and with which any Lease Party, is required to comply, or with which it would, in the normal course of its business, comply;

**"Approved Sub-Lessee"** means any Permitted Sub-Lessee or any other person to whom an Asset may from time to time be leased or operated in accordance with, and subject to the relevant Lease;

**"Articles of Incorporation"** or **"Articles"** means the articles of incorporation of the Company;

**"Asset"** or **"Assets"** means each of the Initial Assets and any aircraft other than the Initial Assets which may be acquired by the Company from time to time;

**"Asset Management Agreement"** means the services agreement between the Company and the Asset Manager, dated on or about the date of this Prospectus, a summary of which is set out in paragraph 6.3 of Part IX of this Prospectus;

**"Asset Purchase Price"** means:

- (i) with respect to the First Asset, US\$263,800,000 (the **"First Asset Purchase Price"**);
- (ii) with respect to the Second Asset, US\$263,800,000 (the **"Second Asset Purchase Price"**);
- (iii) with respect to the Third Asset, US\$288,000,000 (the **"Third Asset Purchase Price"**); and
- (iv) with respect to the Fourth Asset, US\$288,000,000 (the **"Fourth Asset Purchase Price"**);

**"Auditors"** means Deloitte LLP or such other auditors as may be appointed by the Company from time to time;

**"Aviation Authority"** means the GCAA, any successor thereto or (as applicable) each other person which is from time to time vested with the control and supervision of, or has jurisdiction over, the registration, airworthiness and operation of aircraft or other matters relating to civil aviation in the State of Registration of an Asset;

**"B Shares"** mean redeemable shares of no par value in the Company issued and designated as a "B Share" and having the rights set out in the Articles.

**"Base Disposition Fee"** has the meaning given in paragraph 6.3 of Part IX of the Prospectus;

**"Business Day"** means a day on which the London Stock Exchange, and banks in Guernsey are normally open for business;

**"Cape Town Treaty"** means the Cape Town Convention on International Interests in Mobile Equipment and the related Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment;

**"certificated"** or **"certificated form"** means not in uncertificated form;

**"Companies Laws"** or **"Law"** means The Companies (Guernsey) Law 2008, as amended;

**"Company"** means Amedeo Air Four Plus Limited, an incorporated Guernsey domiciled limited liability company with registered number 59675 and, as the context may require, references to the Company shall include any subsidiaries which have been or may later be established for the purpose of holding the relevant Assets;

**"Company Secretary"** means JTC (Guernsey) Limited and/or such other person or persons from time to time appointed by the Company;

**"Compulsory Acquisition"** means, in relation to any property, requisition of title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation or confiscation for any reason of such property by any government entity or other competent authority, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition of title;

**"Corporate and Shareholder Adviser"** or **"Corporate and Shareholder Advisory Agent"** means Nimrod in its capacity as corporate and shareholder adviser under the Corporate and Shareholder Advisory Agreement;

**"Corporate and Shareholder Advisory Agreement"** means the conditional agreement between the Company and Nimrod, a summary of which is set out in paragraph 6.8 of Part IX of this Prospectus;

**"CREST"** means the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as "Operator" pursuant to the Regulations;

**"CRS"** means the Organization for Economic Co-operation and Development's Common Reporting Standard" for the automatic exchange of financial account information.

**"Current Owner"** means, with respect to the First Asset, Amedeo MSN 157 Limited and, with respect to the Second Asset, Amedeo MSN 164 Limited;

**"Debt Financing Documentation"** means, collectively, the First Tranche Finance Agreements (as transferred to the Company pursuant to the First Tranche Finance Transfer Agreements), the Second Tranche Finance Agreements and any other documentation pursuant to which a Lessor raises debt finance from financiers (including, but not limited to, commercial banks and financial institutions, and bondholders or holders of other debt capital market instruments) in relation to the acquisition of an Asset;

**"Directors"** or **"Board"** means the directors of the Company;

**"Disclosure and Transparency Rules"** means the disclosure and transparency rules made by the FCA under Part VI FSMA;

**"Disposition"** means (i) the disposition by way of sale or, as the case may be, the re-lease of an Asset by the Company or, as the case may be the relevant lessor, pursuant to agreements arranged or otherwise facilitated by Amedeo pursuant to the Asset Management Agreement; or (ii) the occurrence of a Total Loss with respect to an Asset (and **"Disposed"** shall be construed accordingly);

**"Disposition Fee"** means: (i) with respect to the Initial Assets, the Base Disposition Fee, the Additional Disposition Fee and the Incentive Disposition Fee and, if applicable, the disposition fees due in relation to a Disposition of an Initial Asset prior to the end of its 12 year lease term; and (ii) with respect to any aircraft which are acquired by the Company in addition to the Initial Assets, the disposition fees to be paid to Amedeo by the Company on an aircraft-by-aircraft basis in relation to such additional aircraft as set out in paragraph 6.3 of this Prospectus;

**"Effective Time"** means the time upon which the transactions contemplated by the First Tranche Lease Novation Agreements take effect;

**"Either Party Termination Event"** has the meaning given to it in Part VI of this Prospectus;

**"Emirates"** means Emirates Airlines;

**"Emirates Group"** means Emirates Airlines and an aviation services company, Dnata;

**"Emirates Early Termination Event"** has the meaning given to it in Part VI of this Prospectus under the heading "Termination";

**"Emirates Purchase Agreement"** means the aircraft purchase agreement made between Emirates and Airbus pursuant to which, amongst other things, Airbus agreed to manufacture and sell and Emirates agreed to purchase and take delivery of the Third Asset and the Fourth Asset;

**"Emirates Security Agreement"** has the meaning given to it in Part VIII of this Prospectus under the heading "Emirates Security Document";

**"Engine Alliance"** means Engine Alliance, LLC;

**"ERISA"** means the US Employee Retirement Income Security Act of 1974, as amended;

**"Euroclear"** means Euroclear UK & Ireland Limited;

**"EU Savings Tax Directive"** means EC Council Directive 2003/48/EC;

**"FATCA"** means the term commonly used to refer to Sections 1471 through 1474 of the US Internal Revenue Code;

**"FATCA Withholding"** has the meaning given to it in the Risk Factors section of this Prospectus under the heading "The Foreign Account Tax Compliance Act";

**"FCA"** means the UK Financial Conduct Authority;

**"Finance Agreements"** means, collectively, the First Tranche Finance Agreements and the Second Tranche Finance Agreements and **"Finance Agreement"** shall mean any such agreement individually;

**"Finance Party"** means each of the First Tranche Lenders, the Second Tranche Lenders or any other party that, from time to time provides financing to the Company with respect to an Asset and **"Finance Parties"** shall mean such parties collectively;

**"First Asset"** means the Airbus A380-800 aircraft bearing manufacturer serial number 157 together with the engines specified in the First Lease (whether or not any such engines are installed on the First Asset at any relevant time) and all records, the manuals and the technical records, technical data and other materials and documents kept in accordance with the requirements of the First Lease;

**"First Asset Finance Agreements"** means the loan and security documentation relating to the First Asset as more particularly described in Section I of Part VIII of this Prospectus;

**"First Asset Finance Transfer Agreements"** means the agreements pursuant to which the rights and obligations of the Current Owner under the First Asset Finance Agreements shall be transferred to and assumed by the Company;

**"First Asset Purchase Agreement"** means the sale and purchase agreement pursuant to which the Company shall purchase the First Asset from its Current Owner;

**"First Lease"** means the lease between the Current Owner and Emirates dated 1 September 2014 relating to the lease of the First Asset including the First Redelivery Condition Side Letter;

**"First Lease Novation Agreement"** means the agreement pursuant to which the rights and obligations of the Current Owner under the First Lease shall be transferred to and assumed by the Company;

**"First Redelivery Condition Side Letter"** means a side letter between the Current Owner and Emirates relating to the redelivery of the First Asset at the end of the First Lease;

**"First Tranche Assets"** means, collectively, the First Asset and the Second Asset and, as the context may require, each a **"First Tranche Asset"**;

**"First Tranche Finance Agreements"** means, collectively, the First Asset Finance Agreements and the Second Asset Finance Agreements and, as the context may require, each a **"First Tranche Finance Agreement"**;

**"First Tranche Finance Transfer Agreements"** means, collectively, the First Asset Finance Transfer Agreements and the Second Asset Finance Transfer Agreements and, as the context may require, each a **"First Tranche Finance Transfer Agreement"**;

**"First Tranche Leases"** means, collectively, the First Lease and the Second Lease and, as the context may require, each a **"First Tranche Lease"**;

**"First Tranche Lease Novation Agreements"** means, collectively, the First Lease Novation Agreement and the Second Lease Novation Agreement and, as the context may require, each a **"First Tranche Lease Novation Agreement"**;

**"First Tranche Lenders"** means the "Lenders" as defined in the First Tranche Finance Agreements;

**"First Tranche Purchase Agreements"** means, collectively, the First Asset Purchase Agreement and the Second Asset Purchase Agreement and, as the context may require, each a **"First Tranche Purchase Agreement"**;

**"Fourth Asset"** means the Airbus A380-800 aircraft to be purchased by the Company pursuant to the Fourth Asset Purchase Agreement Assignment and leased to Emirates pursuant to the Fourth Lease together with the engines to be specified in the Fourth Lease (whether or not any such engines are installed on the Fourth Asset at any relevant time) and all records, the manuals and the technical records, technical data and other materials and documents to be kept in accordance with the requirements of the Fourth Lease;

**"Fourth Asset Finance Agreements"** means the loan and security documentation relating to the Fourth Asset as more particularly described in Section II of Part VIII of this Prospectus;

**"Fourth Asset Purchase Agreement Assignment"** means the purchase agreement assignment to be made between Emirates and the Company to be entered into by the Company following Admission relating to the assignment of certain rights by Emirates to the Company in relation to the purchase of the Fourth Asset by the Company from Airbus, a summary of the expected terms of which is set out in Part V of this Prospectus;

**"Fourth Lease"** means the lease between the Company and Emirates to be executed following Admission relating to the lease of the Fourth Asset including the Fourth Redelivery Condition Side Letter;

**"Fourth Redelivery Condition Side Letter"** means a side letter between the Current Owner and Emirates relating to the redelivery of the Fourth Asset at the end of the Fourth Lease;

**"FSMA"** means the UK Financial Services and Markets Act 2000, as amended;

**"GCAA"** means the General Civil Aviation Authority of United Arab Emirates;

**"Guernsey IGA Legislation"** means The Income Tax (Approved International Agreement)(Implementation)(United Kingdom and United States of America) Regulations, 2014, which implement both the US-Guernsey IGA and the UK-Guernsey IGA in Guernsey;

**"Guernsey USRs"** means the Uncertificated Securities (Guernsey) Regulations, 2009, as amended from time to time;

**"IFRS"** means International Financial Reporting Standards;

**"Incentive Disposition Fee"** has the meaning given to it in paragraph 6.3 of Part IX of this Prospectus;

**"Incentive Reference Amount"** has the meaning given to it in paragraph 6.3 of Part IX of this Prospectus;

**"Incentive Threshold"** means the sum in Sterling representing the aggregate of: (i) US\$576,972,900, being the aggregated projected residual values of each of the four Initial Assets, converted into Sterling at the Agreed Rate; less (ii) the Aggregate Junior Loan Balances converted into Sterling at the Agreed Rate;

**"Independent Expert Valuer"** means a competent, internationally recognised person, independent of each of the Company, Emirates and Amedeo, and which is (a) carrying on the business of, or engaged in, valuing, and who is competent to value, commercial widebody aircraft and (b) able to assess the condition and value of the Assets;

**"Issue Price"** means 100 pence per Share;

**"Initial Assets"** means, collectively, the First Tranche Assets and the Second Tranche Assets;

**"IRS"** means the United States Internal Revenue Service;

**"ISTAT"** means the International Society for Transport Aircraft Trading;

**"Junior Facility Agent"** means the facility agent(s) under the Junior Loans;

**"Junior Finance Parties"** means, together, the Junior Lenders, the Junior Facility Agent and the Security Trustee (in its capacity as security agent and trustee for and on behalf of the Junior Finance Parties only) (each, a **Junior Finance Party**);

**"Junior Lenders"** means any lender under the Junior Loans (each, a **Junior Lender**);

**"Junior Loan"** has the meaning given to it in Part I of this Prospectus under the heading "Debt Financing";

**"Junior Loan Balance"** means, with respect to an Initial Asset, the principal amount due to be repaid to the relevant Finance Party at the end of the twelve year term pursuant to the terms and conditions set out in the Junior Loan;

**"Leases"** means, collectively, the First Lease, the Second Lease, the Third Lease and the Fourth Lease and, as the context may require, **"Lease"** shall mean any of them individually;

**"Lease Parties"** means Emirates or any other lessee, any Approved Sub-Lessee and the Relevant Parties and the expression **"Lease Party"** means any of them individually;

**"Lease Rentals"** means the Sterling Lease Rentals and the US\$ Lease Rentals each payable in accordance with the terms of each of the Leases;

**"Lease Rental Accounts"** has the meaning given to it in Part VIII of this Prospectus under the heading "Application of Proceeds in respect of the Asset";

**"Lender"** means the Junior Lenders and/or the Senior Lenders, as the context requires;

**"Lessee"** means Emirates;

**"Lessor"** means the Company or (as the context may require) any of its subsidiaries which is leasing an Asset to a lessee;

**"Lessor Termination Event"** has the meaning given to it in Part VI of this Prospectus under the heading "Termination";

**"Liaison and Administration Oversight Agreement"** means the liaison and administration oversight agreement between the Company and Amedeo Services (UK) Limited, dated on or about

the date of this Prospectus, a summary of which is set out in paragraph 6.4 of Part IX of this Prospectus;

**"Liaison and Administration Oversight Agent"** means Amedeo Services (UK) Limited;

**"LIBOR"** has the meaning given to it in the First Tranche Finance Agreements;

**"Liquidation Proposal Meeting"** means a general meeting of the Company convened in 2029, or such date as Shareholders may approve by ordinary resolutions, where a Liquidation Resolution will be proposed;

**"Liquidation Resolution"** means an ordinary resolution that the Company proceed to an orderly wind up at the end of the term of the Leases;

**"Loan"** or **"Loans"** has the meaning given to it in Section I of Part VIII of this Prospectus under the heading "Summary";

**"Loan Agreement"** or "Loan Agreements" means the loan facility agreements pursuant to which the Finance Parties have made available the Senior Loan and the Junior Loan with respect to each of the First Tranche Assets;

**"Loan Event of Default"** has the meaning given to it in Part VIII of this Prospectus under the heading "Events of Default";

**"Loan Facility Agent"** has the meaning given to "Facility Agent" in the First Tranche Finance Agreements";

**"Loan Instructing Group"** has the meaning given to it in Part VIII of this Prospectus under the heading "Events of Default";

**"Loan Material Undertakings"** has the meaning given to it in Part VIII of this Prospectus under the heading "Events of Default";

**"Loan Proceeds"** has the meaning given to it in Part VIII of this Prospectus under the heading "Application of Proceeds in respect of the Asset";

**"Loan Security Documents"** has the meaning given to "Security Documents" in the First Tranche Finance Agreements";

**"London Stock Exchange"** or **"LSE"** means the London Stock Exchange plc;

**"LSE Admission Standards"** means the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the SFM;

**"Material Agreements"** means the First Tranche Purchase Agreements, the Purchase Agreement Assignments, the Leases and the Debt Financing Documentation and any other documentation pursuant to which the Company or a Lessor acquires an interest in any an Asset;

**"Multilateral Agreement"** means the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information, as described in paragraph 4 of Part IX of this Prospectus;

**"Net Asset Value"** or **"NAV"** means the value of the assets of the Company less its liabilities determined in accordance with IFRS or, where relevant, the total assets and liabilities attributable to a class of shares in each case;

**"Net Asset Value per Share"** or **"NAV per Share"** means the Net Asset Value of a particular class of shares divided by the number of shares of that class in issue;

**"Net Placing Proceeds"** means the Placing Proceeds less applicable fees and expenses of the Placing;

**"Netting Agreement"** means the netting agreement between the Company, Amedeo and the Current Owners dated on or about the date of this Prospectus, a summary of which is set out in paragraph 6.10 of Part IX of this Prospectus;

**"Nimrod"** means Nimrod Capital LLP;

**"ordinary resolution"** means a resolution passed by a simple majority in accordance with section 176 of the Companies Law;

**"Other Aircraft"** means, with reference to an Asset being actively remarketed by the Asset Manager pursuant to the terms and conditions set out in the Asset Management Agreement, an other aircraft which is being actively remarketed by the Asset Manager for another client and which is of the same type, configuration, layout, maintenance status and age as the reference Asset;

**"Permitted Sub-Lessee"** means, at any time, (i) any Affiliate of the Lessee and (ii) any of the persons listed in the Leases as may be amended from time to time in accordance with the Leases;

**"Placing"** means the placing of Shares by Nimrod pursuant to the terms of the Placing Agreement as described in this Prospectus;

**"Placing Agent"** means Nimrod in its capacity as placing agent under the Placing Agreement;

**"Placing Agreement"** means the conditional agreement between the Company, Amedeo and Nimrod, a summary of which is set out in paragraph 6.1 of Part IX of this Prospectus;

**"Placing Amount"** means £202,000,000;

**"Placing Proceeds"** means the aggregate value of the Shares issued under the Placing (taken at the Issue Price);

**"Prohibited Person"** has the meaning given to it in Part IX of this Prospectus under the heading "Memorandum and Articles of Incorporation";

**"Prohibited Shares"** has the meaning given to it in Part IX of this Prospectus under the heading "Memorandum and Articles of Incorporation";

**"Prospectus Rules"** means the prospectus rules made by the UK Listing Authority under section 73A of FSMA;

**"Purchase Agreement Assignments"** means, collectively, the Third Asset Purchase Agreement Assignment and the Fourth Asset Purchase Agreement Assignment and, as the context may require, each a **"Purchase Agreement Assignment"**;

**"Purchase Option Event"** has the meaning given to it in Part VI of this Prospectus under the heading "Option to purchase";

**"Quarterly Period"** means a three month period;

**"Realised Value"** means (i) pursuant to a Disposition by way of sale or re-lease, the sale price received for an Asset or, in the case of the re-lease of an Asset (including the re-lease to a lessee), such amount as is agreed between the Company and Amedeo, each acting reasonably; or (ii) pursuant to a Disposition resulting from the occurrence of a Total Loss, the amount of the "total loss proceeds" (howsoever defined in the relevant lease) attributable to the relevant Asset;

**"Register"** means the register of members of the Company;

**"Registrar"** means Anson Registrars Limited or such other person or persons from time to time appointed by the Company as registrar and paying agent;

**"Registrar Agreement"** means the registrar agreement between the Company and the Registrar, dated on or around the date of this Prospectus, a summary of which is set out in paragraph 6.6 of Part IX of this Prospectus;

**"Regulations"** means the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755);

**"Re-Leased Aircraft"** has the meaning given in paragraph 6.3 of this Prospectus;

**"Relevant Parties"** means the Company, the Asset Manager and the Finance Parties and the expression **"Relevant Party"** means any of them individually;

**"Required Debt"** has the meaning given in paragraph 10 of Part IX of this Prospectus;

**"RIS"** means a regulatory information service;

**"Risk Factors"** means the risk factors pertaining to the Company set out on pages 18 to 29 of this Prospectus;

**"Second Asset"** means the Airbus A380-800 aircraft bearing manufacturer serial number 164 together with the engines specified in the Second Lease (whether or not any such engines are installed on the Second Asset at any relevant time) and all records, the manuals and the technical records, technical data and other materials and documents kept in accordance with the requirements of the Second Lease;

**"Second Asset Finance Agreements"** means the loan and security documentation relating to the Second Asset as more particularly described in Section I of Part VIII of this Prospectus;

**"Second Asset Finance Transfer Agreements"** means the agreements pursuant to which the rights and obligations of the Current Owner under the Second Asset Finance Agreements shall be transferred to and assumed by the Company;

**"Second Asset Purchase Agreement"** means the sale and purchase agreement pursuant to which the Company shall purchase the Second Asset from its Current Owner;

**"Second Lease"** means the lease made between the Current Owner and Emirates dated 23 October 2014 relating to the lease of the Second Asset including the Second Redelivery Condition Side Letter;

**"Second Lease Novation Agreement"** means the agreement pursuant to which the rights and obligations of the Current Owner under the Second Lease shall be transferred to and assumed by the Company;

**"Second Redelivery Condition Side Letter"** means a side letter between the Current Owner and Emirates relating to the redelivery of the Second Asset at the end of the Second Lease;

**"Second Tranche Assets"** means, collectively, the Third Asset and the Fourth Asset and, as the context may require, each a **"Second Tranche Asset"**;

**"Second Tranche Finance Agreements"** means, collectively, the Third Asset Finance Agreements and the Fourth Asset Finance Agreements and, as the context may require, each a **"Second Tranche Finance Agreement"**;

**"Second Tranche Leases"** means, collectively, the Third Lease and the Fourth Lease and, as the context may require, each a **"Second Tranche Lease"**;

**"Second Tranche Lenders"** means the "Lenders" as defined in the Second Tranche Finance Agreements;

**"Security Trustee"** means, with respect to the First Tranche Assets, Westpac Banking Corporation and, with respect to the Second Tranche Assets, it is expected to be Qatar National Bank and, with respect to each of the Initial Assets, such other parties as may be appointed as Security Trustee from time to time under the relevant Finance Agreements in accordance with the terms set out therein;

**"Senior Facility Agent"** means the facility agent(s) under the Senior Loans;

**"Senior Finance Parties"** means, together, the Senior Lenders, the Senior Facility Agent and the Security Trustee (in its capacity as security agent and trustee for and on behalf of the Senior Finance Parties only) (each, a **Senior Finance Party**);

**"Senior Lenders"** means any lender under the Senior Loans (each, a **Senior Lender**);

**"Senior Loan"** has the meaning given to it in Part I of this Prospectus under the heading "Debt Financing";

**"SFM"** means the Specialist Fund Market of the London Stock Exchange;

**"Share"** or **"Shares"** means redeemable ordinary shares of no par value in the capital of the Company;

**"Shareholder"** means a holder of Shares;

**"Shareholding"** means a holding of Shares;

**"State of Registration"** means, at any relevant time, the United Arab Emirates or, in the event that the Assets have then been sub-leased to a Permitted Sub-Lessee in accordance with the Leases, such other state on whose national aircraft register such Asset may be registered at such time or such other jurisdiction in which the Assets may from time to time be registered with the consent of the Company and the relevant Security Trustee;

**"Sterling"** or **"£"** means the lawful currency of the United Kingdom;

**"Sterling Lease Rentals"** means instalments of rent payable by the Lessee in Sterling pursuant to each of the Leases;

**"Sterling Termination Sum"** has the meaning given to it in Part VI of this Prospectus under the heading "Termination";

**"Takeover Code"** means the UK City Code on Takeovers and Mergers;

**"Termination Sum"** means the aggregate of US\$ Termination Sum and Sterling Termination Sum;

**"Third Asset"** means the Airbus A380-800 aircraft to be purchased by the Company pursuant to the Third Asset Purchase Agreement Assignment and leased to Emirates pursuant to the Third Lease together with the engines to be specified in the Third Lease (whether or not any such engines are installed on the Third Asset at any relevant time) and all records, the manuals and the technical records, technical data and other materials and documents to be kept in accordance with the requirements of the Third Lease;

**"Third Asset Finance Agreements"** means the loan and security documentation relating to the Third Asset as more particularly described in Section II of Part VIII of this Prospectus;

**"Third Asset Purchase Agreement Assignment"** means the purchase agreement assignment to be made between Emirates and the Company to be entered into by the Company following Admission relating to the assignment of certain rights by Emirates to the Company in relation to the purchase of the Third Asset by the Company from Airbus, a summary of the expected terms of which is set out in Part V of this Prospectus;

**"Third Lease"** means the lease between the Company and Emirates to be executed following Admission relating to the lease of the Third Asset including the Third Redelivery Condition Side Letter;

**"Third Redelivery Condition Side Letter"** means a side letter between the Current Owner and Emirates relating to the redelivery of the Third Asset at the end of the Third Lease;

**"Total Loss"** means, with respect to an Asset which is subject to a lease between a Lessor and a lessee, the meaning given to such term in that lease or, with respect to an Asset which is not subject to such a lease, it shall mean in relation to any property, any of the following events:

- (a) the actual or constructive total loss of such property (including any damage to such property which results in an insurance settlement on the basis of a total loss, or requisition for use or hire of an Asset which results in an insurance settlement on the basis of a total loss);
- (b) such property being destroyed or damaged beyond repair, or the use of such property for transportation of persons is prohibited by the Aviation Authority or otherwise in accordance with applicable law affecting aircraft of the type of an Asset for a period exceeding six consecutive calendar months by reason of Applicable Law;
- (c) the Compulsory Acquisition of such property; or
- (d) the hijacking, theft, confiscation, capture, detention, seizure or requisition for use or hire of such property, other than where the same amounts to Compulsory Acquisition of such property, which deprives the operator of the use of the relevant Asset for more than 90 consecutive days, excluding requisition for use or hire by any government entity of the State of Registration;

**"Total Subscribed Equity"** means with respect to all four Initial Assets, the aggregate of the proceeds of the issue by the Company of ordinary shares in the capital of the Company pursuant to this Prospectus;

**"UCITS Directive"** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);

**"UK-Guernsey IGA"** has the meaning given to it in the Risk Factors section of this Prospectus under the heading The Foreign Account Tax Compliance Act;

**"UK Listing Authority"** means the Financial Conduct Authority as the competent authority for listing in the United Kingdom;

**"UK Transfer Agent"** means Anson Registrars UK Limited and/or such other person or persons from time to time appointed as transfer agent by the Company;

**"UK Transfer Agent Agreement"** means the UK transfer agent agreement between the Company, the Registrar and the UK Transfer Agent, dated on or about the date of this Prospectus, a summary of which is set out in paragraph 6.7 of Part IX of this Prospectus;

**"uncertificated form"** or **"in uncertificated form"** means recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;

**"United States"** or **"US"** means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;

**"Upfront Fee"** has the meaning given to it in paragraph 6.2 of Part IX of this Prospectus;

**"US Dollar"** or **"US\$"** means the lawful currency of the United States;

**"US Exchange Act"** means the US Securities Exchange Act of 1934;

**"US-Guernsey IGA"** means the intergovernmental agreement between the Government of the States of Guernsey and the Government of the United States of America to improve international tax compliance and to implement FATCA;

**"US Investment Company Act"** means the US Investment Company Act of 1940, as amended;

**"US Person"** has the meaning given to it in Regulation S under the Securities Act;

**"US Plan Asset Regulations"** means the regulations promulgated by the US Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA;

**"US Plan Investor"** means (i) an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title I of ERISA, but excluding plans maintained outside the US that are described in Section 4(b)(4) of ERISA); (ii) a plan, individual retirement account or other arrangement that is described in Section 4975 of the US Tax Code whether or not such plan, account or arrangement is subject to Section 4975 of the US Tax Code; (iii) an insurance company using general account assets, if such general account assets are deemed to include assets of any of the foregoing types of plans, accounts or arrangements for the purposes of Title I of ERISA or Section 4975 of the US Tax Code; or (iv) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code;

**"US Securities Act"** means the US Securities Act of 1933;

**"US Tax Code"** means the US Internal Revenue Code of 1986, as amended;

**"US\$ Termination Sum"** has the meaning given to it in Part VI of this Prospectus under the heading "Termination"; and

**"US\$ Lease Rentals"** means the instalments of rent payable by the Lessee in US\$ pursuant to the terms of each of the Leases.