

Schedule 5

Security Trustee Agreement

Between and among

Investors as outlined in Appendix B (the Partners) acting as a simple Partnership under German law (*Gesellschaft bürgerlichen Rechts*).

hereinafter referred to as Beneficiary, this definition shall include the singular and plural alike,

and

Ladon Intertrust Treuhandgesellschaft mbH

Marchandstr. 27, 12247 Berlin, Germany

represented by its managing director, Daniel Weber

hereinafter referred to as Security Trustee,

Zwischen

Den in Anhang B genannten Investoren (Partner), handelnd in Gesellschaft bürgerlichen Rechts,

nachfolgend auch Treugeber genannt; diese Definition trifft auf den Singular und den Plural gleichermaßen zu.

und

Ladon Intertrust Treuhandgesellschaft mbH

Marchandstr. 27, 12247 Berlin, Germany

vertreten durch den alleinvertretungsberechtigten Geschäftsführer Herrn Daniel Weber

Nachfolgend auch Sicherheitentreuhänder genannt.

Preliminary Remarks

The Security Trustee – a German Limited Company, GmbH – will hold in its own name a first ranking land charge (the Security) on the Property specified in Appendix A (the Property). The Security Trustee will hold the Security on behalf of the Beneficiary consisting of all investors as outlined in Appendix B (the Partners) acting as a simple Partnership under German law (*Gesellschaft bürgerlichen Rechts*) (the Beneficiary). The Security Trustee is not a member of the Beneficiary.

A Security Trustee Agreement shall come into effect when the Beneficiary's representative receives confirmation in text form from the Security Trustee that accepts the Security Trustee Conditions as outlined below.

Each Partner hereby dispenses with receiving notice of admission of further Partners to the Beneficiary, § 151 of the German Civil Code (*Bürgerliches Gesetzbuch*).

A Security Trustee Agreement shall come into effect when the Beneficiary's representative receives written confirmation from the Security Trustee that accepts the Security Trustee

Vorbemerkung

Der Sicherheitentreuhänder – eine Gesellschaft mit beschränkter Haftung, GmbH – wird in eigenem Namen eine erstrangige Grundschuld (die Sicherheit) auf der im Anhang A bezeichneten Liegenschaft (die Liegenschaft) halten. Der Sicherheitentreuhänder ist die Sicherheit für die in Anhang B genannten Investoren (die Partner) – handelnd in Gesellschaft bürgerlichen Rechts – als Treugeber halten. Der Sicherheitentreuhänder ist nicht Mitglied des Treugebers.

Diese Sicherheitentreuhändervereinbarung tritt in Kraft, sobald der Vertreter des Treugebers die Bestätigung des Sicherheitentreuhänders in Textform erhalten hat, nach welcher dieser Sicherheiten Treuhänderbedingungen wie nachstehend annimmt.

Jeder Partner verzichtet gemäß § 151 BGB auf die Mitteilung des Beitritts weiterer Partner zu dem Treugeber.

Diese Sicherheitentreuhändervereinbarung tritt in Kraft, sobald der Vertreter des Treugebers die schriftliche Bestätigung des Sicherheitentreuhänders erhalten hat, nach welcher

Conditions as outlined below.

The Security Trustee will hold the Security on behalf of the Beneficiary as collateral for an investment of the Beneficiary in a German Property development (the Project) under the following Security Trustee Conditions:

§ 1 Purpose of Trust

The objective and purpose of the Security Trustee Conditions are to facilitate the creation and administration of a security for investments made under a Loan Agreement between the Partners, the Project Manager (Dolphin Capital GmbH) and the Borrower. These Security Trustee Conditions stipulate the legal rights and obligations between the Security Trustee and the Beneficiary.

§ 2 Trust Relationship

The Security Trustee will act dutifully for the Beneficiary. In this capacity, the Security Trustee will hold the Security in its own name on behalf of the Beneficiary until the Security is fully deleted from the land register.

§ 3 Rights and Duties of the Security Trustee

- (1) The Security Trustee shall hold the Security on behalf of the Beneficiary as described in § 2.
- (2) The Security Trustee shall report to the Beneficiary's representative regularly on the establishment and administration of the Security including its deletion.
- (3) The Security Trustee shall accept instructions from the Beneficiary only through the Beneficiary's representative.
- (4) The Security Trustee shall be entitled to release the Security in whole or in part at its own discretion, including without limitation if and as far as the Security Trustee is presented with a legally binding and effective sales contract for the Property or parts of it.
- (5) Under these Security Trustee conditions, the Security Trustee is neither entitled nor obliged to enforce the Security against the Property or to initiate further measures to capitalise the Security. Such action shall be deemed additional measures of the Security Trustee and shall require a separate written undertaking on behalf of the Security Trustee

dieser Sicherheiten Treuhänderbedingungen wie nachstehend annimmt.

Der Sicherheitentreuhänder wird die Sicherheit für den Treugeber als Sicherheit für eine Investition der Treugeber in eine Immobilienentwicklung in Deutschland (das Projekt) zu den folgenden Sicherheitentreuhänderbedingungen halten:

§ 1 Zweck der Treuhand

Ziel und Zweck dieser Sicherheitentreuhänderbedingungen ist es, die Bestellung und Verwaltung einer Sicherheit für die Investitionen des Treugebers gemäß dem Darlehensvertrag zwischen dem Treugeber, indem Projektentwickler und dem Darlehensnehmer zu ermöglichen. Diese Sicherheitentreuhänderbedingungen regeln die Rechte und Pflichten zwischen dem Sicherheitentreuhänder und dem Treugeber.

§ 2 Treuhandverhältnis

Der Sicherheitentreuhänder wird pflichtgemäß für den Treugeber handeln. In dieser Rolle wird der Sicherheitentreuhänder die Sicherheit im eigenen Namen für den Treugeber halten, bis die Sicherheit vollständig aus dem Grundbuch gelöscht ist.

§ 3 Rechte und Pflichten des Sicherheitentreuhänders

- (1) Der Sicherheitentreuhänder hat die Sicherheit für den Treugeber wie in § 2 beschrieben zu halten.
- (2) Der Sicherheitentreuhänder hat den bevollmächtigten Vertreter des Treugebers regelmäßig über die Bestellung und Verwaltung der Sicherheit sowie deren Löschung zu unterrichten.
- (3) Der Sicherheitentreuhänder darf Weisungen des Treugebers nur von dessen bevollmächtigtem Vertreter entgegennehmen.
- (4) Der Sicherheitentreuhänder ist ermächtigt, die Löschung der Sicherheit ganz oder teilweise nach eigenem Ermessen zu veranlassen, insbesondere wenn und soweit dem Sicherheitentreuhänder ein wirksamer und vollziehbarer Kaufvertrag über die Liegenschaft oder Teile hiervon vorgelegt wird.
- (5) Nach diesen Sicherheitentreuhänderbedingungen ist der Sicherheitentreuhänder weder berechtigt noch verpflichtet, die Sicherheit zu vollstrecken oder sonstige Maßnahmen zu ergreifen, um die Sicherheit zu kapitalisieren. Derartige zusätzliche Dienstleistungen bedürfen einer separaten Beauftragung durch den Treugeber und Annahme

and the Beneficiary.

(6) The Security Trustee is not obliged to arrange for other securities for the Beneficiary's investment.

§ 4 Rights and Duties of the Beneficiary

(1) The Beneficiary shall be entitled to information from the Security Trustee through the Beneficiary's representative. Such claim to information shall include all actions taken by the Security Trustee towards holding and administering the Security on behalf of the Beneficiary including the value of the Security as well as any additional measures taken as to the instructions from the Beneficiary.

(2) The Beneficiary shall be required to support the Security Trustee in all matters serving the purpose of the trust.

§ 5 Beneficiary's Representative

(1) The Beneficiary shall name a representative to accept correspondence from the Security Trustee. The representative shall be named by a 75% majority of the Partners.

(2) The first representative for the Beneficiary shall be

Mike O'Dwyer,
53 Monastery Drive,
Olton,
Solihull,
B91 1DW

(3) All and any correspondence sent to and received by the Beneficiary's representative shall be deemed to be received by the Beneficiary.

(4) All and any correspondence sent by the Beneficiary's representative and received by the Security Trustee shall be deemed to be correspondence from the Beneficiary to the Security Trustee.

§ 6 Remuneration

(1) The Security Trustee shall receive remuneration of 1% of the Security's face value plus German VAT (currently 19%) for the holding and administration of the Security as

durch den Sicherheitentreuhänder.

(6) Der Sicherheitentreuhänder ist nicht verpflichtet weitergehende Sicherheiten für die Investitionen des Treugebers zu errichten.

§ 4 Rechte und Pflichten des Treugebers

(1) Der Treugeber ist berechtigt, über seinen bevollmächtigten Vertreter von dem Sicherheitentreuhänder sämtliche relevanten Informationen zu erhalten. Dieser Anspruch betrifft insbesondere Information über sämtliche Tätigkeiten im Zusammenhang mit der Bestellung und der Verwaltung der Sicherheit sowie deren Nennwert aber auch über zusätzliche Dienstleistungen, welche vom Treugeber beauftragt worden.

(2) Der Treugeber ist verpflichtet, den Sicherheitentreuhänder in allen Belangen zu unterstützen, welche dem Zweck des Treuhandverhältnisses dienen.

§ 5 bevollmächtigter Vertreter des Treugebers

(1) der Treugeber hat einen bevollmächtigten Vertreter zu benennen, welcher Erklärungen des Sicherheitentreuhänders für den Treugeber entgegennimmt.

(2) Der erste bevollmächtigte Vertreter des Treugebers ist

Mike O'Dwyer,
53 Monastery Drive,
Olton,
Solihull,
B91 1DW

(3) sämtliche Korrespondenz, welche an den bevollmächtigten Vertreter gerichtet und von diesen empfangen wird gilt als bei dem Treugeber zugegangen

(4) sämtliche Korrespondenz, welche von den bevollmächtigten Vertreter an den Sicherheitentreuhänder gerichtet und von jenem empfangen wird, gilt als unmittelbare Korrespondenz des Treugebers.

§ 6 Honorar

(1) der Sicherheitentreuhänder erhält für seine Tätigkeit ein Honorar von 1 % des Nennwerts der Sicherheit zuzüglich Umsatzsteuer (derzeit 19 %) für das Halten und die Verwaltung der Sicherheit wie

described in § 3 (1-4).

(2) Additional measures as described in § 3 (5) shall be remunerated with further flat fee of 1% of the Security's face value plus German VAT (currently 19%).

(3) The remuneration shall be borne in the first instance by the Project Manager. However, the Project Manager and the Beneficiary are jointly and severally liable for the remuneration.

§ 7 Correspondence

All correspondence to the Beneficiary shall be made to the Beneficiary's representative. For the purpose of the Security Trustee Conditions, any correspondence shall be in text form, i.e. written letter, fax or e-mail.

§ 8 Contract Period

(1) The trust relationship starts with the entry into force of a Security Trustee Agreement.

(2) The trust relationship ends with deletion of the Security on the Property.

§ 9 Termination

(1) The Security Trustee and the Beneficiary shall each retain the right to terminate the Security Trustee Agreement for compelling reasons (§ 314 of the German Civil Code).

(2) In abrogation from the stipulation above § 7 any notice of termination shall require the written form.

§ 10 Rules for the Beneficiary's Management, Representation, Decision Making and Internal Proceedings

(1) The Beneficiary's Representative shall be charged with management and representation of the Beneficiary.

(2) The Partners in the Beneficiary can make decisions on behalf of the Beneficiary by majority vote. A vote shall be permissible only if at least 70% of the Partners participate in the vote. Each decision shall require a majority of 75% of the cast votes.

(3) The Partners shall be required to disclose to the Beneficiary's representative any changes in address or other contact details. The Beneficiary's Representative will forward such changes promptly to the Security Trustee.

beschrieben in § 3 (1 - 4).

(2) Zusätzliche Dienstleistungen wie beschrieben in § 3 (5) werden mit einem weiteren Honorar von 1 % des Nennwerts der Sicherheit zuzüglich Umsatzsteuer (derzeit 19 %) entlohnt.

(3) Schuldner der Honorarforderung ist zunächst der Projektentwickler. Der Treugeber und der Projektentwickler haften jedoch für die Erfüllung der Honorarforderung als Gesamtschuldner.

§ 7 Korrespondenz

Sämtliche Korrespondenz an den Treugeber ist an den bevollmächtigten Vertreter des Treugebers zu richten. Im Rahmen dieser Sicherheiten Treuhänderbedingungen sämtliche Korrespondenz in Textform zu halten, d.h. Brief, Fax oder E-Mail.

§ 8 Vertragslaufzeit

(1) Das Treuhandverhältnis entsteht mit Inkrafttreten dieses Treuhandvertrages.

(2) Das Treueverhältnis endet mit Löschung der Sicherheit aus dem Grundbuch.

§ 9 Kündigung

(1) Der Sicherheitentreuhänder und der Treugeber sind jeweils berechtigt, die Sicherheitentreuhandvereinbarung aus wichtigem Grund (§ 314 BGB) zu kündigen.

(2) In Abweichung von der Formregelung in § 7 Bedarf die Kündigungserklärung der Schriftform.

§ 10 Regeln zur Vertretung, Geschäftsführung, Willensbildung und internen Organisation des Treugebers

(1) Die Geschäftsführung des Treuhänders einschließlich des Rechts zur Vertretung des Treuhänders obliegt dem bevollmächtigten Vertreter.

(2) Die Partner entscheiden zur Willensbildung des Treugebers mit der Mehrheit der abgegebenen Stimmen. Eine Abstimmung ist zulässig, wenn mindestens 70% der Partner an der Abstimmung teilnehmen. Jede Entscheidung bedarf einer Mehrheit von 75% der abgegebenen Stimmen.

(3) Die Partner sind verpflichtet, dem bevollmächtigten Vertreter Änderungen ihrer Anschrift oder sonstiger Kontaktdaten mitzuteilen. Der bevollmächtigte Vertreter wird seinerseits solche Änderungen unverzüglich dem Sicherheitentreuhänder mitteilen.

(4) In case of a Partner's death the Beneficiary shall continue to exist among the remaining Partners and the deceased Partner's heirs. The Beneficiary's Representative shall make decisions on behalf of the deceased until such time as the heirs are conclusively determined.

§ 11 Final provisions

(1) These Security Trustee Conditions (STC) embody all terms and conditions agreed upon between the Parties. The STC shall not be ordered, changed supplemented or amended in any aspect, unless such authorisation, change, supplement or amendment shall be expressly agreed in textform by the Parties. This also applies to the stipulation of the textform form above.

(2) The STC shall be governed by the laws of the Federal Republic of Germany (excluding the Convention on Contracts for the International Sale of Goods).

(3) The STC are translated into the English language. No legal terms used in the STC shall be construed to refer to the laws of [the United Kingdom / Ireland] or any Anglo-American legal system. Therefore, the Parties agree that legal terms used in English language shall be interpreted exclusively according to their German meaning. In case of divergence between the English and German versions of these STC, the German version shall prevail.

(4) If any provision of the STC is held to be illegal, invalid or unenforceable in whole or part, the STC shall continue as to its other provisions and the remainder of the ineffective provision. In such case, the Parties shall agree to a valued provision best matching the intended result. The same shall apply for any gap in the wording.

(5) The Beneficiary is not domiciled in Germany. Therefore, the Parties agree that for all and any disputes resulting from the STC, the appropriate forum shall be Berlin. The above shall apply also to disputes regarding the effect and validity of the STC. The choice of forum shall apply furthermore to any legal successors to the Parties and shall be altered only by a written agreement.

(4) Im Todesfall eines Partners wird die Gesellschaft bürgerlichen Rechts mit dessen Rechtsnachfolgern fortgesetzt. Bis zum endgültigen Nachweis der Rechtsnachfolger trifft der bevollmächtigte Vertreter Entscheidungen für den verstorbenen Partner.

§ 11 Schlussbestimmungen

(1) Diese Sicherheitentreuhandbedingungen (STB) umfassen sämtliche Vereinbarungen zwischen den Parteien. Mündliche Nebenabreden sind nicht getroffen. Jede Änderung dieser Vereinbarung bedarf der Textform. Dies gilt auch für die Abänderung des Textformerfordernisses

(2) Die STB unterliegen dem Recht der Bundesrepublik Deutschland unter Ausschluss des UN Kaufrechts.

(3) Die STB sind in die englische Sprache übersetzt. Juristische Termini der englischen Version beziehen sich nicht auf das Recht des einigen Königreichs/Irlands oder einer anderen angloamerikanischen Rechtsordnung. Daher kommen die Parteien über einen, dass Juristische Termine ausschließlich nach ihrem deutschen Bedeutungsgehalt interpretiert werden sollen. Wenn und soweit die deutsche und die englische Version dieser STB voneinander abweichen, genießt die deutsche Version voran.

(4) Sollten einzelne Bestimmungen dieser STB ganz oder teilweise unwirksam oder undurchführbar sein, berührt dies die übrigen Regelungen der STB nicht. Anstelle der unwirksamen oder undurchführbaren Bestimmungen tritt diejenige rechtlich zulässige Bestimmung, wie dem Willen der Parteien am nächsten kommt. Entsprechendes gilt im Falle einer Lücke im Vertragstext.

(5) Der Treugeber hat keinen ordentlichen Gerichtsstand in Deutschland. Daher bestimmen die Parteien für sämtliche Streitigkeiten im Zusammenhang mit oder als Resultat aus diesen STB Berlin als Gerichtsstand. Das betrifft auch Streitigkeiten über die Wirksamkeit dieses Vertrages. Die Bestimmung des Gerichtsstands gilt auch für Rechtsnachfolger der Parteien und darf nur schriftlich geändert werden.

Schedule 6 Conversion

1. CONVERSION

- 1.1 The Company may at any time issue a written notice to the Noteholders (or any of them) (a "Conversion Notice") stating that their holdings of Notes are to be converted into shares ("Conversion") in either the Company, or a company listed on a recognised stock exchange within the European Union or the United Kingdom ("Conversion Shares").
- 1.2 Subject to paragraph 1.3 and paragraph 1.5 of this Schedule, all outstanding Notes which are subject to a Conversion Notice shall automatically convert into fully paid Conversion Shares at a rate equal to the value of the outstanding debt due to the relevant Noteholder whose Notes are converted (in the case of conversion into listed securities, valued at the price per Conversion Share calculated as the arithmetic mean between the last quoted bid and ask price of the Conversion Shares on such day immediately preceding the Conversion Date on which the Conversion Shares have been traded on the stock exchange of their primary listing. In case the Conversion Shares are quoted in a currency other than Euro, the Share Price shall be calculated in Euro based on the conversion rate published on the website of the European Central Bank (https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html.) on the date the price is calculated. (the "Conversion Price") on the date specified or calculated or determined in accordance with in the Conversion Notice.
- 1.3 The Company may serve a Conversion Notice at any time. When a Conversion is proposed, the Company shall endeavour to give Noteholders not less than 20 Business Days' prior written notice of the proposed Conversion specifying (to the best of its knowledge) the terms and prospective date of the Conversion.
- 1.4 If the Company has given notice to Noteholders of a proposed Conversion (as required by paragraph 1.3), and it becomes apparent to the Company that the Conversion is not after all to take effect, the Company shall give notice to the Noteholders to that effect, which shall revoke the original Conversion Notice.
- 1.5 The service of a Conversion Notice shall be subject only to the Conversion taking place. If the Conversion does not take place within 60 Business Days of the date of the Conversion Notice, then the Conversion Notice shall automatically be deemed to have been revoked and the Company shall give Noteholders further written notice of any subsequent proposed Conversion to which the provisions of this paragraph 1 of this Schedule shall then apply.

2. PROCEDURES ON CONVERSION

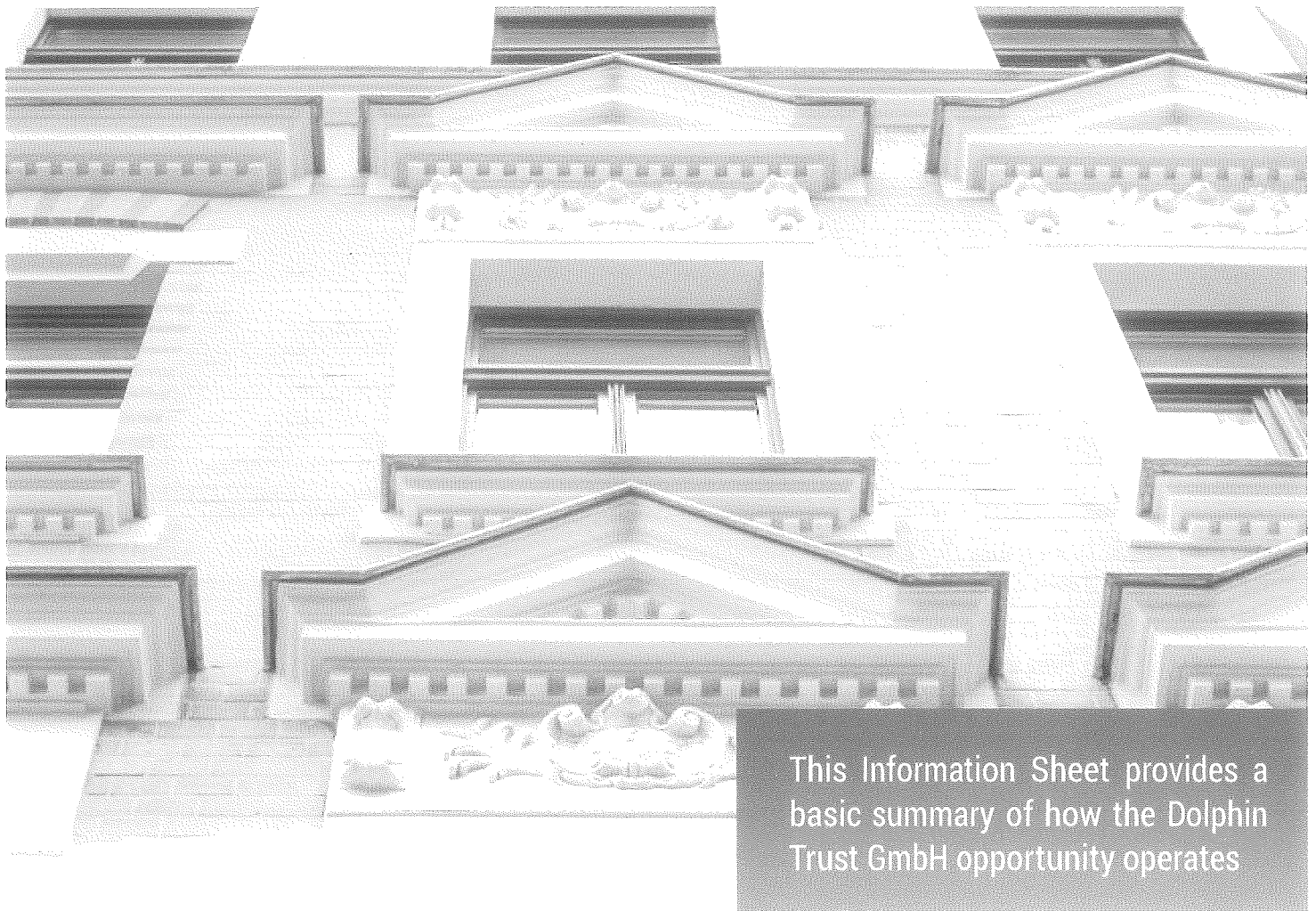
- 2.1 On the date of Conversion (the "Conversion Date"), the Directors shall procure the conversion of the principal amount of the Notes and the then-accrued but unpaid

interest into such number of new fully paid Conversion Shares at such price as is set out in paragraph 1.3 of this Schedule subject to any adjustment as set out in any Conversion Notice (and subject to paragraph 2.5) in accordance with the following provisions of paragraph 2.2 to paragraph 2.5 (inclusive).

- 2.2 Conversion of the Notes shall be effected by the Company redeeming the relevant Notes on the Conversion Date and applying the proceeds of redemption in paying up the respective Conversion Shares. Each Noteholder whose Notes are being converted shall be deemed to irrevocably authorise and instruct the Company to immediately (and without receipt of the same) apply the redemption moneys payable to that Noteholder in subscribing for Conversion Shares on Conversion of the Notes.
- 2.3 Conversion Shares subscribed for on conversion of the Notes shall be issued and allotted by the Company on the Conversion Date credited as fully paid and the certificates for such Conversion Shares shall be despatched to the persons entitled to them at their own risk or credited to the Noteholder's CREST account if such Conversion Shares are to be held in dematerialised form. In the absence of an express direction by the Noteholder, the securities will be held in certificated form.
- 2.4 The Conversion Shares shall be credited as fully paid and rank pari passu with the shares of the same class in issue on the Conversion Date and shall carry the right to receive all dividends and other distributions declared after the Conversion Date.
- 2.5 The entitlement of each Noteholder to a fraction of a Conversion Share shall be rounded to the nearest whole number of Conversion Shares which result from the conversion of the Notes.

Executed as a deed by Dolphin
Capital .80 Projekt GmbH & Co. KG
by Charles Smethurst, duly authorised
for and on behalf of the managing
director of its general
partner (Komplementär) DT
Projektholding GmbH

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This Information Sheet provides a basic summary of how the Dolphin Trust GmbH opportunity operates



DOLPHIN TRUST

- Short Term Investment
- Term options of 2 & 5 years
- Entry level Interest fixed at 10% per annum
- Bonus of up to 10% on the Deferred Income option
- Registered First Legal Charge on the underlying asset class
- Dolphin Trust GmbH has a proven track record
- Dolphin Trust GmbH is a company incorporated and regulated in Germany

www.dolphin-trust.com

Please visit the Dolphin Trust website at www.dolphin-trust.com for more information.

IMPORTANT MESSAGE TO PROSPECTIVE INVESTORS

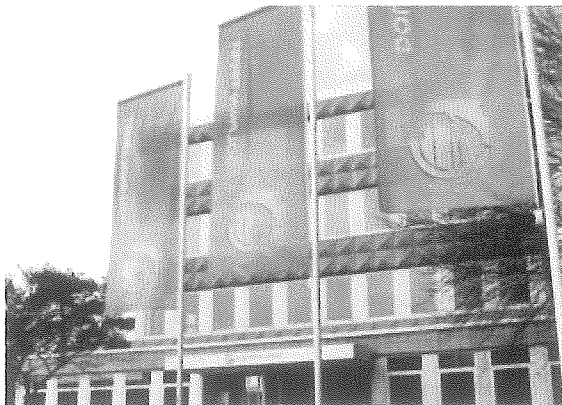
Neither Dolphin Trust GmbH, any associated group company of Dolphin Trust GmbH or any accredited introducer is authorised or regulated by the Financial Conduct Authority (FCA) in the UK under the Financial Services & Markets Act 2000 (FSMA).

Any person that chooses to consider the Dolphin Trust investment opportunity must satisfy themselves that they can afford to absorb the risks involved as set out in the Information Memorandum and to fully understand that this investment involves the provision of secured loan capital that is then used for the purposes of investment in selected German Listed Building projects, for the purpose of renovation and sale. UK Investors are not purchasing German Property for their own occupancy or for their own rental income stream.

Determining what sort of provision to make for one's retirement can be a complex matter and as such, Prospective Investors should always seek independent financial advice from an appropriately authorised and qualified person. If requested, Dolphin Trust can direct prospective Investors towards the services of suitably qualified Independent Financial Advisors for such purposes.

No business undertaken by any Investor directly with Dolphin Trust or a Group Company is protected by the UK Financial Services Compensation Scheme or the Financial Ombudsman Scheme. No investment will be accepted by Dolphin Trust unless Investors have signed to confirm their understanding of the investment and the associated Terms & Conditions. Nothing written in this document should be construed or interpreted as investment or private pension advice.

The communication to which this investment [and brochure] relates is exempt from the general restriction in Section 21 of the Financial Services and Markets Act 2000 ("FSMA") on making financial promotions to members of the public where the promoter is not an authorised and regulated person for the purposes of the FSMA on the basis that it is made only to certain groups who are exempt within the meaning of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. These include sophisticated investors, self-certified sophisticated investors, high net worth companies, certified high net worth individuals and certain investment professionals.



1. WHO IS DOLPHIN TRUST GMBH?

Dolphin Trust is a German Company that provides an investment opportunity for clients in the United Kingdom and other parts of the world. With a network of offices across the UK, Ireland, Germany and Singapore they have a strong global reach and were awarded a 'Good Solvency' rating from Creditreform.

Since their inception in 2008, Dolphin Trust's track record has earned them a name as Germany's market leader in redeveloping Listed Buildings. Dolphin Trust have accumulated a wealth of experience and their team of experts ensure conservation and the comforts of modern-living complement with each other.

2. THE KEY CHARACTERISTICS OF THE INVESTMENT OPPORTUNITY

The most pertinent pieces of information about Dolphin Trust, their style of operation and the key characteristics of the Investment scheme are detailed below:

- Dolphin Trust has been trading since 2008*
- The minimum Investor Return offered by Dolphin Trust is 10% per annum
- A Bonus of either 2% or 10% is available on the Deferred Income options. The bonus depends on the term chosen
- 2 & 5 year term options are available
- The investment is secured with a Registered First Legal Charge on the underlying asset class, which is German Listed Buildings

* Dolphin Trust previously traded as Dolphin Capital GmbH. The name change to Dolphin Trust GmbH was purely for international trademark and brand protection purposes.

3. HOW DOES THE DOLPHIN TRUST INVESTMENT OPERATE?

Dolphin Trust loans money from qualifying individuals in the United Kingdom in the form of loan notes issued by a German property SPV which is usually a group company or subsidiary of Dolphin Trust. The terms of the loan notes are set out in the loan note instrument which include fixed returns of interest and capital. The loan note instrument and associated documents have been drafted by UK lawyers with experience in banking, finance and financial services.

Dolphin Trust uses the loan money to fund its work with German Listed Buildings. The Company carefully sources Listed Buildings that require renovation. This is because, in Germany, the German Government offer a unique tax break to encourage German citizens to purchase renovated German Listed Buildings.

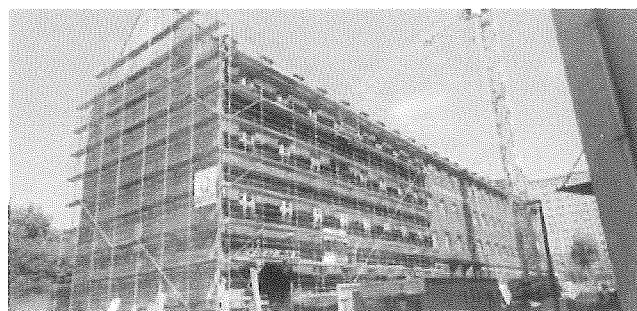
The apartments within the German Listed Buildings are sold off-plan (before renovation work commences) through a well-established network of German sales agents. Development funds (i.e. the mortgage provided for the German Buyers) are released by the German Banks on a phased basis. This enables the agreed Interest repayments to be made to the Investors who provided the initial loan funds to Dolphin Trust at the outset.

4. THE INVESTMENT OPTIONS

Dolphin Trust has two investment options:

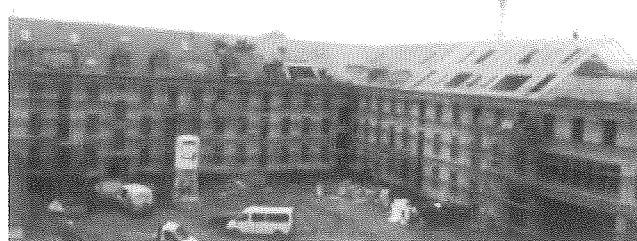
1. The Deferred Income Option

When the **Deferred Income Option** is chosen, an Interest Bonus of 2% is given to an Investor who chooses the 2 year option, and an Interest Bonus of 10% is given to an Investor who chooses the 5 year option.



2. The Invest For Income Option

Investors choosing the **Invest For Income Option** over 2 or 5 years can enjoy the same interest payments (10% per annum over 5 years) but the Annual Interest is split into two and paid out six monthly. When the Invest for Income Option is chosen, the capital sum that was originally invested is returned in full to the Investor at the end of the term.



Deferred Income Option 2 & 5 Year examples:

Term Option	Interest per Annum	Bonus	Bonus Conditions	Total % Return at end of term	Example Return on £100,000 investment
2 Years	10%	2%	The 2% bonus is payable at the end of the 2 Year Deferred Income option only	22%	£22,000
5 Years	10%	10%	The 10% bonus is payable at the end of the 5 Year Deferred Income option only	60%	£60,000

The illustration above does not take account of the fees applied by SIPP Providers. These fees vary dependent on the SIPP Provider chosen / used by the Investor. Dolphin Trust does not charge the Investor any administration or legal fees.

5. KEY INVESTOR CONSIDERATIONS

When Investors are considering making a decision to place money into any investments of this nature, they should make a careful analysis of the vital components of the proposed investment.

There are several key aspects of an investment that an Investor would benefit from examining. The chart below reveals just some of the key items for consideration. The far right column in the table below illustrates how Dolphin Trust measures up against these areas of scrutiny.

Key item for consideration	Explanation of the scrutiny required	How does Dolphin Trust GmbH measure up?
1. Investment Term	The term chosen should be appropriate for the individual and in line with their personal circumstances	2 & 5 Year term options available
2. Return	Is the return offered: (a) Target (b) Up to (c) Guaranteed or (d) Fixed?	Fixed: 10% per annum + Bonuses on the Deferred Income Option
3. Security Considerations	Does the investment provide any security for the Investor?	All Dolphin Trust projects offer the Investor a Registered First Legal Charge on the underlying asset
4. Track Record	Does the operator of the scheme have a track record they can share?	Dolphin Trust has a strong track record
5. Money flow	Where is the Investor money sent?	Investor funds are sent to a Botterman Khorrami Law bank account and are transferred to the Dolphin Trust SPV once security is in place.
6. Origin of activity	What is the Country where the activity takes place? How robust is the economy in that Country? What are regulations like in the Country?	Germany is widely regarded as Europe's largest and most stable economy. Germany is extremely well regulated from both a legal and banking perspective
7. Exit	How easy is it to exit at the end of the term?	The exit process with Dolphin Trust is automatic. Funds will be paid directly to the specified bank account of the Investor
8. Risks	All potential Investors must read and understand the risks involved in this product	<p>All risks are outlined in the Information Memorandum including the below examples. This list is not all encompassing.</p> <ul style="list-style-type: none"> - Fluctuation in the value of properties purchased - Alteration or removal of tax incentive - Failure to sell the apartments off-plan to German property buyers

This information sheet was provided for the attention of:

Name:

By Dolphin Trust Accredited Introducer:

Name:

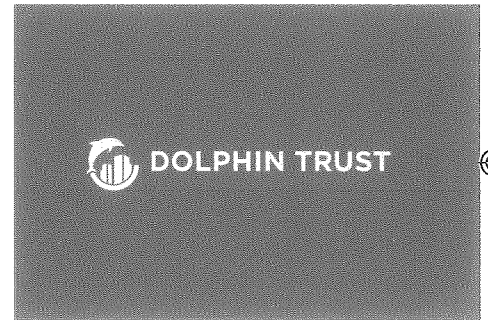
Introducer Address & Contact Details:

Dolphin Number:

Date:



Frequently Asked Questions



The below is a list of our most frequently asked questions.
For more information about Dolphin Trust GmbH please get in touch with your Dolphin contact.

What is the probability of the German government removing the tax break for high rate tax payers?

The German government works from a 5-year budget plan and the last tax changes were effective from January 2014 (see the German Tax Office's official website, www.steuertipps.de), when no changes were made to the tax break available for high rate tax payers. The next budget update will not happen until December 2019 and, whilst the German government has not confirmed that the German tax legislation is expected to remain in place, it has also not proposed any amendments to the relevant legislation. We believe that this is because the German government is keen to have listed buildings renovated at no expense to the exchequer.

When selecting property, what criteria do Dolphin Trust GmbH use?

The primary function of Dolphin Trust's sourcing and due diligence departments is to source suitable properties. Extensive due diligence is completed before Dolphin Trust ever purchases a building; therefore any potential issues are already identified before purchase. Any factor which would impact negatively on the renovation or resale of the property would be identified during due diligence and mean that Dolphin Trust would not purchase the building.

Why does Dolphin Trust use private equity to purchase buildings instead of bank financing?

There are many reasons for this:

I. Historically, all developers utilised bank finance but in the past few years the banks in Germany have moved away from providing development finance, as it is considered too short term. However, the German banks will happily provide the finance for the German end buyers because of the low-risk lending profile of these borrowers.

II. German banks will still provide finance but it takes them a long time to make a decision on lending (potentially three to four months). If Dolphin Trust only relied on German bank finance to fund the purchase, Dolphin Trust would likely lose out on the purchase of buildings to rival developers who could complete the sale more quickly.

III. The banks prefer to work with Dolphin Trust to provide finance for German end buyers. The fact that Dolphin Trust has a proven track record of accessing private funding gives the company a distinct advantage over any rival developers. The German property vendor knows that once Dolphin Trust identifies a project, the company has the necessary purchasing power to complete the purchase quickly.

IV. The German Banks will usually only provide part finance and, therefore, private funding would still be needed on such projects. The Dolphin Trust business model also gives extra protection to lenders as they will hold the first legal charge over the property as opposed to the bank.

'The lenders are secured by a Legal Charge on the listed building'. What does this actually mean?

The lenders are granted a legal charge on the building purchased using their funds. This secures both the capital and the interest. The legal charge is registered with the German Land Registry and is held by an appointed independent trustee. This legal charge gives the client the same type of security a mortgage lender would hold and would enable the property to be repossessed and sold in the extremely unlikely event of repayment not being made.

Has it ever been necessary to enforce a legal charge?

No, it has never been necessary to enforce a legal charge on any Dolphin Trust project as no default in payment has ever occurred.

Listed buildings amount to 1% of the German property market. Of this 1%, who owns the properties that are currently available?

The listed buildings are owned by a variety of entities, including the government, private individuals, companies, funds and banks.

What happens if Dolphin Trust cannot get planning permission?

All buildings are bought with either full planning in place or with appropriate zoning (land use). Dolphin Trust carries out extensive due diligence and an assessment of the planning permission on the property is a major focus of this, often determining whether a project will be purchased or not.



When will interest payments be made to clients?

Clients can choose an income or a deferred income option. For the income option, interest is paid on a six-monthly basis with capital returned in full at the end of the chosen term. For the deferred income option, interest and capital are both paid out in full at the end of the chosen term.

How long has Dolphin Trust been operating?

The company was set up in 2008 as Dolphin Capital GmbH and changed its name to Dolphin Trust GmbH in 2015. CEO Charles Smethurst and his executive team have decades of experience working in the niche listed building sector which has enabled Dolphin Trust to quickly grow into a highly successful international business

What will my funds be used for?



Funds are utilised for the acquisition and associated sales and marketing costs of the individual projects.



Will I ever end up owning a German apartment unit?

No, you will never actually own any property in Germany, the property will only act as security until you receive the fixed contractual sums that you are due under the loan agreement. It is the German end buyers who will own the completed apartments.

Could I buy one of the apartments if I wanted to?

There is nothing to prevent any UK investors buying German property but please note it is only GERMAN CITIZENS who can take advantage of the special tax break that relates to German listed buildings.

Is the Dolphin Trust product SIPP approved?

Yes, the product is approved by many of the UK's leading SIPP providers.

Does Dolphin Trust only seek funds from private investors/lenders?




Dolphin Trust works closely with a variety of parties including hedge funds, institutional investors and family offices as well as private investors. Dolphin Trust is always seeking to expand its lender base globally.

Is there any risk that the supply of listed buildings will shortly run out?

There are currently 1.2 million buildings classified as listed buildings in Germany and the government can also reclassify buildings on an ongoing basis, so there is not a limited or fixed supply of this category of property. City centre regeneration is a high priority for the German government and the renovation of old buildings is an important element of this programme.

How will I know when my funds have been received by Dolphin Trust?

Dolphin Trust will send an SMS message and an email to you to let you know that the funds have been received and we will also advise your introducer that this is the case.




How will my commencement date be determined?



A commencement date is the date that cleared funds are received into our dedicated secure accounts. This is what will trigger the messages you will receive as mentioned previously.

What correspondence will I get?

Once you become a lender to Dolphin Trust, you will receive an SMS message and email to say your funds have cleared in our secure accounts. You will then be sent a welcome pack with an official certificate carrying your unique certificate number, a company brochure and a letter welcoming you from the Dolphin Trust CEO. You will receive an annual statement yearly and letters to let you know when you should expect any interest or capital payments from us. You will also receive our monthly company newsletter containing links to our audio and video features as well as news regarding our work.



Can I get loan documents without submitting an Expression of Interest form?



No. To ensure compliance with relevant regulations, an expression of interest form must be submitted along with all the required anti-money laundering documents before any loan documents are issued.

How long does it take for a cheque to clear into the dedicated secure accounts of Dolphin Trust solicitors?

Due to international clearing processes, it can take up to and including 6 weeks for a cheque to clear in the dedicated secure accounts.



Frequently Asked Questions

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