IA Capital Structures (Ireland) plc

22 Clanwilliam Square

Grand Canal Quay

Dublin 2, Ireland

Date: [B15]

Dear Sirs,

**[B8] Notes due [B12] (THE “NOTES”)**

Pursuant to the Fees and Expenses Agreement dated 21 February 2012 between us (as amended and/or supplemented from time to time, (the “**Agreement**”)), in our capacity as the Arranger, we hereby wish to propose the issue of a Series of Notes (the “**Series**”) on the principal terms set out in the Term Sheet annexed hereto.

We propose the following arrangements in relation to the Series Fee and the Series Overheads:

|  |  |
| --- | --- |
| Series Fee: | On the Issue Date of the Series, on such terms as shall be agreed between us, we will transfer to the Issuer Irish Account a fee of Eur 500. |
| Series Tax Amount: | We confirm that an amount equal to the Series Tax Amount (if any) will on the Issue Date of the Series be transferred by us to the Issuer Irish Account. |
| Series Overheads: | We will be responsible for the Series Overheads (as defined in the Agreement)*.* |

You may either arrange for the Series Overheads to be invoiced directly to us or we will reimburse you promptly on demand in respect thereof.

In addition, the Terms and Conditions of the Notes provides that the Arranger Fee (as defined in the Conditions of the Notes) shall be payable to the Arranger, and you agree to pay such amounts to the Arranger in accordance with the Conditions of the Notes.

Terms defined in the Agreement (whether directly or by reference) shall have the same meanings herein. This letter and any non-contractual obligations arising out of or in relation to it shall be governed by and construed in accordance with the laws of Ireland.

Please confirm your agreement in principle, subject to documentation satisfactory to the parties, to proceed by signing below.

Yours faithfully

Signed for and on behalf of

**flexfunds ltd**

By: By:

Duly authorised signatory Duly authorised signatory

We agree to the foregoing in principle and subject to contract:

Signed for and on behalf of

**IA Capital Structures (Ireland) plc**

By: By:

Duly authorised signatory Duly authorised signatory

**TERM SHEET**

|  |  |
| --- | --- |
| **Issuer** | IA Capital Structures (Ireland) plc. |
| **Form of Notes** | Notes will initially each be represented by beneficial interests in a temporary global note in bearer form. Pursuant to the conditions of the Notes, each temporary global note may be exchanged for a permanent global note in bearer form ("**Permanent Global Note**") |
| **Authorised Denomination** | [B47] per Note |
| **Description of Notes** | [B8] Notes due [B12] |
| **Aggregate Principal Amount** | [B46] [B45] |
| **Issue Price** | [B49] of the Principal Amount |
| **Underlying Investments** | [B60] |
| **Portfolio Manager**  **(if any)** | [B21] |
| **Issue Date** | [B15] |
| **Maturity Date** | [B16] |
| **Interest Rate** | The Notes shall receive a total return based on the performance of the Portfolio during the Interest Period.  The Interest Amount will be the greater of:  (a) Net Proceeds – [B47]; and  (b) Zero. |
| **Interest Payment Date(s)** | Any Business Day within 5 Business Days following an Interest Determination Date at the discretion of the Portfolio Manager. |
| **Optional Early Redemption for Noteholder/Issuer** | Redemption at the option of the Noteholder and at the option of the Issuer shall apply (as amended by special condition (III) of the Series Memorandum. |
| **Additional Notes** | Following the Issue Date, the Issuer may in its sole and absolute discretion agree with the Arranger to issue additional Notes from time to time which would be fungible and form a single series with existing Notes. The terms on which such additional Notes would be issued (including the issue price) would be agreed with the Arranger and it is expected that such additional Notes would not have a materially adverse effect on the value of existing Notes. |
| **Mandatory Redemption**  **Events** | Where applicable, as set out in the Programme Memorandum and/or Series Memorandum. |
| **Governing Law** | Irish law |
| **Listing (if any)** | Vienna Stock Exchange (MTF, Third Market) |
| **Rating Agency Rating (if any)** | Not rated |
| **Arranger** | FlexFunds Ltd. |
| **Calculation Agent** | FlexFunds Ltd. |
| **Placing Agent** | Both GWM Group, Inc. and GWM LTD |
| **Trustee** | Sanne Fiduciary Services Limited |
| **Broker Dealer of Record** | GWM LTD |
| **Paying Agent** | Citibank N.A., London Branch |