:RUFHVWHUVKLUH RQO\ KDV DSSUR[LPDWHO\ \HDUV
JUDYHO DQG OHVV WKDQ WKLV IRU FUXVKHG URFN 7I
LQ WKH QHZ 0LQHUDOV /RFDO 3ODQ ZKLFK ZLOO QHHO
PLQHUDO GHYHORSPHQW

x +RZ ZLOO VXSSO\ UHTXLUHPHQWV EH FDOFXODWHG"
7KH 'UDIW /RFDO $JJUHJDWHV $VVHVVPHQW DYDLODEH
ZZZ ZRUFHVWHUVKLUH JRY XN VHWV RXW WKH PDMR XQG
DOWHUQDWLYHV FRQVLGHUHG

7KH FXUUHQW UHJLRQDO DSSRUWLRQPHQW VHW RXW
6SDWLDO 6WUDWHJ\ RQO\ H[WHQGV WR QDWLRQDO JXL
XSGDWH WKH :HVW 0LGODQGV DSSRUWLRQPHQW WR
VXE UHJLRQDO EUHDNGRZQ RI WKLV DSSRUWLRQPHQV
JRYHUQPHQW SROLF\ *XLGDQFH RQ WKH 0DQDJHG $J
 '&/* 2FWREHU   SODFHV PRUH HPSKDVLV RQ XVLQJ
OHYHO RI SDVW VDOHV DV WKH ZD\ WR FDOFXODWH K
IXWHP

ORQWHUP EHQHILWV 7KH IRUPHU EULFN FOD\ ZRUNLQ
WR D PDULQD ZDV FLWHG DV DQ H[DPSOH RI D SRVLW
2SSRUWXQLWLHV IRU UHFUHDWLRQ DQG DJULFXOWXU
DOWKRXJK WKHUH ZHUH FRQFHUQV WKDW WKHUH PD\
PDWHULDO UHTXLUHG IRU VRPH UHVWRUDWLRQ VFKH

Restoration will be given detailed consideration in the Minerals Local
Plan and initial proposals will be set out for comment at the next stage of
consultation on the Minerals Local Plan in Autumn 2013.

x &XUUHQW DQG IXWXUH UHVWRUDWLRQ RSWLRQV ZHUH UDLVHG DERXW W
   VLWXDWLRQ DQG KRZ IXWXUH SURYLVLRQ ZLOO EH FL
   DGHTXDWH PDWHULDO WR VXSS´äP€#O QðOPDWUGVXZ

x 7UDQVSRUW ZDWHU DQG UDLO WUDQVSRUW ZLOO UH
WR ORDGLQJ RU XQORDGLQJ SRLQWV %DUJLQJ FDQ I
DQG FDQ LPSDFW RQ ORFDO WRXULVP LQGXVWU\ H[D
ZKHUH EDUJHV FRPH QHDU WKH WRZQ FHQWUH

Transport is an important issue which needs further consideration.
Background documents will be developed to fully consider these issues.

x)ORRGLQJ RI PDWHULDO ZKHQ ORDGLQJ DQG XQO
LPSDFW RQ WKH GHSWK RI WKH ULYHU EHG H[DFHUE
SDUWLFXODUO\ DV WKH 5LYHU 6HYHUQ LV QR ORQJHU
ZDV UDLVHG LQ UHODWLRQ WR 8SWRQ RQ 6HYHUQ 7K
LQIOXHQFH RI WKH 6HYHUQ %RUH 7KHUH ZDV DOVR I
WKH IRRG SODLQ DQG WKH SRWHQWLDO IRU ORRVH

Flooding is an important issue which needs to be addressed in
accordance with national and local policy. The Minerals Local Plan will
take flooding into account when developing detailed policy proposals.

x ,PSDFW RQ WKH 6HYHUQ :D\ VLGH RI WKH ULYHU EHWZ
RQ 6HYHUQ DQG :RUFHVWHU KDV EHHQ ZRUNHG H[WH
ZHVW VLGH KDV KLVWRULFDOO\ UHPDLQHG LQWDFW
SUHVHUYHG :RUNLQJ RQ WKH ZHVW VLGH ZRXOG FRP
WKH 6HYHUQ :D\ DQG ZRXOG KDYH D VLJQLILFDQW DQG
WRXULVP LQGXVWU\ LQ 8SWRQ 7KH 8SWRQ WR 7HZNH
6HYHUQ LV DOVR XQVSRLOW DQG VKRXOG UHPDLQ WK

Public rights of way and the potential impact of minerals working on other
economic sectors will be considered in developing detailed policy
proposals for the Minerals Local Plan.

x 1DYLJDWLRQ IRU SOHDVXUH FUDIW WULDOV DQG VSLOO
ORDGLQJ EXLOGV XS RQ WKH ULYHU EHG WKH VHFWL
DURXQG 8SWRQ FRXOG DIIHFW QDYLJDWLRQ IRU S
ZRXOG KDYH D VHYHUH LPSDFW RQ WKH ORFDO WRXU

The potential impact of minerals working on other economic sectors will
be considered in developing detailed policy proposals for the Minerals
Local Plan.

x 7KH HGXFDWLRQDO VFLHQWLILF DQG VRFLDO YDOXH
:KLWPDQ V +LOO 6KDYHUV (QG DQG %ZJGOH\ ZHUH F
SUHYLRXV PLQHUDO ZRUNLQJV ZKHUH JHRORJLFDO IH
SUHVHUYHG RU H[SRVHG :KLWPDQ V +LOO LQ SDUWL
HGXFDWLRQDO UROH DQG FORVH LQWHUHVW IURP WK

The Minerals Local Plan will encourage the development of the
educational, scientific and social value of mineral workings were this is
appropriate.

(YHQW IHHGEDFN

6HYHUDO DWWHQGHHV VDLG WKDW WKH\ IRXQG WKH RSH
YLVLWLQJ 7KHUH ZDV FRQFHUQ UDLVHG DERXW WKH OHY
DUHDV DURXQG FXUUHQW SODQQLQJ DSSOLFDWLRQV LQ W
SXEOLF QRWLFHV ZHUH SRVWHGULHQV DOOH ORFDV DOV QZHZHSDS
FLUFXODWHG DQG DOO 3DULVK &RXQFLOV ZHUH LQIRUPH

,QUHVSRQVH WR WKHVH LVVXHV DWWHQGHHV ZHUH HQFRX
WKH FRQVXOWDWLRQ LQ WKHLU ORFDO DUHDV DQG VHYH
FRQVXOWDWLRQ OHDIOHW DQG TXHVWLRQQDLUH WR GLVV

: R U N V K R S

, Q W U R G X F W L R Q

APPLICATION STAGE AND IMPACTS NEED TO BE CON
DESTINATION

(encoded text:)

DSSOLFDWLRQ VWDJH DQG LPSDFWV QHHG WR EH FRQ
GHVWLQDWLRQ

x &RPPXQLW\ HQJDJ…QFPHQGLQJ WKH PDQDJHPHQW RI UHO
ZLWK WKH FRPPXQLW\ /RFDO 3ODQQLQJ $XWKRULW\ D
0DLQWDLQLQJ JRRG UHODWLRQV DQG XQGHUVWDQGLQ
RSHUDWLRQV FDQ EH GRQH WKURXJK RSHQ GD\V VFK
DQG UHJXODU FRPPXQLW\ OLDLVRQ /LDLVRQ FRPPLWW
RI SODQQLQJ SHUPLVVLRQ
&RPPXQLW\ DQG QHLJKERXUKRRG SODQQLQJ DQG WKH
EH WDNHQ LQWR DFFRXQW

x ,PSOHPHQW…DWGRW WKLQN DERXW KRZ XQNQRZQ YDU
PDQDJHG VXFK DV PDUNHW FKDQJHV DQG HQJLQHHUL

x (QYLURQ…7KQW LQFOXGHV WKH QDWXUDO KLVWRULF D

x $UFKDHRORJLFDO$VRVG XUFH…WLJDWH ZKHUH WKH\ DUH
PDNH VXUH WKHUH LV D FOHDU VWUDWHJ\ DQG LQWHU
+LVWRULF (QYLURQPHQW 5HFRUG

x /DQGVFDS…SKH UHVWRUDWLRQ RU FUHDWLRQ RI QHZ OD
EHWWHU FRPPXQLW\ DFFHVV

x +DELWDW F…UHFDWLRQLRULWLHV DQG REMHFWLYHV VKR
5HVWRUDWLRQ RI PLQHUDO ZRUNLQJV SURYLGHV D XQ
JDLQ

x *HRGLYHU…VRG\LYHUVLW\ LV D ILQLWH UHVRXUFH DQG 7
UHPRYHG $ /RFDO *HRORJLFDO 6LWH DQG 666, DW 0D
UHPRYHG DV D UHVXOW RI PLQHUDO ZRUNLQJ *HROR
LPSRUWDQW

x /RFDO LPS…7DFHWV FDQ LQFOXGH QRLVH GXVW DQG YLE
SODQ VKRXOG EH SXW LQWR SODFH ,PSDFWV RQ UHV
ELRGLYHUVLW\ VLWHV DQG DORQJ WUDQVSRUW URXW
&RQWUROOLQJ KRXUV RI RSHUDWLRQ FRXOG KHOS WR
H[LVWLQJ DPHQLW\ SROLFLHV IURP 'LVWULFW &RXQF
EH FRQVLGHUHG

x %XLOGLQJ DQG UR…ROLQWHUWURQHDLODELOLW\ LV DQ LV
VWRQH ZDV KLJKOLJKWHG DV DQ H[DPSOH 7KHUH DUH
ORFDO PDWHULDO LQ WHUPV RI PDLQWDLQLQJ ORFDO
WKH ODQGVFDSH FRXOG EH VLJQLILFDQW

x $YDLODELOLW\ RI PDWHULDOV WR ILOO YRLG DQG IDF

x ,PSDFW RQ ORFDO WUD…QVSRUW QHWZRU…LQQHKRXLWDELOLW\ L
LQIUDVWUXFWXUH

x 3ODQQLQJ EOLJKW

x ,PSDFW RQ ORFDO 7K…OLWRLVVXHZDV UDLVHG ZLWK SDUWL
WR 8SWRQ RQ 6…HYHU…Q SH FRXOG EH%PHV•U LH   ,

LQ WKH VHFRQG WHUUDFH ZKLFK LV QRW QH[W WR WK

FRQFHQWUDWHG RQ WKH ULYHU FRUULGRU

x $Q KROLVWLF DSSURDFK &RRXOGGHEHQWDNVNHHQ VLWH IUR

WR ILQLVK LQFOXGLQJ WKRRFDOOJOHFDGHKDWKRLSVWLYHUDHYTX

IDFLOLWDWH WKLV

&RQVXOWDWLRQ TXHVWLRQQDLUH

	:KLOVW &HQWUDO *RYHUQPHQW 3ODQQ[...] PLQHUDO H[WUDFWLRQ ZLWKLQ WKH IO[...] WKRVH DUHDV DV WKLV ZRXOG FDXVH G[...] IORRGLQ...QHZ...KHQHUDOV ORFDO SODQ VK[...] (QYLURQPHQWDO $JHQF\ )ORRG GLDJUD[...] VWRUDJH VWRFN SLOLQJ VKRXOG EH DQ[...])XUWKHUPRUH WKH ZRUNVKRS XQGHUW[...] SURYLGHG D KXJH...YDLGH..XQFM..R ERXW WKH[...] DTXLIHUV 7KH &RXQW\ &RXQF...LG LQ FR[...] (QYLURQPHQW $JHQF\ VKRXOG H[FOXG[...] IURP DQ\ SRWHQWLDO PLQHUDO H[WUD[...]	:H ZLOO EH ZRUNLQJ FORVHO\ $JHQF\ WR GHWHUPLQH KRZ P UHODWHV WR ZDWHU SURWHF\
$ 0UV 6SRRQHU	7KH VDQG LQ 1RUFKHVWWU VKLUH SUR[L FRQVLGHUHG ORFDOO\ WR EH RI SRRU	:H DUH GHYHORSLQJ D VXLWH HYLGHQFH ZKLFK ZLOO FRQVL
$ 0U 7 5RZOH\ 7RQ\ 5RZOH\ $VVRFLDW %HKDOI RI /HFKPHUH (VWDWH	7KHUH LV D VXEVWDQWLDO UHVRXUFH D VLWH NQRZQ DV 6HYHUQ (QG QHZ +D 8SWRQ XSRQ 6HYHUQ 7KH ODQG LV SD 7KH VLWH LV LGHQWLILHG RQ %*6 QG DQG WKHUUDFH GHSRVLWV $ SURSRVH DGMRLQLQJ WKH 5LYHU...LQ EXP RUH PLOO JRRG TXDOLW\ VDQG DQG JUDYHO ZLWK EDUJLQJ	1RWHG ZLOO PDS DQG DQ...DOWV IXUWKHU DQG XVH LW DV SDU ZKDW PLQHUDOV UHVRXUFHV LGHQWLI\LQJ SRVVLEOH $UHD

$
0U
&ODUN 6RK WH

6 R X W K U:F H V W H U V K L U H

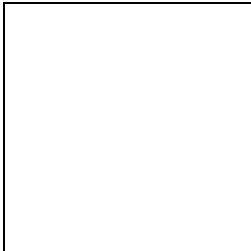x $ 0U 6 %ORRUFHHVOGHUVKLUH :LOGOLIH 7UXVW

x $ 0U & :LO5N6L3Q%VRQ

7KH IROORZLQJ FRPPHQWV ZHUH DOVR PDGH LQ UHVSRQVH WR WKLV TXHVWLRQ

5HVSRQG	&RPPHQW	,QLWLDOURMSRURQVH
$ 0U 0	:LWKLQ WKH EULFN LQGXVWU\ ZH O	
5RVH	\HDUV RI VXSSO\ RI PLQHUDO WR P	
:LHQHUHH	YLDEOH WKLV DOORZV WKH FDSLW	
	UHDVRQDEOH SHULRG VR WKDW LW	
	EH RYHU SDUFRRLOQWHUPV 7KH PLQ	
	IRU D VLWH ZRXOG EH DSSUR[PL	
	ILHOG GHYHORSPHQW EXW WKLV Z	
	2YHUEXUGHQ VL]H DQG GHSWK DU	

| | MCA's Currently, MCA'seathe are known to be minerals de recognised that viability c depending on the market pri the cost of extraction it w Local Plan could ind...aetblas extraction is unlikely to be foreseeable future These "ud then be excluded from MCA's a unnecessary consultations | |

Question Do you have any initia...

5HVSRQG	&RPPHQW	,QLWLDO UHVSRQVH
$ 0U 3DUULVK <RUNVKLU 'DOHV 1DV 3DUN	7KHUH PD\ IURP WLPH WR WLPH EH VRPH WK<RUNVKLUH 'DOHV WR :RUFHVWHUVKLU ZRXOG EH UHOHYDQW WR \RXU 3ODQ :H ZLOO QRW ZLVK WR FRQWULEXWH WR	1RWHG
$ 0U (:DONHU	&RDO $W SUHVHQW PLQLQJ RI WKH FRQ\ :RUFHVWHUVKLUHVHHPV XQHFRQRPLF +RZHYH FKDQJHV LQ WKH SRWWLRKLFRQEHUUHQQLQJ KDSSHQ WKHVH UHVHUYHV FRXOG ZHOO VPDOO QXPEHU RI \HDUV 1HZ WHFKQLTX PDNH WKHVH UHVRXUPHVRUPRUHVYLDEOH WKDQ Z ZHUH FORVHG DQG DQ\ QHZ YHQWXUH ZR WR WKH FRXQW\ LQ WHUPV RI MREV DV Z FRQWULEXWLRQ WR WKH HQHUJ\ FRQVXP OHYHO RI HOFWLRQQRQGGDWLRQ ZLWKLQ ZRHIXO

7KH 0LQHUDOV /RFDO 3ODQ VKRXOG FRQ EULHI RQ WKH YLDELOLW\ RI WKHVH UHV DFNQRZOHGJHPHQW WKDW HFRQRPLF YL GHSHQGHQW RQ WKH FRVW RI HQHUJ\

,I WKHUH LV DQ\ XQWDSRNHOHQ WKDW GLU LV QRW ZDQWHG LQ VRPH RI WKH UXUDO ZKHUH PDQ\ RI WKH UHVHUYHV DUH ORFI DQG SUDJPDWLFDOO\ DGGUHVVHG LQ WK | 1RWHG &XUGHQWWHHIURP %*6 &RDO $XWKRULW\ LQGLFDWH :RUFHVWHUVKLUH DUH OLNHO TXLWH VRPH WLPH :H KDYH PRUH GHWDLO LQ WKH EDFNJ :RUFHVWHUVKLUH ZKLFK LV ZHEWH ZZZ ZRUFHVWHUVKLUH JRY X G |

&RDO3UR KDV H[DPLQHG WKH EDFNJURXQ | 7KH EDFNJURXQG SDSHU UHF
RQH FRPPHQW WR PDNH 3DUD VWDWRW | UHDVRQV IURP   ,W LV XQ
UHIXVLQJ D VPDOO DSSOLFDWLRQ LQ | UHDVRQ ZRXOG EH FRQVLGHU
 ZRXOG HQFRXUDJH RWKHU VXUIDFH PLQ | 7KH 0LQHUDOV /RFDO 3ODQ Z
WKLV ZDV QRW FRQVLGHUHG WR EH GHV | DFFRUG ZLWK WKH 133)
LQDSSURSULDWH (DFK DSSOLFRWLRQV |
LQ DFFRUGDQFH ZLWK WKH 133) |

(YLGHQFH VKRZV QHHG IRU 6LOLFD 6DQG LQGXVWULDO QHHG SOXV LPSRUWLQJ RI VHHP WR KDYH GLIILFXOW\ LQ SURMHFW

JXLGHOLQFH SODFH PRUH HP VDOHV DJUHH WKDW LQGXVWU VDQG LV UHGXFLQJ DQG ZH Z IXUWKHU EDFNJURXQG HYLG DJUHH WKDW DOO SURWHFWHG L OLPLWDWLRQV WKH Draft Local Aggregates Assessment DQ Ensuring adequate and steady supply of industrial and energy minerals KRZHYHU ZH QHHG D PHWKRG RI SURMHFWLRQ Z SRVVLEO

$ 0U 7 +DYLQJ UHDG LQ EDFNJURXQG SODLQLQJ SRSXODU LQ V
5RZO 7RQ\ $JJUHJDWHV $VVHVVPHQW iÔ
5RZOH\
$VVRFLDW
%HKDOI R
/HFKPHUH
(VWDWH

FRPSOHWLRQV LQ UHFHQW \HDUV

,Q RUGHU WR PDLQWDLQVXSSOLHV WR D...Q 1DWLRQDO SROLF\ LV WR PR...
WKH RQH KDQG DQG SURWHFW YDXDEO PDQDJHG DJJUHJDWHV VXSSO...
WKH RWKHU D PDQDJHG PLQHUDOV VXSS 0LQHUDOV /RFDO 3ODQ QHHG...
7KH 6RXWK :RUFHVWHUVKLUH $XWKRULW ZLWKLQ WKLV FRQWH[W 7KH
$JJUHJDWH :RUNLQJ3ULQFLSDORDRPSRUW IRU DSSRUWLRQPHQW D1DWDDW@
JUDYHO LQ :RUFHVWHUVKLUH LV ±ZK...
ZRXOG HTXDWH WR PLOOLRQ WRQQH\
FXUUHQW DSSRUWLRQPHQW RI FUXVKHG
PLOOLRQ WRQQHV PLOORRURKWWR

,W LV DOVR QRWHG KRZHYHU WKDW WK
$XWKRULWLHV WR PDLQWDLQ ODQGEDQN
JUDYHO DQG DW OHDVW \HDUV IRU FU
ODQGEDQNV IRU ERWK VDQGDUYLQJUDY
FUXVKHG URFN \HDUV DUH VLJQLILFD
UHFRPPHQGHG LQ QDWLRQDO SROLF\

$V D JXLGH WR WKH RYHUDOO OHYHO RI
WKH 3ODQ SHULRG LW LV VXJJHVWHG W
RXWOLQHG LQ /RFDO 3ODQV LQFOXGLQJ
\HDUV FRPSDUHG WR OHYHOV RI GHYHO
FRXOG SURYLGH D XVHIXO JXLGH ,W ZR
/RFDO 3ODQ LQFOXGHG D SKDWHLQJWSROO
RI PLQHUDOV UHTXLUHG WRF

,W LV UHFRJQLVHG WKDW WKH OHYHO RI
DGGLWLRQDO PDWHULDOV WR EH IRXQG
H[WUDFWLRQ +RZHYHU WKH GHPDFROGXOR
UHGXFHG E\ PD[LPLVLQJ WKH XVH RI VHF

€ DZDSEOZLÑ \ƒ0 QDO

	JUHDWHU HPSKDVLV RQ EWK JUHSODVH DQGVU PDWHULDOV SDUWLFXODUO\ LQ WKH XU ,W VKRXOG EH QRWHG WKDW WR VDIHJXI WKH GUDIW 6:'3 DOUHDG\ HQFRXUDJHV G UHXVH PDWHULDOV RQ VLFWHVLQVXFFQVWU HQYLURQPHQWDO FRQVLGHUDWLRQV RI	$VVHVVPHQW 7KH &RXQFLO ZLOO EH ZRUN 7HFKQLFDO $GYLVRU\ %RG\ I LVVXH ,W LV DFNQRZOHGJH LV SRRZHYHU WKH :DVWH &R EDVHG RQ WKH EHVW DYDLOD EH PRQLWRUHG WKURXJK WK 0RQLWRULQJ 5HSRUW ,W LV DSSURSULDWH WR EDVH DVV DJJUHJDWHV RQ HVWLPDWLRQ GHPROLWLRQ ZDVWH DULVLQ NQRZQ VRXUFH RI VHFRQGDU FRXQW\ 7KH UROH RI WKH $J 3DUW\ LV FXUUHQWO\ XQGHU
	7KH 0LQHUDOV /RFDO 3ODQ DOVR QHHGV WKH PLQHUDOV FRQVXPHG LQ :RUFHVWH &RXQW\ DQG QRW DOO RI LW WKH PDWHULD VROG LQ WKH &RXQW\ ,W LV WKHUHIRUH 3ODQ LQFOXGHV DVVXPSWLRQ RQ WKH FUXVKHG URFN WKDW ZLOO FRPH IURP L OLNHO\ OHYHOV WR EH H[SRUWHG	7KLV KDV EHHQ QRWHG DQG Draft Local Aggregates Assessment DQG Ensuring adequate and steady supply of industrial and energy minerals
$ 0U 6 'HQQ &HPH[8. 0DWHUL /WG	'UDIW /RFDO $JJUHJDWHV $VVHVVPHQW :KLOVW LW LV DFNQRZOHGJHG WKDW VDQG DQG JUDYHO VXSSO\ KDG WKHD DSSRUWLRQPHQW IRU WKH &RXQW\ RI SHULRG LV DYHUDJHG LW HTXDWHV W UHPDUNDEO\ JRRG ILW ZLWK WKH VXE	1RWHGDQQ3HG

That the   yearly average sales of port tub   Noted   Recent government

figure for the County are so closely   this approach

Company that despite its imperf

approach to estimating future s

As such the Company prefers opti   Noted

forecasting future aggregate ne

date it is proven to be quite af

and R   are considered less desi

subjective and unproveall sorioldvs

be of sintimecit   but it is felt '

to grow once more and aggregate

years of poor sales will mean th

Development Plan derived from i'

for aggregates in gtaue Ccultte o'

:   is felt to add little to the

:   and :   has little basis in th

demand as it is acknowledged th

sufficient

The draft rightlladdebatnikicastonl

maintained if planning applicat

County s sand and gravel landba

 years policy aim Thesomemasrt I

no analysis of whethichalowegvehere

no doubt both geological and sh

factors at play but in the Comp

contributing to the current si

0LQHUDOV /RFDO 3ODQ DQG M.KM/ WVS

3UHIHUUHG6LSDFH WKH DGRSWLRQ RI W

DJJUHJDWHV LQGXVWU\ KDV HYROYHG

DQG VLWHV ZKLFK PD\ KDYH DSSHDUH

PD\ QRW DSSHDUOORGSWWRI°GHHERWK T°H

5DWFOLIIH WKH DJJUHJDWHV DVSKDOW FHPHQW F
0LQHUDO PRUWDU DQG VLOLFD VDQG LQGXVWULHV
3URGXFWV %ULWLVK&RQFUHWWH)HGHUDWLRQ %3&)
$VVRFLDW $VVRFLDWLRQ RI 5HLQIRUFHPHQW %$5
RI FRPSDQLHV DQG LV WKH VHFWRUDO
03$ PHPEHUVKLS LV PDGH XS RI WKH YDV
60(FRPSDQLHVXWWKRXJKKR DV ZHOO DV V
LQWHUQDWLRQDO DQG JOREDO FRPSDQL
SURGXFWLRQ RI DJJUHJDWHV SURGX
UHDPL[HG FRQFUHWH SURGXFWLRQ DQG
SURGXFWLRQ (DFK \XXSSXWKHVLQGXVWOL
DQG VHUYLFHV WR WKH ... ELOOLRQ FR
,QGXVWU\ SURGXFWLRQ UHSUHVHQWV WI
HFRQRP\ DQG LV DOVR RQH RI WKH ODUJ

*LYHQ WKH 133)¶V RQ UH FRVKLHWFLRQRPLF DQ
EHQHILWV RI WKH H[WUDFWLYH LQGXVWU
WR GLUHFW \RXU DWWHQWLRQ WR µ7 WR

AHHOPÀRsMKQXPQU RHHURPP€QW

WRQGREHGDWGÀRWRV1QLFRGHNOWÀsEC

B#WZHW GSKL

EHIRUH WKH UHFHVVLRQ EXW GRHV Q
WKLV

7KH WH[W DOVR SRLQWV RXW WKDW V
GHSHQGHQW RQ VXIILFLHQW DSSOLFD
LQGXVWU\ DQG WKDW WKHVH KDYH DO
UHDVRQ IRU WKLV GHFOLQH LQ DSSO\
FXUUGHQW\S UHFHVVLRQ EXW HTXDOO\
WKHUH PLJKW EH RWKHU UHDVRQV V
DOORFDWHG VLWHV UHPDLQLQJ IURP
XQIDYRXUDEOH SODQQLQJ FRQVWUDL
PHPEHUV KDYDWHLHGG WR XV WKDW WKH
QHZ VLWHV IRU :RUFHVWHUVKLUH 5H
ZLOO QRW LQYHVW WKH VXEVWDQWLD
PLQHUDO ULJKWV DQG REWDLQ SODQ
XQFHUWDLQW\ LQHWVLKFHHSWOODDQWQLPHQDV
EH UHOLHG RQ :H EHOLHYH WKDW VR
FRQVWUDLQWV PD\ EH QHFHVVDU\ LQ
SURYLGH DQ\ZKHUH QHDU LWV VKDUH

3DUDJUDSKV VXSURWWYWKRQ WR I
DJJUHJDWHV HQDEOH µH[FHVVLYH G
QRW ERUQH RXW E\ H[SHULHQFH ,I P
FDSDEOH RI EHLQJ VROG LQ WKH PDU
WKH PDUNHW FDWFKHV XS ZKLFK LV
PRPHGW 2QH FDQQRW WKHUHLRSURYLG
DJJUHJDWH DQG ZH VKRXOG OLNH W
UHPRYHG IURP IXWXUH GRFXPHQWV

7KH FRQVXOWDWLRQ GRFXPH
&RXQFLO¶V FXUUHQW SROLFL
0LQHUDOV /RFDO 3ODQ DQG
6WUXFWXUH 3ODQ DUH GDWH

,W LV LQWHUHVWLQJ WRPHPEHU WR
LQGLFDWHG DQ LQWHUHVW L
:H ZRXOG HQFRXUDJH DQ\ RS
LQ WKH &RXQW\ WR HQJDJH I
WKH 0LQHUDODOVDQ/RFDO 3

7DEOHV   VHW RXW0W$KHDUDG

FDOFXODWHG IRU WKH SXWLSRQH:VKRO W

XQGHUVWDQG WKH UHDVRQV IRU VSH

WKLV ILUVW /$$ VKRXOG VHW WKH SU

ZKLFK VKRXOG EH IRUPXODWHG ZLWK

F H $0 X 'G H € F @ 0$t ²CX'5„ G   D G G L W L R R– L´ Ã Z

D ODUJH FRPSRQHQW RI µ8QNQRZQ¶ V
NWSD VRPH RI ZKLFK ZLOO KDYH EHH
0RUHRYHU D FKHFN FDQ EH PDGH DJ
H[DPSOH RU WKH ILJXUH LV DERXW RI
HYHQ WKRXJK +HUHIRUG KDV D PXFK
RQO\ ELJJHU LQ DUHD $OVR :DUZ
SRSXODWLRQ DQG DUHD WR :RUFV DQ
OHDVW NWSD

7KH FRPSDUDEOH ILJXUHV IRU WKH V
+HUHIRUG :RUFV WRJHWKHU FRQVXP
ZDV D YHU\ ODUJH 8QNQRZQ GHVWLQ
DSSRUWLRQ RQ WRS RI WKDW $JDLQ
ILJXUHV IRU :DUZLFNVKLUH ZLOO X &RQYHQ V

:H ZRXOG WKHUHIRUH VD\ WKDW :RUF
FRQVXPSWLRQ ILJXUH RI FORVHU WR
UHFHVVLRQ FRQVXPSWLRQ RI SULPDU
0WSD VSOLW URFN JUDYHO 7DE
&ROODW LRXRX UHWDLQHG RSWLRQ : \
WKH ILJXUH IRU FRQVXPSWLRQ DFFRU
WR EH VHOI VXIILFLHQW LQ DJJUHJDW
FRQVXPSWLRQ WR ORRN ZLOO J WFKHOPLQH

WKH UHJLRQ :H GR QRW WKHUHIRUH
GR QRW XQGHUVWDQG KRZ LW LV SRV
LQFUHDVH LQ DULVLQJV RI & ' ZDVW
GHPROLVK YDOXDEOH EXLOGLQJV MXV
WKHP DV DJJUHJWLH"I 6XK UHF\FOHG
DSSRUWLRQPHQW LV VHW WRR KLJK
DJJUHJDWH ILJXUH DQG HQFRXUDJH F
XQUHDOLVWLF VLQFH WKHUH LV QR Q
SURGXFWLRQ RI SULPDJJUGDJ JUDWHV
RI WKH ODWWHU EHLQJ GHWHUPLQHG
LQ DQ DUHD 2QFH DJDLQ LQ WKH DE
EHOLHYH WKDW HVWLPDWHV RI UHF\F
VLPSOH DV SRVVLEOH DO

3 D U D J U D S±K

UHTXLUHPHQWV IRU VXFK LQGLYLGXD
SURGXFWLRQ SODQWV ZKHWKHU LW
LQFUHDVH LW RU LQVWDOO QHZ FDSD
WKDRWX VKRXOG VHHN WKH YLHZV RI W
LQWHQWLRQV RQ FRQWLQXHG ZRUNLQ
DOORFDWLRQV WR PHHW WKRVH DVSL
SROLF\ OHYHOV

2WKHU 0DWWHUV

:H QRWH WKDW \RX KDYH PDGH QR DV   7KDQN \RX IRU UDLVLQJ WKL
VWRRQHTXLUHPHQWV LQ WKH FRQVXO   FXUUHQWO\ DVVHVVLQJ LQIR
RQO\ RQH VLWH UHFRUGHG LQ :RUFH   VWRQH IURP (QJOLVK +HULW
5HSRUW RQ 3ODQQLQJ IRU 1DWXUDO
(QJODQG DQG :DOHV   DQG WKLV
ZRQGHU LI \RX KDYHPDGPHPHDQW RI IXV
UHTXLUHPHQWV IRU EXLOGLQJ VWRQH
RSHUDWRUV ,I WKHUH LV D OLPLWHG
JLYH FRQVLGHUDWLRQ WR DQ RSSRUW
LI VXEVHTXHQW SURSRVDOV DUH PDG

5HVSRQG	&RPPHQW	,QLWLDO UHVSRQVH
$ 0UV +RUQHU 1DWXUDO (QJODQG	*UHHQ ,QIUDVWUXFWXUH *, LV UH SRVLWLYH EHQHILW IRU WKH HQYLU QDWXUH RUQZJHDOQG WKH HFRQRP\ 0LQHUDO GHYHORSPHQW LV SLHFHP FXPXODWLYHO\ FUHDWHV ODQJH FRU E DUHDV FRUULGRUV DQG VWHSSLQJ JDLQV 7KH DGMRLQLQJ 1DWXUH ,PSURYHP RSSRUWXQLWLHV IRU D MRLQW DSS	1RWHG DQG DJUHHG 7KHFRRQFWOH 0LQHUDOV /RFRQSODQEKDWH WR *UH LQ :RUFHVWHUVKLUH 7KH %LUPLQJKDP DQG %ODFN &RXQ $UHERUGHUV WKURRRJJURVVWKHLZOO OLDLVLQJ ZLWK DGMRLQLQJ ORFDO LQ RUGHU WR FRQVLGHU DQ\ RSSRU
		/RFDWLRQ RI WKH %LUPLQJKDP DQG

PLQHUDOV DQG HQVXULQJ QR VLJQ
HQYLURQPHQW

*URXQGZDWHU
7KH PDMRU UDZ PDWHULDOV RI WKH
FRPH IURP 3ULQFH SQG DUQG TXLHUV
SRWHQWLDO FRQIOLFWV RI LQWHU
FRQVXOW RXU SROLFLHV DQG JXLG
RXU ZH ZLWH YLURQPHQW WR X LG
\RXU SWHFWLRQ RI WKH ZDWHU HQY
IURP DFWLYLWLHV ZKLFK PD\ OHDG
2XU QHZ XSGDWHG JUR XQGZDWHU
3URWHFWLRQ 3ULQFLSOHV DQG 3U

HQYLURQPHQW DQG ZH ZRXOG UHFF
VXFK VWUDWHJLHV 5HVWRUDWLRQ
VKRXOG EH GRQH LQ D V\PSDWKHW
WR QRW RQO\ WKH YLVXDO ODQGVF
ZDWHU UHVRXUFHV SURWHFWLRQ

%LRGLYHUVLW\
,Q UHODWLRQ WR 4XHVWLRQ D NH   1RWHG DQG DJUHHG :H LQSURYLGLWL
DOORFDWLRQ RI DQ\ VLWHV IRU PL   UHVWRUDWLRQ DSSURDFKHV WKDW G
DYRLG GDPDJLQJ VLWHV DQG IHDWX   SULRULWLHV DORQJVLGH RWKHU O
DQG WR SULRULWLVH VLWHV RI KLJKHU   REMHFWLYHV :H DUH FRQVLGHULQ
HQYLURQPHQWDO EHQHILWV FDQ EH   XVHG WR FRQWULEXWH WR WKH VW
H[WUDFWLRQ 0LQHUDO H[WUDFWLR   QHWZRUN DQG WR ZRUN ZLWK SDUWQHUV
&RXQW\¶V %LRGLYHUVLW\ $FWLRQ :   :RUFHVWHUVKLUH 71DWXUDO DQJOD
VHFXUH WKH &RXQW\¶V FRQWULEXW   HQVXUH WKDW DQG VSHFLHV RI QD
      KD RI KDELWDW UHVWRUDWLRQ E\   0LQI YDOXH DUH SURWHFWHG DQG HQKD
DUH RIWHQ LGHDO VLWHV IRU ZHWO
WKH ILQDO UHVWRUDWLRQ VKRXOG
DOORFDWLQJ VLWHV ZLWK VLWHV E
RSSRUWXQLWLHV EHLQJ D KLJK SUL

0LQHUDO ZRUNLQJV KDYH D GLUHFW LF   1RWHG DQG ZLOO JUHHGO\ SOHHV ZLOO E
DQG VXUIDFH ZDWHUV ,Q DOORFDW   HQVXUH WKDW SURSRVDOV ZRXOG QRW
H[WUDFWLRQ WKH GLUHFW DQG LQG   RQ JURXQG DQG VXUIDFH ZDWHUV D
VXUIDFH ZDWHUV VKRXOG EH IXQGD
PDNLQJ SURFHVV :KHUH DQ\ WRUH
UHGXFWLRQ LQ JURXQG DQG VXUI
DVVRFLDWHG KDELWDWV ZLOO EH G
DGYLVH VHHNLQJ D SUHVXPSWLRQ
JUDQWHG

)ORRG 5LVN ,W LV LPSRUWDQW WKDHWJLRXJFRRUGV $VVHVVPHQW 6)5$ LQ WKH SUHSDU /RFDO 3ODQ 7KLV VKRXOG LQIRUP IRUZDUG ,QGLYLGXDO VLWHV ZLOO VSHFLILF)ORRG 5LVN $VVHVVPHQW WKH 1DWLRQDQO 3ODLF\ )UDPHZRUN 3UDFWLFH JXLGH &DUHIXO FRQVLGHUDWLRQ VKRXOG WR HQVXUH WKDW WKHUH DUH QR LV DQ RYHUDOO EHWWHUPHQW LQ	**1RWHG D 6WUDWHJLF)ORRG 5LVN $** SUHSDUHG DQG SDUW RI WKH SODQ DJUHHG ZLWK FRQVXOWHHV SDUWL $JHQF\
,QWHUDFWLRQ ZLWK ZDHWH DQG PL :H VXSSRUW WKH PLQLPLVDWLRQ R WKH ZDVWH KLHUDUFK\ 5HF\FOLQJ PLQHUDO UHVRXUFHV VKRXOG EH H	1RWHG DQG DJUHHG WKH 3ODQ ZLO RI UHF\FOHG DQG VHFRQGDU\ DJJU H[WUDFWLQJ SULPPDULX PDWXHULDOVO WKURXJK WKH DGRSWHG :DVWH &RU
:DVWH 0DQDJHPHQW 3ODQV VKRXOG 6LWHV ZKHUH DSSURSULDWH	1RWHG VLWH HDPHQW PSDOODQV DUH D LQ WKH :DVWH &RUH 6WUDWHJ\ DV RYHU WKH OLIH[LPOHDERQQGVFRKHXUROW WKH\ FDQ EH DGGUHVVHG LQ WKH O
7KH IROGFRPPHQWV DUH RIIHUHG DV OLQHV RI LQYHVWLJDWLRQ :H XQGHUVWDQG WKDW UHF\FOHG PD[LPXP DQG ZRQGHU ZKHWKHU WK SULPDU\ DJJUHJDWH H[WUDFWLRQ > PLQHUDOV DU+PDYDLODOHPHQW FWHH SURGXFWV SRZHU VWDWLRQ DVK :KDW ZLOO WKH UROH RI LQHUW Z	7KHVH DUH DOO YHU\ LQWHUHVWLQ WRRQVLGHU DV ZH GH$WPOSURKWWKHWHS WKHHYLGHQFH GRHVWKJIYDLODEOV PDWHULDOV PD\ EH FORVH WR PD[VXJJHVWLRQ WKDW RWKHU VHFRQG DYDLODEOH DW RRUHFFHOHDELOQWKWX[LQHYLWDEOH WKHUHIRUH WKDW PR KDYH WR EH SURYLGHG IURP QHZ T

:LOO WKHUH EH HQRXJK LI VLWHV D RULJLQDO OHYHOV IRU DJULFXOWX D DJULFXOWXXQG EH UHVWRUHG" 7KH UHVWRUDWLRQ DQG ZDVWH OL LQYHVWLJDWLRQ DQG MXVWLILFDW $UH VXIILFLHQW OLQNV WR WKH VH PDGH UHJDUGLQJ UHF\FOHFDWLRQJ DOWHUQDWLYHV HWF &RQVLGHUDWLRQ VKRXOG EH JLYH RYHUEXUGHQ DV D VRXUFH RI VHFR DQG UHVWRKUDWWLRQWKH PRVW VXVW 2XWFRPH RI :RUNVKRS)ROORZLZRUWWKKRS DQG WR UHIOHFF ,IHHO LW LV LPSRUWDQW WR HPSKD ZDWHU UHVRXUFHV DV D FULWLFDO HFRQRP\ DV ZHOO DV IRU WKH HQY UHVRXUFHV VXFK DV XQFRQWDPLQ VXUIDFH ZDWHU DUHSOHGHLFRQOHW WR HVVHQWLDO WR RXU RQJRLQJ OLIH WKLV LV HPSKDVLVHG DV D KLJK SU 0LQHUDOV 3ODQ :H DFNQRZOHGJH DGHTXDWH FRQWURO DQG SURWHFW DGYLWWHDW WKLV VKRXOG IHDWXUH 0LQHUDOV 3ODQ :DWHU UHVRXUFH LW LV WKH EXLOGLQJ EORFN IRU P DLPV)ORRG ULVN DQG ZDVWH PDQDJHPH OLQNHG WR ZDPDHQDLJUHHPVRQXWUFZKLFK GLVFXVVLRQV DV YHU\ LPSRUWDQW	7KH DPRXQWQHUW ZDVWH DYDLODEO H[LVWLQJ ZRUNLQJV LV GHOPUHDOOHIU ODQGILOONVSOHEGLQWV WKH :DVWHD&RUH HIIHFWLYHO\ GLDVFRXOODJLHQV RWKHU FLUFXPVWDQGFRHVWK LVVXH ZH QH WKH QH[ZLOODWKHUHKURZIUHWXUH ZRU DQG VKRXRQGHGG UHVWRQHGOOLQJ WKH HDV\ RSWLRQ 1RWHG DQG DJUHHG 7KH FRXQFLO DGGUHVVLQJ WKHVH PDWWHUV DV S 6WUDWHJ\ WKH\ ZLOO EH KLJK SUL 0LQHUDOV /RFDO 3ODQ

FRPPXQLW\ DQG HQYLURQPHQW ZKL

QHHGLQJ KLJK SULRULW\ LQ D VXVV

SRWHQWLDO IRU DSSURSULDWH KDI

ZLWK LWV ZLGH UDQJLQJ EHQHILWV

ZHOO EHLQJ VHQVH RI SODFH HGX

HFRQRPLF EHQHILW HWF LQ DVVRFL

PHDVXUHV

&ORVH OLDLVRQ DQG FRRSHUDWLRQ(1RWHG DQG DJUHHG LQ SULQFLSOH
DQG ORFDO LQWHUHVW JURXSV LQ PDWWHUV ZLOO KRZHYHU EH EHVW
FRRSHUDWLRQ GXH WR WKH JORE WKHHGLPWQDWLRQ RI VSHFLILF DSSO
WKH RIWHQ H[WHQVLYH ZDWHU FDW SHUPLVV LsRO0BR¼ Rôg5AH- b s 0BR¼ Rôg5@} b s 0BR¼
QHFHVVDU\ IURP WKH HDUOLHV VV
RXWFRPPH OXGLQJ WKH /RFDO $XWK
6HZHUDJH &RPSDQLHV WKH (QYLUR
(QJODQG 2XU 5LYHU %DW Q QDOO VK R
XVHG LQ \RXU HYLGHQFH EDVH ,W
RSHUDWRU PDQDJHPHQW V\VWHPV I
E\ WHFKQLFDO VSHFLDOLVWV IURP
GHWHUPLQDWLRQ RI DQ\ SODQQLQJ

7KH LVVXH RI VXVWDSROOLQDWLRQEZRXOOGUEH(1RWHG ZH DUH FXUUHQWO\ SUHSDU
IXUWKHU LQYHVWLJDWWKRXOODQGWKHI
FDUERQ IRRWSULQW RYHUDOO EH X
FRPSDWLEOH ZLWK VXVWDLQDEOH I
$SSUDLVDO VKRXOG KHOS DGGUHVV\

,I \RX KDOYQ\ TXHULHV RQ WKH FRQW
GR QRW KHVLWDWH WR JHW LQ WRX

7 R X U L Q J   W D N H Q   S O D F H   6   D Q G   &,16 .L X Q R G X O Q

& O X E   R I

* U H D W   %

RI WKLV ILQLWH UHVRXUFH VKRXOG

5HVWRUDWLRQ SODQV DIWHU TXDUU
JHRGLYHUVLW\ %URROGGEDH TXDUU\ LV
UHVWRUHG DV SHU WKH DJUHHG U
JHRGLYHUVLW\ GLRJGLYHUVLWXVUIDOO X
VWXG\ KDV EHHQ FDUULHG RXW ZKL
7KLV LV DQ H[DPSOH RI EHVW SUDF
WKLQNLQJ ,W FDQ EH IRXQG RQ W
ZHEVLWH
KWWS ZZZ HDUWKKNEULWSDJHWUXVV
FRQWHQW XSOR 4&DDUUJHDRVLGEZDLOGW\S
%URDGZD\ 4XDUU\ H[SRVHV URFN V
0HPEHU ZKLFK LV QRW H[SRVHG EH

7KH PLQHUDOV SROLF\ GRHV QRW G
LPSRUWDQW WKEWW LDW KRXUFHKRXOG
VWRQH IRU WKH UHSDLU RI KLVWRU
+HULWDJH 7UXVW LV DERXW WR FR
3URMHFW WR LQYHVWLJDWH LQ GHV
SDUWV RI WKH FRXQW\

5HVWRUDWLRQ SODQV FRXOG DOVR
H[DPSOH RI WKH (DUWK +HULWDJH
WKH (DUWK +HULWDJH 7UXVW 1LQ
FRPPXQLW\ µ&KDPSLRQV¶ PHPEHUV
ZKR KDYH EHHQ WUDLQWGRQQWHHKFG
KDYH OHDUQW DERXW WKHLU ORFD
ZLOGOLIH 7KHVH FKDPSLRQV ZRUN
RUJDQLVH HYHQWV HDFK \HDU LQF
IHVWLYDOV SKRWRJUDSK\ FRPSHW

*HRORJLFDO IRU 2 VLWHO EDWWRNHQ LQ\
GHYHORSLQJ D SROLF\ DSSURDEKW
SUDFWLFH H[DPSOH IXOOLQ LQIRUPL

:H ORRN IRUZDUG WR WKH ,QHRVXPODWW
DERXLOGLQJ VWRQH-SORRGKXFHG LEW
EH WDNHQ LQWR DFFRXQW LQ GHYH
3ODQ

,Q OLQH ZLWK WKH ORFDOLVP DJHQ
ZLOO HQFRXUDJH FRPPXQLW\ SDUW

XVHVKRI WLWHV   7KH\ DOVR WHDFK
WKH JHRORJ\ RI WKHLU VLWHV   7K
4XDUU\ LQ WKH $EEHUOH\ +LOOV   +
:HVWPLQVWHU %DQN 4XDUU\ DQG 'L
0DOYHUQ +LOOV   &DOORZ WWLDQG 4XD
%DUQW *UHHQ 5RDG DQG :DUUHQ /D
+LOOV DQG VLWHV QHDU %HZGOH\

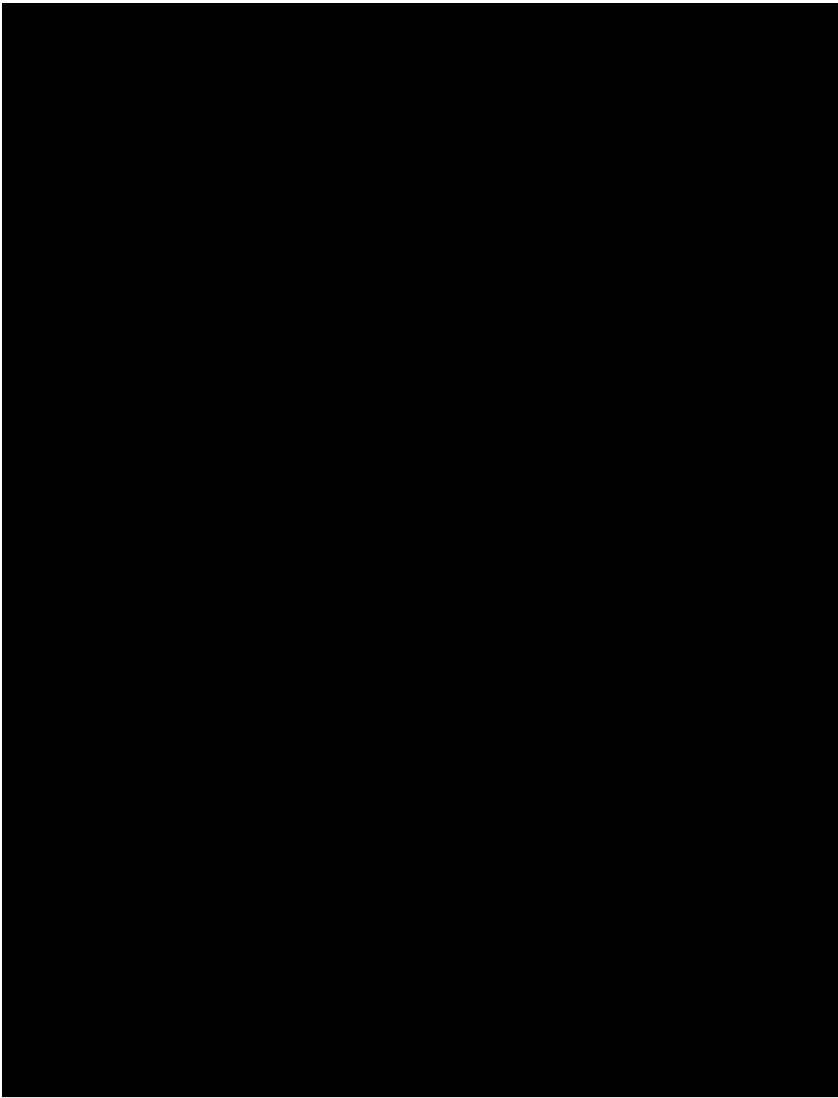+L@ðOV   +DGOH\ÀÀÀP@GOQJHRuðH\ÀH\ÀMO°XVH 4@°QG Íe™pHÖ   À4@°QG d e™p

LQIRUP WKH DSURFFKHDQHRODRQJLFDO LQWH
UHVRXUFH DUHDV DV ZHOO DRVI DWKV
DQG VLWH VSHFLILF DOORFDWLRQV
DQG IXPWDXQDUJHPHQW 7KH $VVHVVPH
LQFRUSRUDWH GHWDHLVFHUGLSRODLSWSOQHWZ
&RXQW\¶V DJJUHJDWH UHVRXUFH
WR 4XHVWLRQ

2I UHOHYDQFH WR WKH KLVWRULF H
WKH FRXLGW \+LVWDOQGUVLFFDSH &KDUFW
FRPSOHPHQWV WKH H[LVWLQJ /DQG
$VVHVVPHQW LQ SURYLGLQJ PRUH
EDVHG RQ WKHWKYHROXOQGRVGDRSH DQ
KLVWRULF FKDUDFWHU LQ WKH+$&UH
SURYLGHV D VWUDWWIDFOH IODDQGLZRD
FRQVLGHULQJHWQKYHLURQPWRQLFRQMX
VLWH VSHFLILF GDWD KHO(QYLLURVOXP
5HFRUG WKH +/& RIIHUV D PHDQV V
VHQVLWLFYLSDWFLDOWG RI WKH ODQGVFD
DQG UHVSRQG WR FKDQLQHFOXKHHOWDK
H[WUDFWVLRXQUFHVHEXW DOVR WKH
DQG DXWHWVRLIWHV DQG HQVXULQJ WK
DSSURSULDWHO\ VXVWDLQ EDQGUHDFK
WKH ODQGVFDSH DQG WKH VHWWLQ
:H UHFRPPHQG WKDW WKH &RXQW\
RIILFHUV 0LNH *OOLHQG\QQRWZJDNGDLP DU
DW DQ HDUO\ VWDJH WR LGHQWLI\
+/& DQG +(5 LQ VXSSRUW RI WKH 3O
H[LVWLQJ HOFGXXGEQJ WKH $UFKDH
$VVHVVPHQW , XQGHLDSVODHQGGWKKRWKW
&RXQW\ &RXQFLO LV XVLQJ +/& WR

7KH FRXQFLO LV GHYHORSLQJ D VX
7KH KLVWRULF HQYLURQPHQW LV R
DGGUHVVHG 7KLV LQIRUPDWLRQ ZL

5HGXQGDQW PLQHUDO ZRUNLQJV FF
DQG PRRULQJ EDVLQ GHYHORSPHQW
ZDWHUERGLHV IRU ZDWHUVSRUWV [
UHVHUYHV DV SDUW RI D UHVWRUD
WKH PLQHUDWHII UHVWRUDWLRQ RI PL
ELRGLYHUVLW\ EHQHILWV IRU WKH
ZDWHUZD\V

&DQDO 5LYHU 7UXVW ZRXOG UHTX
GHYHORSPHQW DGMDFHQW RU LQ S
DQG :RUFHVWHUVKLUH &DQDO %LUPL
&DQDO 'URLWZLFK &DQDO DQG 5LY
DGYHUVHO\ DIIHFW WKH LQWHJULW
TXDOLW\ RI WKH ZDWHU UHVXOW L
UXQ RII RU HQFURDFKPHQW GHWUL
KHULWDJH HFRORJLFDO TXDOLW\ D
SUHYHQW WKH ZDWHUZD\V SRWHQW
GLVFRXUDJH WKH XVH RI WKH ZDWH

DQG SDUWQHUV WR DOORZ IRU ULY
ULYHU UHVWRUDWLRQ EHQHILWV

$ 0U <HV 7KH 0LQHUD /RFDO 3ODQ VK

& :LONLG ULJKWV RI ZD\ D LQIRUPDO UHFU

563% ELUGZDWFKLQJ UHVWRUHG PLQ

DVVRFLDWHG KH K EHQHILWV W

LQRUPDO UHFUHD RQ 7KH 0LQHU

U)UDPH RUG SHD WKKHP SS$16 Dap@PVLP@W

FDQ KHOS WR DG HVV IRRGLQJ L

WKH SURYLVLRQ ORRG VWRUDJH

LPSOHPHQWDWLR DWPKRU DWHUHF

H[DPSOH WKURXJK ULYHU UHVWRU

H[DPSOH a„A A A M@H[DPSOH `WLWH UHVWRU pKH `pU áUDW

WDNHQ LQWR DFFRXQW)RU H[DPSO(

IRRWSDWK 6HYHUQ :D\ VKRXOG EH D

UH:Q ¼\ H[WELOL WKH SODQ QHHGV DWR IRXQRGHWLKMH

QHWZRUN WR DFFRPPRGDWH DQG D

DQG HPSOR\HH DFFHVVLELOLW\ HYH

H[WUDFWLRQ LV SURSRVHG WR EH

)XUWKHUPRUH WKH 3ODQ QHHGV W

H[¢WG E ` QVLÀRDFF```E \

(VWDWH	
$	7KH ZRUNLQJ DQG UHVWRUDWLRQ R ,W LV RXU LQWHQWLRQ WR PDNH S
	FDUULHG RXW WR WKH KLJKHVW SR EDVHG DSSURDFKHV WKDW GHOLYH
0U ' &OD	RSHUDWLRQDO VWDQGDUGV RI PHQW
6RXWK	REMHFWLYHV DUH WR EH PHW
:RUFHVW	
LUH	
$XWKRUL	

3URSRVDOV IRU PLQHUDOV H[WUDF\
WKDW KLJK VWDQGDUGV ZLOO EH P
ZRUNLQJ ,VVXHV ZKLFK VKRXOG EH
ZRUNLQJ RI D VLWH LQFOXGH
  x LPSDFWV RQ WKH QHDUE\ QR
    YLEUDWLRQV YLVXDO LPSDFWV
  x LPSDFWV RQ WKH HQYLURQPHQ
    ODQGVFDSH DUFKDHRORJ\ KLV
    VXUIDFH DQG JURXQG ZDWHU
  x WUDQVSRUW VLWH DFFHVV DQ
    PDWHULDOV

3URSRVDOV LQ WKH *UHHQ %HOW P
SXUSRVHV E\ PDLQWDLQLQJ LWV RS

,Q UHODWLRQ WR WUDQVSRUW DQ\
PXVW LQFOXGH DQ DVVHVVPHQW RI
WUDDLQF LWV LPSDFW XSRQ WKH OR

H H H H H

:KHUHYHU SRVVLEOH WKH GHOLYHU UHODWHG SURGXFWV VKRXOG EH E DOVR UHFRJQLVHG KRZHYHU WKDW ERUQH WUDQVSRUWPXVW SEOH ORO GHOLYHUHG 3ODQQLQJ SHUPLVVLR VKRXOG RQO\ EH JUDQWHG ZKHUH KLJKZD\V ZRXOG EH DGHTXDWH LQ HQYLURQPHQWDO WHUPV IRU WKH ZRUNLQJ	FRQVLGHU WKHLU SRWHQWLDO LPSRUW E\ DSSURSULDWH PHWKRGV
)RU VXFKDVVWHVWRUDWLRQ WKH HQ EH GHFLGHG XSRQ EHIRUH H[FDYDW SURSRVDOV IRU PLQHUDO GHYHORS DFFRPSDQLHG E\ GHWDLOHG UHFOD SURSRVDOV 3ODQQLQJ FRQVHQWV UHFODPDWLRQ SURSRVDOV EHLQJ F WLPHVFDOH	1RWHG DQG DJUHHG
,Q UHVWRULQJ VLWHV LW VKRXOG RSSRUWXQLWLHV WR LQFUHDVH DQ ELRGLYHUVLW\ DQG KDELWDWV SX SURYLRUWWSDG UHFUHDWLRQ SUR H[WHQVLYH PLQHUDO ZRUNLQJV LQ WKH SRWHQWLDO WR PDNH VLJQLIL DQG LPSURYLQJ ODQGVFDSH FKDUD ELRGLYHUVLW\ WDUJHWV	1RWHG DQG DJUHHG ,W LV DOVR R SURYLVLRQ IRUEDUHHGWRSSDUWLRFRKHV DJDLQVW ELRGLYHUVLW\SURORWD LQIUDVWUXFWXUH REMHFWLYHV
7KH 6RXWK:ZHVWVKLUH $XWKRULWL VRPHWLPHV EH DSSURSULDWH WR X ODQG VXUIDFH WR LWV RULJLQDO ODQGILOO LV DOORZHG VFKHPHV G	7KH DGRSWHG :DVWH &RUH 6WUDWH GHYHORSPHQW SODQ SROLFLHV IRU $Q\ SURSRVDO LQFOXGLQJ LQILOO DJDLQVW WKHVH SROLFLHV

<table>
<tr><td>

DW WKH RXWVHWDOODQGHSUSXUUQ W
ZRUNLQJ ,W ZRXOG EH LPSRUWDQW
KLJKZD\ QHWZRUN ZDV FDSDEOH RI
WUDIILF WKDW ODQGILOO RSHUDW
SROOXWLRQ WR ZDWHU VRXUFH WWZ
DPHQLWLHV RI QHLJKERXULQJ SURS
SUHMXGLFH WKH SURSRVHG DIWHUX

:KHUH WKH SURSRVHG DIWHUXVH Z
QHHGV WR EH PDGH WR UHVWRUH W
SRVVLEOH TXDOLW\ ,Q WGHPRDWHYP
DJULFXOWXUDO ODQG LW VKRXOG
3URSRVDOV IRU PLQHUDOV H[WUDF
ZRUNLQJ ZRXOG UHVXOW LQ ODNHV
GHPRQVWUDWH WKDW D ODNH V ZR
ODQGVFDSHFDQEH DFFRPSDQLHG E\ SUR
PDLQWHQDQFH RI WKH ODNH V

3URSRVDOV IRU PLQHUDO H[WUDFW
DIWHUXVH LV QDWXUH FRQVHUYDWL
UHFUHDWLRQ PXVW EH DFFRPSDQLH
WHUP PDQDJHPHQWFQWPRI WKH V

</td><td>

1RWHG DQG:DJUHHG HYHORSLQJ D V
EDFNJURXQG HYLGHQFH ZKLFK ZLO
RSSRUWXQLWLHV IRU DJULFXOWXUH
DOVR EH LQIRUPHG E\ WKH /DQGVF

1RWHG DQG DJUHHG

</td></tr>
</table>

4XHVWLRQ   ,V WKHUH DQ\ LQIRUPDWLRQ \RX DUH DZDUH RI WKDW ZRXOG KHOS XV GHY

7KH IROORZLQJ UHVSRQGHQWV LQGLFDWHG WKDW WKH\ ZHUH QRW DZDUH RI DQ\ IX
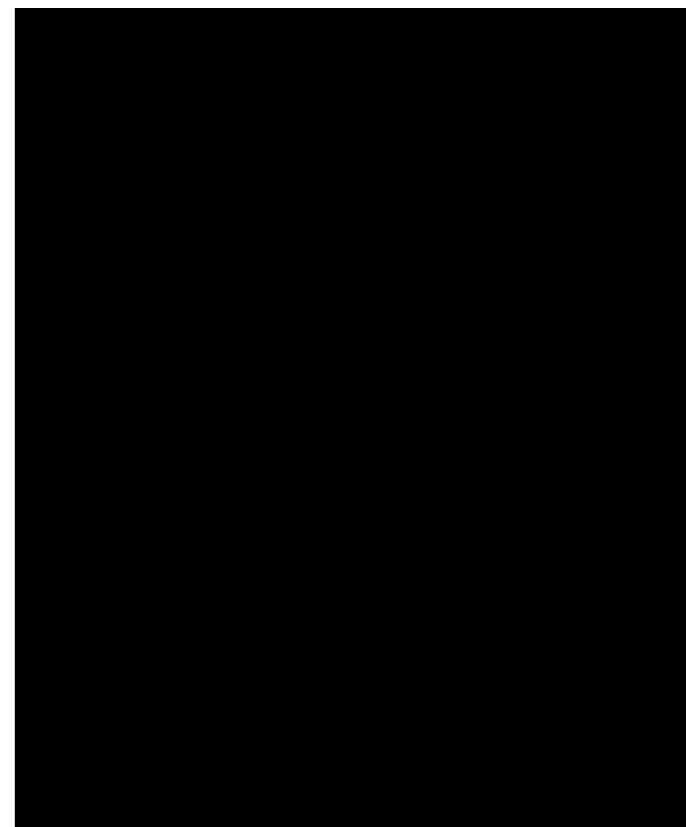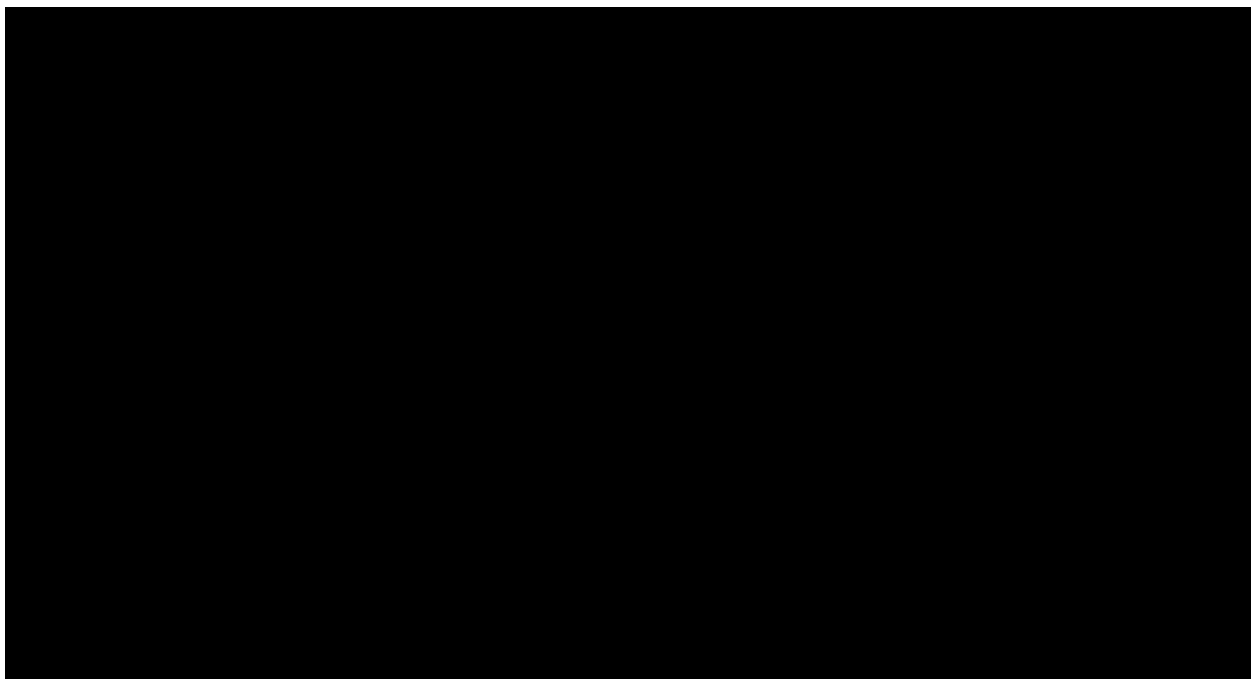SROLFLHV

x $ E0U 3 %ODGRQ
x $ 0U 0UV *5 .QRZOHV
x $ 0U 0 :RWWVZROGV &RQVHUYDWLRQ %RDUG
x $ 0UV < 6FULYHQ

x $ 0U ' 5RWN XUSRUW RQ 6HYHUQ 7RZQ &RXQFLO

x $ 0UV $ 'REHULQVWRUH 7RZQ &RXQFLO

x $ 0U - 6RPPHUYLOOHG 3DULVK &RXQFLO

x $ 0U 7 5RZOH\5RZOH\ $VVRFLDWHV RQ %HKDOI RI /HFKPHUH (VWDWH

x $ 0UV - 6SRRQHU

        7KH IROORZLQJ FRPPHQWV ZHUH DOVR PDGH LQ UHVSRQVH WR WKLV TXHVWLRQ

7UXVW   DQG SURFHVVLQJ IDFLOLWLHV IR
             E\«LQODQG ZDWHUZD\V RI PLQHU
             VHFRQGDU\ DQG PDULQH GUHGJH(
             ³«HQVXUH ZRUNHG ODQG LV UHFR
             RSSRUWXQLW\«DQG WKDW KLJK T
             DIWHUFDUH RI PLQHUDO VLWHV W
             IRU«ELRGLYHUVLW\«DQG UHFUHD
             FULWHRUXLOODQGVEKH VHW RXW ZLWKLQ
             ³«HQVXUH WKDW SHUPLWWHG RSH
             XQDFFHSWDEOH DGYHUVH LPSDFW
             KLVWRULF HQYLURQPHQW«LQFOX
             LQWUXVLRQ WUDIILF WLS DQG T
             VWDELOLW\«LQRRBGDULHV N LPSDFW
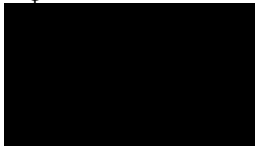   TXDQWLW\ RI VXUIDFH DQG JURX

&RDO3UR
$

OBJECTIVES OF THE NIA (cipher)

REMHFWLYHV RI WKH 1,$

7KH :RUFHVWHUVKLUH *UHHQ ,QIUD

:H LQWHQG WR XVH *UHHQ ,QIUDVV
PXOWLIXQFWLRQDO ... PLQHUDO Z
GHYHORSLQJ D VXLWH RI EDFNJUR
DGGUHVV WKH SRVVLELOLWLHV IRU
ZLOO XWLOLVH WKH *UHHQ ,QIUDV
DQG ZLOO WDNH DFFRXQW RI WKH
,QIUDVWUXFWXUH 6WUDWHJ\

$

%ORRPILH :RUFHVWH :LOGOLIH	WKH 1(5& $FW DQG 133) WKHUH L EDVHG LQIRUPDWLRQ SHUWDLQLQ *,UHVWRUDWLRQ WDUJHWV DYDLO WKDW \RX XVH WKLV WR KHOS JX DSSURDFK ,Q SDUWLFXODUWKHU JXLGDQFH OHG E\ WKH &RXQW\ * XVHIXO LQIRUPDWLRQ IRU WHQDQL SULRULWLHV WKDW OLQN WR ZLG (PHUJLQJ 6:'3 SROLF\ RQ ELRGLY HFRORJLFDO QHWZRUNV SURYLGH ZRUN DIIHFWLQJ WKH VRXWKHUQ :\UH)RUHVW ORFDO 3ODQ EHQHILJ ELRGLYHUVLW\ HQKDQFHPHQW LQ XVH LQ \RXU GHOLEHUDWLRQV /R GRFXPHQWV DQG GLUHFW LQSXW DOVR EH XVHIXO VRXUFHV RI LQI EH SOHDVHG WR SURYLGHRQLQGH WKH PLQHUDOV WHDP LI WKDW ZR	GHYHORSLQJ WKH 0LQHUDOV /RFD WKH SRVVLELOLW\ RIDY *RZRRNLWN KHOS VWHHU WHQHWGRXHQRSW FRQV SURSRVDOV
$ 0UV 'UHZ :ROYHUOH &RRNOH\ 3 &RXQFLO	0LQHUDOV VKRXOG RQO\ EH H[WU DFFHVVLEOH DUHDV DV D ILUVW	0LQHUDOV FDQ RQO\ EH ZRUNHG Z UHVRXUFHRILPDRQHVVXH ZKLFK Z FRQVLGHUHG
$ 0UV 6SRRQHU	7DNH LQWR DFFRXQW VSDWLDO V ORFDWLRQV DUH UHDOO\ LQYHVW DQG ORFDOLW\ ",QGXVWHUVLHDOUFK WR GHWHUPLQH PLQHUDOV LQVWRKDHYRXGXOH WKHVE LQ 0W IRU HDFK \HDU	:H ZLOO EH GHYHORSLQJ D VSDWLI DGGUHVV WKHVH LVVXHV :H ZLOO VXPPHU 3RWHQWLDO GHPDQG ZDV RQH RI V LQ WKH GUDIW /RFDO $JJUHJDWHV WKHUH KDV EHHQ PRUH VXSSRUW

		SDVW VDOHEDYSHDOHWKRG LV DOV ZLWK QDWLRQDO SROLF\
$ 0U &ODUNVRKRXW :RUFHVWH $XWKRULW	7KH)LUVW 6WDJH &RQVXOWDWLRQ DSSURDFK WR ZKHUH PLQHUDOV V EH EDVHG RQ ZRUNLQJ YLDEOH UH WKHUH LV JUHDWHV SRW WHQWLDQ DSSO 7KH GRFXPHQW VXJJHVWV WKDW W LQIRUPHG E\ HFRQRPLF SROLFLHV FRPPXQLW\ VWUDWHJLHV LQ WSKLFLR 6RXWK :RUFHVWHUVKLUH $XWKRUL LGHQWLILFDWLRQ RQH RI LQQHUDO ZH[WUJ SUHIHUUHG VKRXOG DOVR EH LQIR	7KLV LV FRUUHFW
	x WKH 1DWLRQDO 3ODQQLQJ 3RO	$JUHHG
	x /RFDO 3ODQV LQFOXGLQJ WKH LQGLFDWLRQ RI WKH OLNHO\ O GHPDQG IRU PLQHUDOV LS OODK SHULRG 7KH LGHQWLILFDWLRQ PLQHUDO H[WUDFWLRQ DQG SO VKRXOG DOVR EH DVVHVVHG D 3ODQ SROLFLHV ,Q WKH FDVH LQFOXGH SROLFLHV UHODWHG &KDUDFWHU ,Q IUDVWUXFWXUH %LRGLYHUVLW\ DQG *HRGLYHU 1HWZRUNV)ORRG 5LVN HWF	$JUHHG WKHVH IDFWRUV ZLOO EH LW PXVW EH QRWHG WKDW PLQHUD WKH\ H[LVW DQG LW LV RIWHQ QRV SUR[LPLW\ SULQFLSOH WR PLQHUD /RFDO 3ODQ 3ROLFLHV ZLOO FDOO RQ DQ\ SURSRVDO PXVW EH FRQVLGHU SROLFLHV LQ WKH GHYHORSPHQW
	x 0DOYHUQ +LOOV $FWV $V VWD $FWV %DFNJURXQG 'RFXPHQW DUH ILYH SULYDWH DFWV RI S 0DOYHUQLOQO\ WKUHH RI ZKLFK F	7KH 0DOYHUQ +LOOV $FWV ZLOO E GHYHORSPHQW RI WKH 0LQHUDOV

UHIHUHQFH WR TXDUU\LQJ 7K WKH 0DOYHUQ +LOOV $FW 7KHUH DUH DOVR 0LQLVWHULD +RXVH RI /RUGV -XGJHPHQWV $V VXFK WKLHYHJLUDPHDWRUN DU TXDUU\LQJ LQ WKH 0DOYHUQ + DQG ZLOO UHTXLUH FDUHIXO F GHYHORSPHQW RI WKH 0LQHUD	
x $UHDV RI 2XWVWDQGLQJ 1DWX KLJKHVW VWDWXV RI SURWHSW DQG VFHQLF EHDXW\ ,Q DGGL DERYH WKH &RWVZROGV ZLOO FRQVLGHUDWLRQ LQ WKH GHYH /RFDO 3ODQ	1DWLRQDO SROLF\ SUHVHQRW HFXLQ ZRUNLQJ IURP DQ\ DUHDV LQFOXG 1DWXUDO %HDXW\ DQG RWKHU DUH HQYLURQPHQWDO YDOXH :H ZLOO DFFRXQW RI ORFDOO\ LPSRUWDQW GHYHORSPHQWLQ RU DWWKH/RQGOH3OD GHYHORS SROLFLHV WR HQVXUH W DUHDV LV HQKDQFHG ZKHUHYHU S GHYHORSPHQW
x :RUFHVWHUVKLUH *UHHQ ,QIUD :*,6 ,W LV LPSRUWDQW WKDW QRW FRPSURPLVH WKH DFFHVV IXQFWLRQ RI WKH 6WUDWHJLF &RUULGRUV ZKLFK DUH LGHQW	7KLV LV ZLOO EH WDNHQ LQWR DF WKH 0LQHUDV /RFDFR3ODQGHULWGZD WKH SRWHQWLDO IRU UHVWRUHG F DQG UHVWRUH WKH DFFHVVLELOLW 6WUDWHJLF *UHHQ ,QIUDVWUXFWX
x $GRSWHG 0LQHUDOV /RFDO 3O HQYLURQPHQWDO VHQVLWLYLV KDV VLJQLILFDQWO\ZKHUH PRU VLWHV FRPH IRUZDUG RU ZKH SDUWLFXODU QHHG XSRQ ZKLF RULJLQDOO\ SHUPLWWHG WKH	7KH QHZ 0LQHUDV /RFDO 3ODQ ZL IUDPHZRUN DEG ZLOO XSGDWH WR W 0LQHUDV /RFDO 3ODQ ,W LV QRW DOORFDWH VSHFLILF VLWHV EXW

	UHYLHZLQJ DOORFDWLRQV LQ
	3ODQV SDUWLFXOHDUQQ DQG DFW
	VXJJHVWHG WKDW WKH UHYLVI
	UHYLHZV WKH DSSURSULDWH
	XQZRUNHG VLWHV DW $VWRQ 0
	6WUHQVKDP LQ 6RXWK :RUFHV

,Q DGGLWLRQ WR WKH SODQV DQG SURJUDPPHV JLYHQ LQ UHVSRQVH WR WKH FRQV
WKH QH[W FRQVXOWDWLRQ GRFXPHQW

x 7KH $FFHVV DQG ,QIRUPDO 5HFUHDWLRQ SRG 6WUDHGWHJ WKH :RUFHVWHUVKLUH 3DUNV DQG
*URXS 7KLV 6WUDWHJ\ LGHQWLILHV WKH LVVXHV DQG VHWV WKH SROLF\ GLUHFWLR

4XHVWLRQ 'R \RX KDYH DQ\ FRPPHQWV RQ WKLV DSSURDFK"

7KH IROORZLQJ UHVSRQGHQWV LQGLFDWHG WKDW WKH\ GLG QRW KDYH DQ\ FRPPHQ
x $ 0U *O\GH&& :RUFHVWHUVKLUH $UFKLYH DQG $UFKDHRORJ\ 6HUYLFH
x $ 0U 0UV *5 .QRZOHV
x $ 0UV < 6FUL&KHDGGHVOH\ &RUEHWW 3DULVK &RXQFLO
x $ 0U ' 5RWWRXUSRUW RQ 6HYHUQ 7RZQ &RXQFLO
x $ 0 -HQNELUQWK +HULWDJH 7UXVW
x $ 0LVV . %&XULQDHWODWQG 5LYHU 7UXVW

7KH IROORZLQJ FRPPHQWV ZHUH DOVR PDGH LQ UHVSRQVH WR WKLV TXHVWLRQ

5HVSRQG	&RPPHQW	,QLWLDOURMSRQVH
$ 0UV / +RUQ1HDUWX (QJODQG	:H ZHOFRPH WKH DSSURDFK WR FR SURSRVDOV RQ D ZLGHU VFDOH	6XSSRUW QRWHG
$ E0U 3 %ODGRQ	5HIHUHQFH WR SDJH 0LQHUDO FRP 3OHDVH SURYLGH WKH QDPHV RI D KDV LQYLWHG WR FRQWULEXWH WR	7KH IROORZLQJ RSHQ VRUVDODQLG D FRQWDFWHG 5HVSRQVHV ZHUH UH KLJKOLJKWHG LQ EROG DQG DUH L

DOVR LQGLFDWH ZKLFK FRPSDQLH\
LQIRUPDWLRQ YLHZV HWF

x %ULWLVK $JJUHJDWHV $VVRFL
x %ULWLVK &HUDPLF &RQIHGHUD
x &HPH[8. 2SHUDWLRQV
x &RDO $XWKRULW\
x &RQIHGHUDWLRQ RI %ULWLVK
x &RQIHGHUDWLRQ RI 8. &RDO 3
x +LOOV *URXS
x +XWWRQ 6WRQH &R /WG
x .DROLQ %DOO &OD\ $VVRFLDV
x 0LQHUDO 3URGXFWV $VVRFLDW
x 6PLWK 6RQV %OHWFKLQJWR
x 6PLWKV &RQFUHWH /WG
x 66* 4XDUULHV
x 7DUPDF /WG
x 7KH &RQFUHWH &HQWUH
x 7KH 0LQLQJ $VVRFLDWLRQ RI \
x 7KH 6WRQH)HGHUDWLRQ RI *U
x :LHQHUEHUJHU /WG
x :LOGPRRU 4XDUU\ &LQHWLF 6I

ˆE €@Ð€

%RDUG		
$ + %HUU\ (QYLURQP $JHQF\	4XHVWLRQ :H ZHOFRPH WKH DSS)UDPHZRUN 'LUHFWLYH :)' DQG % %$3 DUH NH\ IDFWRUV LQ GHWHORF DQG UHVWRUDWLRQ PHDVXUHV IRU UHFRPPHQG WKDW VLWHV RIIHULQ UHVWRUDWLRQ DQG KHOS WR GHO ULYHU UHVWRUDWLRQ RSSRUWXQL ZRUNLQJ$QRUDWLRQ SODQ IRU D DLP WR DFKLHPSLXQDLO REHQ HDPSO ULYHU UHVWRUDWLRQ %$3 KDELW UXUDO VXVWDLQDEOH GUDLQDJH	6XSSRUW QRWHG
$ 0UV 'REELQV 3HUVKRURZ &RXQFLO	7KH DSSURDFK WDNHQ VHHPV UHD	6XSSRUW QRWHG
$ 0U - 6RPPHUYL *XDUOIRUG 3DULVK &R	1R DSDUW IURP WKH QHHG WR DG ULVN LV OLNHO\ WR LQFUHDVH LQ	)ORRG ULVN LV RQHWRDWWKHDFWX FRQVLGHU ,W LV QRWHG WKDW \R DSSURDFK
$ 0U 6 %ORRPILH :RUFHVWH :LOGOLIH	7KH 7UXVW LV SOHDVHG WRHWXSSR WR PLQHUDOV H[WUDFWLRQ LQ WK UHVRXUFHV LQ DUHDV ZKHUH WKH DFKLHYH UHVWRUDWLRQ SULRULW\ RIIHUV VLJQLILFDQWWRRSSRUWXGLW HQKDQFHPHQW HVSHFLDOO\ LQ W FRKHUHQW HFRORJLFDO QHWZRUN SURYLVLRQWDHUG PORQRPLF EHQHI NH\ GLDJUDP DQG D VHULHV RI VW EURDG DUHDWRLQFOXGHSWXUH UHV DQG JLYH FHUWDLQW\ WR PLQHUDO	6XSSRUW QRWHG

	ORFDO FRPPXQLWLHV DERXW OLNH FLUFXPVWDQFH 5REXVW SROLFLHV WR FRQWURO W RI PLQHUDO ZRUNLQJVERSHUDWLRQ FRYHUHG E\ WKH VWDQGDUG GHYH SROLFLHV IRXQG LQ H[WDQW DQG :RUFHVWHUVKLUH DQG ZH GR QRW EH UHSHDWHG LQ WKH 0LQHUDOV 3 :H ZRXOG YHU\ VWURQJO\ DGYRFD ELRGLYHUVLW\ HFRV\VWHP IXQFW UHVWRUDWLRQ LQ UHFRJQLWLRQ R HQKDQFHPHQWV LQ WKHVH DUHDV ORFDO SODQQLQJ GRFXPHQWV PH WKDW WKLV ZRXOG EHRIWKHHEHQWL WR FRQWULEXWH WR WKH ZLGHU R DQG LWV SDUWQHUV DWUHJLRQDOOHY IUDPHZRUN DQG RWKHU GRFXPHQW WKDW WKLV ZRXOG KHOS FRQWULE DGDSWDWLRQUSULR)' UHTXLUHPHQV $FWLRQ 3ODQ WDUJHWV DQG HFRQ DOUHDG\ HQJDJHG LQRXUZLWKOLVV EULQJ IRUZDUG PRUH GHWDLO RQ SULRULWLHV WKDW PLJKWEHUHDO ZH ZRXOG ZHOFRPH WKH FKDQFH W PLQHUDOV WHDP RQ WKHVH HPHUJ	1RWHG 7KLV LV DQ LVVXH WKDW U GXH WR WKH YDULDWLRQRISROLF &RXQW\ KRZHYHU WKHUH FRXOG E DSSURDFK $JUHHG :H LQWHQG WR XVH *UHHQ WR JXLGH WKH DSSURDFK LQ WKH EH EDVHG RQ WKH HYLGHQFH LQ W ,QIUDVWUXFWXUH)UDPHZRUN DQG ,QIUDVWUXFWXUH 6WUDWHJ\ $GGLWLRQDO EDFNJURXQG HYLGHQ WR H[SORUH WKH UHODWLRQVKLS *UHHQ ,QIUDVWUXFWXUH ORFDOO\ LQFOXGLQJ FOLPDWH FKDQJH DGD 'LUHFWLYH 5HTXLUHPHQHFWWLRQ%3OGD DQG HFRQRPLF VXVWDLQDELOLW\ (QJDJHPHQW RI WKH :RUFHVWHUVK 3DUWQHUVKLS LQ WKLV ZRUN LV H
$ 0U & :LONLQVR(563%	7KH 563% VXSSRUWVOEGSSURDFK PLQHUDO SODQQOEQJ POQZKLU YL ZRUNHG LQ DUHDV ZKHUH WKHUH L DFKLHYH UHVWRUDWLRQ SULRULW	6XSSRUW QRWHG

	:H ORRN IRUZDUG WR ZRUNLQJ ZLW RI PRUH GHWDLOHG SURSRVDOV	:H DSSUHFLDWH \RXU FRQWLQXHG
$ 0UV 6SRRQHU	7KH DSSURDFK VZLRXOGQ JEHLQJ DV SR	1RWHG
$ 0U 7 5RZOH\ 5RZOH\ $VVRFLDW %HKDOI R /HFKPHUH (VWDWH	, DP D OLWWOH FRQFHUQHG WKDW VSHFLILF VLWHV +RZHYHU LI WKH DUHD RI VHDUFK DSSURDFK WKHQ RYHUFRPH DQ\ FRQFHUQV $OO VLWHV SUHYLRXVO\ DOOVRRRXW FDUULHG IRUZDUG LQ DGGLWLRQ V DOORFDWHG VLWHV DOUHDG\ LQ W	<RXU FRQFHUQVHD\LHOO QREHHGRQVXO IXUWKHU GHYHORSPHQW RI WKH S 7KH QHZ 0LQHUDOV /RFDDO3ODHDZQ QRZL IUDPHZRUN DQG ZLOO QRW EH DQ 0LQHUDOV /RFDO 3ODQ ,W LV QRW DOORFDWH VSHFLILF VLWHV EXW 3UHYLRXVO\ DOORFDWHG DUHDV Z FRQVLGHUDWLRQ DOYHZHHDOOVVUHHWRVXU PRGHUQ FRQVLGHUDWLRQV LQ GHY 3ODQ
$ ' 6QDGGRQ 5RZQH\ *U $VVRFLDWL	:H ZLVK WR EULQJ WR \RXU DWWHQ WZR OHWWHUV$XJGDWWHV $XJXVW -XO\ IURP :RUFHVWHUVKLUH 1 7UXVW QRZ FDOOHG :RUFHVWHUVK FRQFHUQLQJ DQ DUHD QRUWK RI 6 *UHHQ $OYHFKXUFK 7KHVH GHVF RI H[WUDFWLQJ VDQG DQGOJGLUDD\YYHHOO SDUWV ZHOO DZD\ IURP WKH H[WUI 7KH 6SHFLDO :LOGOLIH 6LWH UHIH *UHHQ %RJ $ VHFRQG 6SHFLDO :L LV FORVH E\ ZKLFK FRXOG DOVR E GHVWUR\HG E\ VDQG WUDIODFFWGLRLRQDYRO V	7KH WH[W IIURURPHWWWKKHURXWHLHG EHORZ 7KH 0LQHUDOV /RFDO 3ODQ ZLOO V SURWHFWLQJ DQG HQKDQFLQJ (XU GHVLJQDWHG VLWHV ,W ZLOO QRW PLQHUJJDODODFFWWLRQ :RUFHVWHUVKLUH :LOGOLIH 7UXVW DFWLYHO\ HQJDJHG LQ WKH GHYHO 3ODDQQG DUH DOVR FRQVXOWHG RQ DSSOLFDWLRQV

DURXQG 1HZERXUQH +LOO 5RZQH\

7H[W IURP WKH DWWDFKHG OHWWH
/HWWHU
5HI 3-/) -6

7KH 3ODQQLQJ 2IILFHU
%URPVJURYH 'LVWULFW &RXQFLO

'HDU 6LU

    3ODQQLQJ $SSOLFDWLRQ 1

:H DUH SDUWLFXODUO\ FRQFHUQHG DW
DERXW WKLV 3ODQQLQJ $SSOLFDW
LQVSHFWHG DW \RXU RIILFH 7KH
WR H[WUDFW JUDYHO LV SDUW RI
WLPHV D ³5RZQH\ *UHHQ %RJ´ DQG
IRU LWV ZLOGOLIH

7KH 9DOOH\ LQ ZKLFK WKLV VLWH
RULJLQDWLQJ IURP WKH JUDYHOV
7KHVH KDYH FUHDWHG ZHW IOXVK
OD\HUV RI DFLG SHDW 6RPH SDUW
FRORQLVHG E\ DOGHU WUHH WR PDNH
YDOOH\VLGH ZRRGODQG ,Q DGGL
LQ WKH YDOOH\

  x 0DUVK)UDJPHQW \RVWLV VHFXQG
     NQRZQ LQ RQH RWKHU VLWH L
  x 0DUVK 9LROHW SRLROHOD SDOXVWULQRZ

x 0HDGRZ /RXUQEHG LFXODULDQVWC
UDUH DV ZHW SDVWXUHV KDYH

x :RRG +RUYHTXDLVGWXP ±ROYGV
NQRZQ LQ D IHZ SODFHV LQ 1R

x %RJ 0H-V6VKDJQXP VXEROLWHQOM
IRUP :\UH)RUHVW DSDUW IURF

,W LV DOVR WQDLUHSRURDXQGLVWXU
DFLG JUDVVODQG DQG UHSUHVHQW
VLWHV RI WKLV W\SH LQ WKH FRXQ
OLVWHG DERYH LW KDV D ZLGH YD
VSHFLHV

$OWKRXJK WKLV DSSOLFDWWRRQWRE
LV D VWURQJ SRVVLELOLW\ WKDW
GDPDJHG GXULQJ RSHUDWLRQV GI
PRUH OLNHO\ GDPDJHG E\ FKDQJHV
WKH KLOOV ZKLFK FRXOG DIIHFW S
ZRUNLQJ DU

:H XUJH \RXU &RXQFLO PRVW VWUF
DSSOLFDWLRQ 7KH SURSRVDO FR
GHVWUR\ D PRVW LPSRUWDQW DUH
FRQVLGHU WKH JDLTDé0

&RQVHUYDWLRQ 2IILFHU

&RS\ RI OHWWHU VHQW WR %URPWK
$XJXVW DQG WR +HUHIRUG DQG
&RXQFLO $XJ

/HWWHU
7KH :RUFHVWHUVKLUH &RQVHUYDWLR
WK -XO\

<RXU UHI 3   --5 0$&

)25 7+($77(17,21 2) 0LVV - - 5($'

&RXQW\ (QJLQHHU DQG 3ODQQLQJ
+HUHIRUG DQG :RUFHVWHU &RXQW
&RXQW\ +DOO
6SHWFKOH\ 5RDG
:RUFHVWHU
:5 13

'HDU 6LU

3URSRVHG DFWLRQ RI 6DQG DQG *U
/DQG 1RUWK RI 6WRUUDJH /DQH $

7KDQN \RX IRU \RXU OHWWHU ZPp

RWKH YLOODJH RI 5RZQH\ *UHHQ
FRPSOH[PRVDLF RI KDELWDWV LQ
ZRRGODQG GU\ DFLG JUDVVODQG
XQFRPPRQ KDELWDW LQ :RUFHVWH
WKH ERWWRP RI WKH YDOO...VSHFXHVS
ZKLFK DUH XQFRPPRQ RU UDUH LQ
RI WKHVH PDLRYLORYLSROOHQWVWULPRWD(
VHG&DUH[ODHRYLFJXUWDQ RQO\ RQH
VLWHV LQ :RUFHVWHUVKLUH

7R RXU NQRZOHGJH WKLV YDOOH\
LWV SHULPHWHU LV XQLTXH LQ :RU
LQWHUHVW WKH YDOOH\ V\VWHP K
&RXQFLO E\ WKH 7UXVW DV 6SHFLD
        7KLV 6:6 LQFOXGHV WKDW DFW
RQ WKH DSSOLFDWLRQ VLWH DQG
ZKLFK LV SDUWLDOO\ YDOOH\ ERJ
RI WKH VDPH SHUVRQ

7KH YDOOH\ ERJ UHOLHV IRU LWV
VSULQJV ZKLFK IORZ RXW IURP WK
ZKHUH WKH XQGHUO\LQJ 0HUFLDQ
RYHUODLQ E\ WKH JUDYHV DQG V
LQWHUHVWHG 5DVXQIDGHORQJWKHV
JUDYHV DQG VDQGV IORZV WKURX
XQGHUO\LQJ ODQGVFDSH VXUIDF
DQG WKHQ IORZV RYHU WKLV XQWL
ZKHUH LW DSSHDUV DV VSULQJV
DQG DOO RI WKH ZLOGOLIH LW VXS
WKH FRQWLQXLQJ VXSSO\ RI ZDWH
WKH ZDWHU VXSSO\ DW DQ\ SRLQW

L P S D F W V

	FRPSUHKHQVLYHH wUPWLWQHGRUBVHU TXDUULHV VKRXOG EH HQFRXUDJHG	
	$OVR VXEMHFW WR FRQIRUPLW\ Z H[WHQVLRQV WR H[LVWLQJ TXDUUL WR LGHQWLI\LQJ QHZ TXDUULHV	7KH QHZ 0LQHUDOV /RFDO 3ODQ ZL IUDPHZRUN DQG ZLOO QRW EH DQ 0LQHUDOV /RFDO 3ODQ ,W LV QRW DOORFDWH VSHFLILF VLWHV EXW 3UHYLRXVO\ DOORFDWWHG DUHDV D HTXDO FRQVLGHUDWLRQ DV ZH DV DJDLQVW PRGHUQ FRQVLGHUDWLR /RFDO 3ODQ $ SROLF\ RI IDYRXU VLWHV FRXOG KDYH LPSOLFDWLRQ &RPSHWLWLRQ &RQ LV FXUUHQWO\ SUDFWLFHV RI WKH PLQHUDO LQG DVVHVV WKH LPSOLFDWLRQV RI WK
	7R HQVXUH D FRQVLVWHQW EVRVXDS\ WKH H[WUDFWLRQ RI RWKHU VXUID FRQVLGHUHG DJDLQVW WKH VDPH H[WUDFWLRQ	7KH 0LQHUDOV /RFDO 3ODQ ZLOO G FRQVLGHUDWLRQ RI SURSRVDOV IR DJJUHJDWHV DQG DJJUHJDWH ,W VKRX :RUFHVWHUVKLUH 6DOW RFFXUV D SXPSLQJ UDWKHU WKDQ DQG XPLIDFH U VSHFLDO FULWHULD ZLOO EH VR\X O LVVXHV DV ZH GHYHORS WKH SROL
	&RDO ZLOO UHPDLQ LPSRUWDQW D DQG IOH[LELOLW\ RI 8. HOHFWULFL IRUHVHHDEOH IXWXUH 6RXWK :RU UHVHUYHV RI XQZRUNHG FRDO EXW ZRUNLQJ LV FRQVLGHUHG XQOLNH IRUPXODWLRQ RI D VSHFLILF SRO $Q\ DSSOLFDWLRQ IRU XQGHUJURX	:H KDYH SURGXFHG D EDFNJURXQG :RUFHVWHUVKLUH ZKLFK VWDWHV OLNHO\ WR EH YLDEOH LQ :RUFHVV IXWXUH +RZHYHU WKH 0LQHUDOV FRQWDLQ SROLFLHV WR DVVHVV PD\ FRPH IRUZDUG :H ZLOO EH GLVFX WKH &RDO $XWKRULW\

ZLWK RQ LWV PHULWV DQG WDNH D LQ UHODWLRQ WR FRDO PLQLQJ W 'HYHORSPHQW 3ODQ SROLFLHV	
7R VDIHJXDUG PLQHUDO GHSRVLWV IURP VWHULOLVDWLRQE\ WULWDFH WKDW LQ 0LQHUDV 6DIHJXDUGLQ GHYHORSHU EH UHTXLUHG WR XQ WR DVVHVV WKH VFRSH IRU H[WUD ZKLFK ZRXOG OHDG WR WKH VWHU SODFH ,IFFESRVLWV DUH VKRZG PLQHUDO VKRXOG EH H[WUDFWHG RI VXUIDFH GHYSODFPHLOWOLH DQG IHDVLEOH ,W VKRXOG EH QRWHG V WKLV UHTXLUHPHQW	$JUHHG ,QFOXVLRQ RI WKLV DSSU VXSSRUWHG
7KH DGRSWHG 0LQHUDEO ORJORVDO 3O ODQGVFDSH RI WKH $EEHUOH\ +LO WR PHULW LWV H[FOXVLRQ IURP IX URFN H[WUDFWLRQ 7KH 6RXWK :R HQGRUVH WKLV SRVLWLRQ DQG ZR $EEH\OHOO 4XDUU\LQJ 3RROF\ EH UHYLVHG 0LQHUDV /RFDO 3ODQ	1DWLRQDO SROLF\ GRHV QRW FXU ZRUNLQJ IURP DQ\ DUHDV LQFOXG RWKHU DUHDV LGHQWLILHG IRU WK WKHUHIRUH XQOLNHO\ WKDW WKH LQ OLQH ZLWK WQH1DWLRQDO)OO 133) :H ZLOO KRZHYHU HQGHDYR ORFDOO\ LPSRUWDQW FKDUDFWHU RI WKH 0LQHUDV /RFDO 3ODQ
7KH 6RXWK :RUFHVWHUVKLU $XW WKH 0LQHUDV /RFDO 3ODQ QHHGV DGGUHVVHV WKH SRWHQWLDO FXP FRPPXQLLPSDFW RI SURSRVHG DQG DUHD	1RWHG DQG DJUHHG

		7KH EDFNJURXQG SDSHUV DUH DOO
		EH UHYLVHG DV QHFHVVDU\ RYHU
		SODQ

2WKHU 1R FRPPHQWV WR PDNH DW WKLV VWDJH EXW ZRXOG OLNH WR FRQWLQXH WR EH
  x 5R\DO 0DLO *URXS /WG $
  x 1HWZRUN 5DLO $

2WKHU 5HTXHVW D PHHWLQJ
  x 0U 5 3DUWRQ 6DORS 6DQG DQG *UDYHO :LOGPRRU 4XDUU\ 3URGXFWV $