

NAMA Debtor Business Plan Requirements

The purpose of this document is to provide consistent instruction to Debtors in respect of the Debtor Business Plan (the “Business Plan”) that Debtors are required to submit to NAMA within a timeframe defined by NAMA.

The primary purpose of the Business Plan and the accompanying Datapack (the “Datapack”) is:

- 1) to present a complete account of each Debtor’s financial affairs; and**
- 2) to provide a detailed plan of how and when all Debtor liabilities to NAMA will be redeemed.**

The instructions prescribe subject areas that must, at a minimum, be included in the Business Plan, and describe the key information and explanations that must be included in each area.

In addition, the appendix accompanying these instructions contains a 'Datapack' guidance template of the detailed financial analyses / schedules required to support the Business Plan.

This is not intended to be exhaustive, and therefore Debtors should include other information which, in their judgment, is significant with respect to any portion of the business of the Debtor or which should be considered and reviewed in order to adequately disclose the Debtor's business, assets, liabilities, prospects, financial condition or results of operations.

The preparers of this Business Plan should also note important practical guidance regarding delivery format and logistics which are set out on the back page of this document.

The Business Plan will be reviewed by NAMA and its advisors and will be relied upon. Decisions made by NAMA regarding a Debtor may partially or wholly be based upon the Business Plan. The Business Plan should be completed in utmost good faith with full disclosure of all facts, assumptions and issues likely to influence NAMA in reaching a decision on a course of action regarding a Debtor.

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Business Plan Requirements Guidance Note

Section 1: Executive Summary

As per the guidance notes, the information in this section must be consistent with that presented in the Datapack.

- 1.1 Summary schedule of all current Debtor lending facilities by property / development analysed by loan (specifying NAMA and non-NAMA facilities), from all sources.
- 1.2 A summary NAMA full repayment plan setting out:
 - Key actions necessary to fully repay NAMA; and
 - An aggregated expected quarterly repayment schedule for a minimum of three years, (analysed between NAMA and non-NAMA facilities).
- 1.3 Business Plan summary, to include:
 - Property description (tenure, use, size etc);
 - Where the property is a development site, an overview of the proposed scheme (size, costs, values etc);
 - Property exit/ disposal strategy, including timescale;
 - Cost benefit analysis of strategy including identification of key risks and dependencies;
 - Ranking of properties based on their suitability for completion, future hold or sale and any other factors that are considered pertinent to ensuring the recovery of relevant outstanding borrowings for NAMA; and
 - Current and expected management involvement, including management incentivisation.
- 1.4 Cash requirement highlights, to include:
 - Summary of the current cash position;
 - Any new monies to be provided from 3rd party sources (including those under any committed facilities);
 - Any money to be paid out, including in relation to any proposed or newly established joint ventures or other entity structures (including those committed to but not yet established);
 - Summary and description of any short, medium or long term cash needs, including potential timescale and quantification of such needs;
 - Peak borrowing requirement for base case, including requirement(s) for any new monies (and timing); and
 - Details of any proposed amendment of debt terms including conversion/ amendment of terms to the extent that borrowings are not able to be repaid.
- 1.5 Short, medium and long term asset / property disposal and refinancing schedule.
- 1.6 Summary to be provided, describing all cash generating options, other than NAMA, that are available to the Debtor, including reasons for their rejection/acceptance.

Section 2: Financial Information

*The Datapack forms an integral part of this financial section and will be reviewed as part of the Business Plan. All information included in this section must be consistent with that presented in the Datapack. **Three years** of projected financial information are required. You may include further years if you so choose. In addition, you should prepare the projected financial information under a base case scenario and under one downside and one upside scenario.*

- 2.1 For each property, provide an expected repayment schedule by lending facility on a quarterly basis, (split between NAMA and non-NAMA facilities).
- 2.2 Commentary on a property by property basis. Information to include:-
 - Full property address;
 - Classification by property type (refer to Appendix 1);
 - Tenure;
 - Property location and description;
 - An opinion as to whether the property is in a prime/ secondary or tertiary location;
 - Detail of any leases if the property is occupied, details of holding costs if the property is vacant;
 - Planning history including details of current consent, any applications awaiting determination and any boundary disputes;
 - Details of any litigation pending or in progress and quantification;
 - If the property comprises of a development opportunity also include details of:
 - The proposed development including floor area schedule of scheme;
 - Any site/ construction works undertaken to date;
 - Development costs (itemised) including the value of any work in progress;
 - Gross development value including details of any prelets or forward sales; and
 - Timescale to completion;
 - Disposal/ exit strategy including:
 - Cost benefit analysis of any expenditure required;
 - Key risks and dependencies upon which the strategy is predicated, (including those that are beyond the control of the developer);
 - Timescale to exit; and
 - Projected realisation at exit.
- 2.3 If the property asset comprises of a development site, provide a residual appraisal, including cashflow for a minimum of three years. If the property asset comprises of a property investment, provide investment valuation, including cashflow for a minimum of three years. In addition, provide a list of valuation assumptions and rationale.
- 2.4 Provide details of any new monies to be provided (as set out in 1.4), including counterparty, status of negotiations, nature of investment, etc.

- 2.5 Provide details of intra-group funding arrangements and any proposed changes to these.
- 2.6 Description of any and all contingent liabilities, including cross guarantees.
- 2.7 Details of any existing covenant breaches split between NAMA loans and non-NAMA loans. (Use the template provided in *Section 5 of the Datapack* and provide any additional commentary here).
- 2.8 Commentary on the loan by loan covenant compliance calculations for both NAMA and non-NAMA loans, based on existing covenants (as per *Section 5 of the Datapack*).
- 2.9 Provide a summary of any current loan defaults, including quantum of the default, the date(s) it occurred and actions taken to remedy the default.
- 2.10 Extent of current creditor pressure, including a schedule of the top 10 creditors and commentary on relationship and position with each one and on any other creditor with whom you are currently experiencing any difficulties.
- 2.11 Provide a summary table of Group results for the two years up to the date of the latest available accounts (whether audited or unaudited) and projections for the following three years, and provide commentary on the underlying group assumptions used to prepare this and the other financial information in *Section 1 of the Datapack*. For the avoidance of doubt, all interest and fees should be modelled in accordance with existing lending terms. All information shown here should be consistent with that presented in the Datapack.
- 2.12 Overview of key accounting policies, including hedging, and details of interest rate and foreign exchange hedging strategy to date and going forward.
- 2.13 Taxation:
 - Have all tax returns and tax payments been filed/made by the required deadlines over the last three years? If not please explain;
 - Details of any ongoing audits, investigations or disputes with the tax authorities in the Republic of Ireland or any other jurisdiction and a high-level quantification of potential exposures. This should include any areas of possible dispute/investigation with the Revenue authorities of which management are aware but which has not yet commenced as well as a high-level quantification of the potential risk involved; and
 - The tax assumptions used in the preparation of the projections. This may include the use of losses or particular reliefs which reduce the projected tax liability.
 - Details of any properties 'resting on contract' (i.e. impending stamp duty liability), inherent or rolled up CGT liabilities, SPVs (Special Purpose Vehicles), off-shore vehicles or other structuring arrangements entered into, that could impact on the saleability of individual properties or on the ultimate sales proceeds that would be realisable on a change of ownership.

- Indicate if your projections include all potential VAT liabilities, including any implications relating to capital goods schemes.

Sections 3: Market Analysis

This information should be consistent with that presented in the Datapack.

- 3.1 Local market analysis for the relevant market sectors of each of your property locations, including identifying competing properties/ schemes and comparing and contrasting the properties and their pricing.
- 3.2 Comment on occupier demand (strength of demand, incentives, voids, vacancy rates, sales rates etc).
- 3.3 Provide comparable evidence, where appropriate, of rents, yields and capital values to back up residual appraisal/ investment valuation provided at 2.3.
- 3.4 Comment on enhancement potential and active management proposals to maintain/ enhance value.
- 3.5 Comment on the attractiveness of the property to the market both now and in the future.
- 3.6 Clearly state all assumptions used in your projections, their source and the rationale for their use.

Section 4: Corporate Overview

- 4.1 Provide a detailed company overview, including an overview of your company strategy and a description of all activities undertaken by the Debtor not covered under Section 2.1.
- 4.2 A detailed operational structure / chart for the Debtor indicating how you manage and monitor your business. Note any areas of your structure / operations where there are known weaknesses, current plans to address these and any other changes or restructuring that is planned.
- 4.3 A schedule of all subsidiaries and partial holdings of the Debtor (consistent with legal structure specified at 6.1). The schedule should indicate the percentage ownership by the Debtor and, to the extent any subsidiary or other entity is not wholly owned, provide the names and percentage ownership interests for each other stockholder of such subsidiary or entity. The schedule should include a description of the role of the other stockholder(s) in the management or development of the property; indicate whether the other stockholder(s) is/are a related party to the Debtor; and detail any disputes between the Debtor and other stockholders.

Section 5: Management and Employees

- 5.1 A list of the Management Team, Board of Directors, and Investment Committee, if any, indicating relevant track record, roles and primary responsibilities of all members of the management team.
- 5.2 Details of any personal guarantees given on NAMA and non-NAMA related facilities.
- 5.3 Details of any transfers (including sale) of Group assets out of the Group entities that were undertaken during the past three years to the benefit of the Ultimate Beneficial Owners (UBO) or their related parties.
- 5.4 Details of any lending by the Debtor and related entities to officers, directors and key employees of the Debtor.
- 5.5 Details of any borrowings by officers, directors, key employees and family and friends of the Debtor that are guaranteed by, or secured against assets of, the Debtor.
- 5.6 Details of any personal tax refunds, personal income and other gains applicable to the UBO, including his/her family and friends.
- 5.7 Details of pension funds owned by / managed for the Debtor, the UBO, including his/her family and friends.

Section 6: Legal Considerations

- 6.1 A detailed legal structure chart for the Debtor, including any holding companies, all wholly and partially owned subsidiaries and holdings in other structures such as joint ventures, consortiums, partnerships etc, if any. The chart should list the correct legal name of entity, the entity number assigned in the Datapack, its jurisdiction of incorporation and ownership percentage, incorporating the ultimate beneficial owner and related entities.
- 6.2 All security, (including, but not limited to: debentures, mortgages/charges and guarantees) the Debtor and related entities have granted, and the parties to whom they have granted such security. This information should be mapped onto the legal structure chart referenced in point 6.1 above.
- 6.3 A schedule of each jurisdiction in which the Debtor conducts business and where companies incorporated in such jurisdictions are used, evidence of due incorporation/registration in that jurisdiction, together with (if available) any legal opinions confirming the ability of such companies to grant security.
- 6.4 Details of any insolvency or similar proceedings that have already commenced, or are expected to commence or have been threatened with regard to the Debtor, any holding companies, its subsidiaries / related entities or any of its shareholders or directors. Whether any advice has been sought with regard to the above (either legal or insolvency specific).
- 6.5 Details of any court judgements registered against any entity set out on the legal structure chart.

Section 7: Other

- 7.1 Any other documents or information which, in your judgment, are significant with respect to any portion of the business of the Debtor or which should be considered and reviewed in order to adequately disclose the Debtor's repayment plan to NAMA, business, assets, liabilities, prospects, financial condition or results of operations.

Business Plan Requirements Guidance Note

- a. Business Plan presentation standards:
- The front cover should include the following information:
 - i. Debtor name and Ultimate Beneficial Owner;
 - ii. Debtor ID (as issued by NAMA);
 - iii. Publication date of Business Plan;
 - iv. Version number; and
 - v. Name (first and last name in full) and contact details (direct dial and email address) of the key contact for queries regarding the Business Plan and Business Plan Datapack (the “Datapack”);
 - Include a contents page;
 - Include your Debtor name and ID number in the header on every page;
 - Please present all information in Euros noting the base currency, base currency balance and exchange rate used where balances have been translated into Euros; and
 - Each section should commence on a new page.
- b. Photographs and site / development plans should be provided on a separate CD and should not be included in the Business Plan, unless specifically required.
- c. All information included in the Business Plan must be consistent with that included in the Datapack, unless otherwise specified.
- d. If you are unable to provide any of the information requested, detail the reasons. If not applicable detail the reasons.
- e. For queries regarding this guidance or any other matters related to the Business Plan or Business Plan Datapack send an email to namapm@nama.ie.
- f. Delivery of finished Business Plan and Datapack to NAMA:
- Four, double sided, A4 bound copies of the Business Plan, printed in colour, should be sent via recorded delivery to:
Business Plan Review Team
NAMA
Treasury Building
Grand Canal Street
Dublin 2

The term 'Debtor' has the meaning ascribed to it in the National Asset Management Agency Act 2009.
The term 'Group', insofar as it relates to a Debtor, includes all entities wherever resident, whether wholly or partly owned, that share the same Ultimate Beneficial Owner (“UBO”) as the Debtor.
The term ‘Ultimate Beneficial Owner’ has the meaning and intent commonly ascribed to it under anti-money laundering provisions. It is therefore intended to look through trusts, trustees, fund structures, joint ventures, partnerships, connected and related parties and similar, to identify the ultimate controlling beneficiary(ies).
The term 'NAMA loans' is used to refer to loans to Debtors by participating institutions, while 'non-NAMA loans' is used to refer to loans to Debtors by non-participating institutions.