

Local investment opportunities

APS is often looking for investment opportunities on Sint Maarten, Curacao and other locations in the region. Each investment opportunity is unique and requires thorough review. In the following overview we summarize our minimum criteria for a local investment opportunity.

| | |
|--|---|
| Average return ^{*)} | 3% to 6% |
| Average duration ^{**)} | 5 – 7 years |
| Proposed use of funds ^{^)} | (Private) Equity injection |
| | CapEx investments |
| | Operations financing |
| | Real estate acquisition or development |
| Potential borrowers ^{^)} | Government or government-owned companies |
| | Private corporations |
| | Real estate project (co-)developers |
| | Property ownership & management (co-)owners |
| | Private individuals who are APS participants |
| Maximum amount in single transaction /project ^{^^)} | ANG 40MM in monopolist companies ANG 12MM in other transactions |
| Collateral | Collateral value equal to 125% or higher of total APS investment. Collateral must be officially registered in the name of APS. |
| Repayment | Annual interest payments for the full duration of the investment timeframe (preference for semi-annual frequency) |

As per: September 15, 2012

- *) Whilst the average return of an individual investment opportunity can vary, the total APS investment portfolio must generate a return of 5.5% or higher.
- ***) The duration of an individual investment opportunity may exceed the average mentioned above. If the duration is ten (10) years or more the expected income from the investment must yield a return equal to or larger than the minimum return as determined by the APS Board.
- ^)) The above listed is not exclusive but meant to give an indication of the types of investment opportunities may consider.
- ^^)) The actual amount of funds that APS will make available to finance a transaction /project is dependent on a number of factors amongst which:
- liquidity of the fund (available cash for investment);
 - perceived risk associated with the transaction /project;
 - type and perceived value of collateral security offered;
 - perceived benefit of transaction /project to APS participants in particular and Sint Maarten community in general;
 - number of other potential lenders in the transaction /project;
 - percentage of owner's contribution (equity) towards the transaction /project;
 - total of other investments or funds that APS has committed to other borrowers in the same industry or in a similar asset class.

Information required for review of potential investment

The following is a list of documents /information that APS would need in order to review an investment opportunity.

| Borrower | |
|-------------|--|
| | <ul style="list-style-type: none">• Articles of incorporation |
| | <ul style="list-style-type: none">• Proof of registration at Sint Maarten Chamber of Commerce |
| | <ul style="list-style-type: none">• Shareholder's registry |
| | <ul style="list-style-type: none">• Three recent years of audited financial statements |
| | <ul style="list-style-type: none">• Strategic business plan |
| | <ul style="list-style-type: none">• Information on the key decision makers in a corporation or project (CVs, other associations) |
| Transaction | |
| | <ul style="list-style-type: none">• Memorandum or information package outlining transaction /project<ul style="list-style-type: none">○ Financing amount○ Use of funds○ Repayment schedule○ Collateral○ Etc. |
| | <ul style="list-style-type: none">• Financial projections for the duration of the transaction /project |
| | <ul style="list-style-type: none">• Information on the collateral offered including substantiation of the value e.g. appraisal report |