

# SECURITIES NOTE

## DATED 11 AUGUST 2016

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Unsecured Bonds being issued by Plaza Centres p.l.c. Application has been made for the admission to listing and trading of the Unsecured Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

### Securities Note

In respect of an Issue of:

**€8,500,000 3.9 % Unsecured Bonds 2026 of a nominal value of €100 per Bond issued at par (the "Bonds")**

**PLAZA CENTRES P.L.C.**

**A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA WITH COMPANY REGISTRATION NUMBER C 564**

**ISIN:- MT0000121203**

**SPONSOR, MANAGER & REGISTRAR**

**LEGAL COUNSEL**



**CAMILLERI PREZIOSI**  
ADVOCATES

**THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.**

**THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.**

**A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

Approved by the Directors

Mr Charles J. Farrugia  
Chairman

Mr Gerald J. Zammit  
Director

*Signing in their own capacity as directors of the board of Plaza Centres plc, and jointly on behalf of the board of directors of Plaza Centres plc.*

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# IMPORANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY PLAZA CENTRES PLC (THE “**ISSUER**”) OF €8,500,000 UNSECURED BONDS 2026 OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 3.9% PER ANNUM PAYABLE ANNUALLY ON 19 SEPTEMBER OF EACH YEAR (OR NEXT BUSINESS DAY IMMEDIATELY THEREAFTER SHOULD THE 19 SEPTEMBER FALLS ON A DAY WHICH IS NOT A BUSINESS DAY). THE NOMINAL VALUE OF THE BOND WILL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION (THE “**BONDS**”).

THIS SECURITIES NOTE:

- A. CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER; AND
- B. SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE COMPANY AND ACQUIRED BY A BONDHOLDER WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

**THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY AND MAKES NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.**

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRY OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION,

APPLIES ARTICLE TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

THE BONDS HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “U.S.”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT.

**STATEMENTS MADE IN THE PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.**

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING “*IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS OF THE ISSUER*” UNDER SECTION 3 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

# 1 DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

<b>Act</b>	the Companies Act (Cap. 386 of the laws of Malta);
<b>Applicant/s</b>	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
<b>Application Form</b>	the forms of application of subscription for Bonds, specimen of which is contained in Annex II of this Securities Note;
<b>Application/s</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Financial Intermediaries;
<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note, each of which have entered into a conditional Placement Agreement with the Issuer;
<b>Bank Facilities</b>	the outstanding term loan facilities made available to the Issuer by Bank of Valletta p.l.c. the refinancing of which is one of the intended uses of the proceeds of the Bond Issue, and the drawn overdraft facility made available to the Issuer by Bank of Valletta p.l.c. the settlement (in full or in part) of which is one of the intended uses of the proceeds of the Bond Issue;
<b>Bank of Valletta p.l.c.</b>	a public limited company registered under the laws of Malta with company registration number C 2833 and having its registered office at 58, Zachary Street, Valletta, VLT 1130, Malta;
<b>Bond Issue or Offer</b>	the issue of the Bonds;
<b>Bond Issue Price</b>	the price of €100 per Bond;
<b>Bondholder</b>	a holder of Bonds;
<b>Business Day</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
<b>Company or Issuer</b>	Plaza Centres p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta with company registration number C 564 and with its registered office at The Plaza Commercial Centre, Bisazza Street, Sliema, Malta;
<b>CSD</b>	the Central Securities Depository of the Malta Stock Exchange established pursuant to Chapter 4 of the Malta Stock Exchange Bye-Laws, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;

<b>Directors or Board</b>	the directors of the Issuer whose names are set out under the heading <i>“Identity of Directors, Senior Management, Advisors and Auditors”</i> in the Registration Document;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Exchange, Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
<b>Group</b>	the Issuer and the Subsidiary;
<b>Interest Payment Date</b>	19 September of each year between and including each of the years 2017 and the year 2026, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
<b>Issue Date</b>	on or around 19 September 2016;
<b>Listing Authority</b>	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta) by virtue of Legal Notice 1 of 2003;
<b>Listing Rules</b>	the listing rules of the Listing Authority;
<b>Nominal Value or Par Value</b>	€100 per Bond;
<b>Official List</b>	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
<b>Prospectus</b>	collectively the Registration Document, Summary Note and this Securities Note (each as defined in this Securities Note);
<b>Placement Agreement/s</b>	each of the conditional placement agreements entered into and between the Issuer and each of the Authorised Financial Intermediaries for the subscription of the Bonds;
<b>Placement Date</b>	9 September 2016;
<b>Plaza Commercial Centre</b>	the Plaza shopping and commercial centre located between Tower Road and Bisazza Street, Sliema;
<b>Redemption Date</b>	22 September 2026;
<b>Redemption Value</b>	the nominal value of each Bond;
<b>Registrar</b>	Rizzo, Farrugia & Co. (Stockbrokers) Limited, an authorised financial intermediary licensed by the MFSA and a Member of the MSE, bearing registration number C 13102 and having its registered office at Airways House, Third Floor, High Street, Sliema, SLM 1549, Malta;
<b>Registration Document</b>	the registration document issued by the Issuer dated 11 August 2016, forming part of the Prospectus;



<b>Regulation</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
<b>Securities Note</b>	this document in its entirety;
<b>Sponsor</b>	Rizzo, Farrugia & Co. (Stockbrokers) Limited, an authorised financial intermediary licensed by the MFSA and a Member of the MSE, bearing registration number C 13102 and having its registered office at Airways House, Third Floor, High Street, Sliema, SLM 1549, Malta;
<b>Subsidiary</b>	Tigne Place Limited, a limited liability company registered under the laws of Malta with company registration number C-76364 and having its registered office at The Plaza Commercial Centre, Level 6, Bisazza Street, Sliema SLM 1640, Malta;
<b>Summary Note</b>	the summary note issued by the Issuer dated 11 August 2016, forming part of the Prospectus;
<b>Target Property</b>	the property named 'Tigne Place', situated at number twelve (12), Triq Tigne, Sliema, consisting in office and commercial space, along with related car parking facilities, described in detail in section 4.2.1 of the Registration Document;
<b>Terms and Conditions</b>	the terms and conditions of issue of the Bonds set out in this Securities Note;
<b>Unsecured Bond(s) or Bond(s)</b>	the €8,500,000 3.9% Bonds of a nominal value of €100 payable in full upon subscription and redeemable at the nominal value on the Redemption Date, bearing interest at the rate of 3.9% per annum, as detailed in this Securities Note; and
<b>Winex Holdings Limited</b>	a limited liability company registered under the laws of Malta with company registration number C 21511 and having its registered office 44A, Regent House, Bisazza Street, Sliema, SLM 1640, Malta.



## 2 RISK FACTORS

### 2.1 General

**THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.**

**THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY ON THE REDEMPTION DATE UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED.**

**AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.**

**NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS.**

**ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.**

### 2.2 Forward looking Statements - Cautionary Statement

**This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and/or the respective Directors concerning, amongst other things, its strategies and business plans, results of operations, financial condition, liquidity, prospects and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The actual results of operations, financial condition, liquidity, dividend policy and the strategic development of the Issuer may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policies of the Issuer are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.**

**The events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. The Company and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.**

### 2.3 Suitability of Investment in the Bond

**An investment in the Bonds may not be suitable for all recipients of the Prospectus, and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services**

Act (Cap 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- i. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;
- ii. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- iii. understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- iv. is able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

## 2.4 Risks Relating to the Bonds

- Orderly and Liquid Market

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Issuer's Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Accordingly, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.

- Subsequent Changes in Interest Rates

The Bonds have a fixed interest rate, accordingly investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds and their transferability.

- Currency Risk

Any investor whose currency of reference is not the Euro shall bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference.

- Changes in Circumstances

No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time. If such changes take place they could have an adverse effect on the market price for the Bonds.

- Changes to Terms and Conditions

In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 5.13 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

- Changes in Law

The Terms and Conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

- Future Public Offerings

No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.

- **Additional Indebtedness and Security**

The Issuer may incur further borrowings or indebtedness and may create or permit to subsist security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).

- **Discontinuation of Listing**

Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating *inter alia* to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations/discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.

- **Ranking of Bonds**

The Issuer has not granted any security over any of its assets and therefore as security for its obligations under the Bonds. Accordingly, the Issuer's obligations under the Bonds are unsecured obligations ranking equally with its other present and future unsecured obligations. Furthermore, subject to the negative pledge clause set out in sub-section 5.3 of this Securities Note, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

- **Minimum Application and Holding**

The minimum investment amount for the subscription of the Bonds is €50,000 per Applicant. Furthermore, each investor is required to maintain a minimum holding of €50,000 throughout the lifetime of his/her/its investment. This could affect the ability of Bondholders to sell the Bonds on the secondary market.

## 3 PERSONS RESPONSIBLE

All of the directors of the Issuer, whose names appear under the sub-heading "*Directors of the Issuer*" under the heading "*Identity of Directors, Senior Management, Advisors and Auditors of the Issuer*" in Section 3 of the Registration Document (the "**Directors**") accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

All representations and other statements made in the Prospectus are made by the Issuer and the Directors take sole responsibility for all such statements and representations. The Sponsor (acting also as the Manager and Registrar) and the Issuer's advisors have advised and assisted the Issuer in the preparation of this document, but none make any representation or statement, unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

### 3.1 Consent for use of Prospectus

**Consent required in connection with the use of the Prospectus during the Issue Period by the Authorised Financial Intermediaries:**

For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries during the Issue Period and any subsequent resale, placement or other offering of Bonds by such Authorised

Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- i. in respect of Bonds subscribed for through Authorised Financial Intermediaries listed in Annex I of this Securities Note during the Issue Period;
- ii. to any resale or placement of Bonds taking place in Malta; and
- iii. to any resale or placement of Bonds taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the advisors identified in section 3.3 of the Registration Document or any of their respective advisors take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

Other than as set out above, neither the Issuer nor the Sponsor has authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Sponsor and neither the Issuer nor the Sponsor has any responsibility or liability for the actions of any person making such offers.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, she/he should obtain legal advice.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or Sponsor. The Issuer does not accept responsibility for any information not contained in this Prospectus.

**In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary will provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.** Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such offer to provide the investor with that information and neither the Issuer, the Sponsor or other Authorised Financial Intermediary has any responsibility or liability for such information.

Any resale, placement or other offering of Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and neither the Issuer nor the Sponsor has any responsibility or liability for such information.

**Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.**

## 4 ESSENTIAL INFORMATION

### 4.1 Reasons for the Issue and use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €8,350,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- A. an amount of €5,000,000 will be used to grant a loan to the Subsidiary for the purpose of the acquisition and purchase of the Target Property by the Subsidiary from its current owner, Winex Holdings Limited including related transaction costs. The remaining balance payable for the acquisition and purchase of the Target Property shall be funded through bank financing made available to the Subsidiary, as further explained in section 13 of the Registration Document;
- B. a maximum amount of €3,350,000 shall be applied as follows:
  - i. in full repayment of the amounts outstanding in terms of the two term loans forming part of the Bank Facilities, that is: a term loan facility originally obtained for the purpose of re-financing facilities required in connection with the acquisition of various properties at Tower Road, Sliema and the construction of an extension to the Plaza Commercial Centre (balance as at 30 June 2016: €820,760); and a term loan facility originally obtained for the purpose of re-financing a facility required in connection with the development of 'phase 3' of the Plaza Commercial Centre (balance as at 30 June 2016: €1,107,696);
  - ii. in part (or full, as the case may be) settlement of the balance outstanding on the €1,500,000 overdraft facility held by the Issuer for working capital requirements in connection with the operation of the Plaza Commercial Centre; and
- C. the remaining balance (if any) consisting of the difference between the net proceeds and the amount actually used by the Issuer for the purposes specified in 4.1(a) and 4.1(b) above, shall be applied to the general corporate funding purposes of the Group.

Provided that if, for whatever reason, the deed of sale for the acquisition of the Target Property between Winex Holdings Limited and the Subsidiary is not concluded, and as a consequence the Subsidiary is unable to acquire the Target Property, the Issuer shall return the Bond Proceeds to investors.

### 4.2 Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €150,000. There is no particular order of priority with respect to such expenses.

### 4.3 Issue Statistics

<b>Amount:</b>	€8,500,000;
<b>Form:</b>	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
<b>Denomination:</b>	Euro (€);
<b>ISIN:</b>	MT0000121203;
<b>Minimum amount per subscription:</b>	Minimum of €50,000 per individual Bondholder and a subsequent minimum holding of €50,000 per individual Bondholder maintained throughout his/her investment;

<b>Plan of Distribution:</b>	The distribution of the Bonds shall be made through the Authorised Financial Intermediaries pursuant to the Placement Agreements. The Authorised Financial Intermediaries may subscribe to the Bonds for their own account or for distribution to their clients (subject, in the latter case, to the minimum amount per subscription referred to in the preceeding paragraph);
<b>Bond Issue Price:</b>	At par (€100 per Bond);
<b>Redemption Date:</b>	22 September 2026;
<b>Status of the Bonds:</b>	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank pari passu without any priority or preference with all other present and future unsecured obligations of the Issuer;
<b>Listing:</b>	The Listing Authority has approved the Bonds for admissibility listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
<b>Placement Agreements:</b>	<p>The Issuer has entered into conditional placement agreements with the Authorised Financial Intermediaries as follows (the “<b>Placement Agreements</b>”):</p> <ul style="list-style-type: none"> <li>i. a Placement Agreement dated 11 August 2016 with Rizzo Farrugia &amp; Co. (Stockbrokers) Ltd whereby €5.5 million in value of Bonds has been placed with Rizzo Farrugia &amp; Co. Stockbrokers Ltd; and</li> <li>ii. a Placement Agreement dated 11 August 2016 with Bank of Valletta p.l.c. whereby a maximum amount of €3.0 million in value of Bonds has been placed with Bank of Valletta p.l.c.</li> </ul> <p>The subscription by Authorised Financial Intermediaries for their account or for the account of their clients (being investors that agree to acquire and hold a minimum of €50,000 Bonds) by means of entry into the Placement Agreement is conditional upon the Bonds being admitted to listing on the Official List of the Malta Stock Exchange;</p>
<b>Placement Date:</b>	9 September 2016;
<b>Interest:</b>	3.9% per annum;
<b>Interest Payment Date(s):</b>	Annually on 19 September, provided that in the event that any Interest Payment Date falls on a date other than a Business Day, the interest would be paid on the first next day which is a Business Day. The first interest payment will be effected on 19 September 2017;
<b>Governing Law of Bonds:</b>	The Bonds are governed by and shall be construed in accordance with Maltese law;
<b>Jurisdiction:</b>	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.



## 4.4 Interest of Natural and Legal Persons Involved in the Issue

Information on the interest of members of the Board and the executive management team has been disclosed in section 7.2 of the Registration Document entitled "*Potential Conflict of Interest*".

As at 3 August 2016, Rizzo Farrugia & Co (Stockbrokers) Ltd (C- 13102), as nominee for its underlying clients both on an execution-only basis and on a portfolio management basis, held 2,581,495 ordinary shares in the Issuer representing 9.1% of the Issuer's issued ordinary share capital with voting rights attached.

Save for the above, the possible subscription for Bonds by Rizzo Farrugia & Co (Stockbrokers) Ltd and Bank of Valletta p.l.c., and any fees payable to the advisors listed in section 3.3 of the Registration Document in connection with the Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.

# 5 INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING

## 5.1 General

- 5.1.1 Each Bond forms part of a duly authorised issue of 3.9% Bonds 2026 of a par value of €100 per Bond issued by the Issuer at par up to the principal amount of €8,500,000 (except as otherwise provided under section 5.12 "*Further Issues and Further Indebtedness*").
- 5.1.2 The currency of the Bonds is Euro (€).
- 5.1.3 The Bonds shall bear interest at the rate of 3.9% per annum payable annually in arrears on 19 September of each year (each an Interest Payment Date). Any Interest Payment Date that falls on a day that is not a Business Day will be carried forward to the next following day that is a Business Day. The first interest payment will be effected on 19 September 2017.
- 5.1.4 Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0000121203.
- 5.1.5 Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date.
- 5.1.6 The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- 5.1.7 The Placement Date of the Bonds is 9 September 2016.
- 5.1.8 Save for the Placement Agreements entered into with the Authorised Financial Intermediaries, the Bond Issue is not underwritten.
- 5.1.9 The issue of the Bonds has been authorised by a resolution of the board of Directors of the Issuer dated 19 July 2016.



- 5.1.10 There are no special rights attached to the Bonds other than the rights of the Bondholder to payment of capital and interest as detailed below.
- 5.1.11 Application for the Bonds may be made through the Authorised Financial Intermediaries listed in Annex 1 of this Securities Note.

## 5.2 Ranking of the Bonds

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu* without any priority or preference with all other present and future unsecured obligations of the Issuer.

Subject to the negative pledge clause set out in section 5.3 of this Securities Note, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

The Issuer's total indebtedness as at the 30 June 2016 is the following:

- i. Bank loans in the total amount of €1,928,456;
- ii. Bank overdrafts in the total amount of €1,666,712;

The above-mentioned debt is secured by a special and general hypothec over the Issuer's assets and a pledge over the insurance policies of the Issuer. Upon the admission of the Bonds to the Official List of the Malta Stock Exchange and the application of bond proceeds in the manner indicated in section 4.1 of this Securities Note entitled "*Reasons for the Issue and Use of Proceeds*", the indebtedness of the Issuer in terms of the loans referred to in (i) above shall be extinguished, and accordingly the security securing the Issuer's obligations as borrower in terms of the said bank loans will be lifted. In so far as the bank overdraft is concerned, the Issuer expects the security securing its obligations as borrower to remain in place for a limited period of time.

## 5.3 Negative Pledge

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of their present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

**"Financial Indebtedness"** means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan, stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

**"Security Interest"** means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

**"Permitted Security Interest"** means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an

aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time. Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 104% of the aggregate principal amount of the Bonds still outstanding;

**“Unencumbered assets”** means assets, or parts thereof, which are not subject to a Security Interest.

## 5.4 Rights Attaching to the Bonds

This Securities Note in its entirety contains the terms and conditions of issue of the Bond and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Bond shall be construed as a reference to all and each section of this Securities Note. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

- i. the payment of capital;
- ii. the payment of interest;
- iii. the right to attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond; and
- iv. enjoy all such other rights attached to the Bonds emanating from this Prospectus.

## 5.5 Interest

5.5.1 The Bonds shall bear interest from and including 19 September 2016 at the rate of 3.9% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The first interest payment will be effected on 19 September 2017. In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

5.5.2 When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

## 5.6 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds is 3.9% per annum.

## 5.7 Registration, Form, Denomination and Title

5.7.1 Certificates will not be delivered to Bondholders in respect of the Bonds. The entitlement to Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

- 5.7.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.
- 5.7.3 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €50,000 per individual Bondholder and subject to a subsequent minimum holding of €50,000 per individual Bondholder maintained throughout his/her investment. Accordingly, each transfer of Bonds which would result in a Bondholder holding less than such minimum amounts is not permitted unless as a result of the said transfer, the Bondholder shall have disposed of all of his holding in the Bonds.
- 5.7.4 Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €50,000 to each underlying client and subject to the minimum holding referred in section 5.7.3. The minimum subscription requirement of €50,000 per Bondholder (and per underlying client, in the case of Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients as aforesaid) will also apply during secondary market trading.
- 5.7.5 Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading “*Transferability of the Bonds*” in section 5.11 of this Securities Note.

## 5.8 Payments

- 5.8.1 Payment of the principal amount of Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any charges, loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.
- 5.8.2 In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.
- 5.8.3 Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any charges, loss or delay in transmission.

- 5.8.4 All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for, or on account of, any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.
- 5.8.5 No commissions or expenses shall be charged by the Issuer to Bondholders in respect of payments made in accordance with this section 5.8. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

## 5.9 Redemption and Purchase

- 5.9.1 Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 22 September 2026 by payment to the Bondholders (whose names are entered in the register of Bonds held at CSD) by means of a direct credit to such account as held by CSD. The Issuer shall not be responsible for any charges, loss or delay in transmission. In such case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholder.
- 5.9.2 Subject to the provisions of this section 5.9, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.
- 5.9.3 All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be re-issued or re-sold.

## 5.10 Events of Default

The Bonds shall become immediately due and repayable at their principal amount together with accrued interest, if any, in the event that any of the following events ("**Events of Default**") shall occur:

- 5.10.1 the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- 5.10.2 an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- 5.10.3 the Issuer ceases or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so or ceases or threatens to cease to carry on its respective business or a substantial part of its respective business; or
- 5.10.4 the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or

- 5.10.5 there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of four million Euro (€4,000,000) or its equivalent and one hundred and eighty (180) days shall have passed since the date of delivery of such judgment without its having been satisfied or stayed; or
- 5.10.6 any default occurs and continues for one hundred and eighty (180) days under any contract or document relating to any financial indebtedness of the Issuer in excess of four million Euro (€4,000,000) or its equivalent at any time. For the purposes of this section 5.10.6, the term financial indebtedness shall have the meaning set out in section 5.3 of this Securities Note.

## 5.11 Transferability of the Bonds

- 5.11.1 The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- 5.11.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.
- 5.11.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 5.11.4 The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.
- 5.11.5 The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

## 5.12 Further Issues and Further Indebtedness

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue, and such issue may rank senior to the Bonds.

The issuer may incur further indebtedness on a short to medium term basis that may rank senior to the Bonds.



## 5.13 Meetings of Bondholders

- 5.13.1 The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to affect any change to the applicable Terms and Conditions of the Bonds, including any change to a material term of issuance of the Bonds or the Prospectus.
- 5.13.2 No change to the applicable Terms and Conditions of the Bonds or any terms of this Prospectus which has an effect on the Bonds may be made unless such decision is made at a meeting of Bondholders duly convened and held.
- 5.13.3 A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section 5.13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 5.13.4 The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- 5.13.5 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting: the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.
- 5.13.6 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

- 5.13.7 Once a *quorum* is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors or their representatives shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- 5.13.8 The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.
- 5.13.9 The proposal placed before a meeting of Bondholders shall only be considered approved if at least 75% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- 5.13.10 Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings.

## 5.14 Authorisations and Approvals

The board of Directors of the Issuer authorised the Bond Issue pursuant to a board of Directors resolution passed on 19 July 2016.

## 5.15 Notices

Notices will be mailed to Bondholders at the registered addresses held at CSD and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

## 5.16 Representation and Warranties

The Issuer represents and warrants to Bondholders, that shall be entitled to rely on such representations and warranties, that:

- i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;
- ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions or the Prospectus; and
- iii. the Prospectus contains all relevant material information with respect to the Issuer and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer, its respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.



## 5.17 Governing Law and Jurisdiction

The Bonds are governed by and shall be construed in accordance with Maltese law.

Any legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

# 6 TAXATION

## 6.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as any income/gains derived therefrom or made on their transfer.

The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

## 6.2 Malta Tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of “*recipient*” in terms of article 41(c) of the Income Tax Act, (Cap. 123 of the laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta). Bondholders who do not fall within the definition of a “*recipient*” do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case, the Issuer will advise the Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c)(i) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

### 6.3 Automatic Exchange of Information – DAC2 and CRS

The Council of the European Union has adopted Directive 2014/107/EU (commonly known as 'DAC2') amending Directive 2011/16/EU on administrative cooperation in the field of taxation so as to extend cooperation between EU tax authorities to an automatic exchange of financial account information regime. This Directive implements the OECD initiative known as the "Common Reporting Standard" (CRS). Member States are required to begin exchanging information pursuant to DAC2 and the CRS during 2017 (subject to deferral under transitional rules in the case of Austria).

Malta has transposed DAC2 into national law by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations with effect from 1 January 2016. These rules should be seen together with the Guidelines for the implementation of DAC2 and CRS in Malta issued by the Maltese Inland Revenue Department (last updated on 26 January 2016) (the "Guidelines"). In terms of this legal notice and the Guidelines, Malta has adopted the 'wider approach' in terms of which each Reporting Malta Financial Institution is required to adopt due diligence procedures designed to collect and maintain information in respect of both tax residents of EU Member States and also, tax residents of other non-EU participating jurisdictions in expectation the relevant arrangements being put in place in respect of the latter.

In terms of DAC2 and the CRS, financial institutions of an EU Member State and of participating jurisdictions will be required to report to their respective tax authorities certain financial account information in respect of account holders (and in some cases, beneficial holders), that are residents of another EU Member State or of a participating jurisdiction in order to be exchanged automatically with the tax authorities of the other EU Member States or participating jurisdictions. Financial account information in respect of holders of the Bonds could fall within the scope of DAC2 and the may therefore be subject to reporting obligations.

The regulation relating to Automatic Exchange of Information and its application remains an area in constant evolution and current developments should be monitored in order to understand the possible information reporting implications arising under such regimes.

### 6.4 Maltese Taxation on Capital Gains on Transfer of the Bond

On the assumption that the Bonds would not fall within the definition of "securities" in terms of article 5(1) (b) of the Income Tax Act, that is, "shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return", no tax on capital gains is chargeable in respect of transfer of the Bonds.

### 6.5 Duty on Documents and Transfers

In terms of article 50 of the Financial Markets Act (Cap. 345 of the laws of Malta) as the Bonds constitute financial instruments of a company quoted on a regulated market Exchange, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese duty.

**INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.**

## 7 TERMS AND CONDITIONS OF THE BOND ISSUE

### 7.1 Expected Timetable of the Bond Issue

1. Placement date	9 September 2016
2. Expected date of admission of the securities to listing	19 September 2016
3. Expected date of the commencement of trading on the Official List of the Malta Stock Exchange	20 September 2016

### 7.2 Terms and Conditions of Application

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer on the one hand and the Bondholders on the other.

- 7.2.1 The Issuer has entered into Placement Agreements with the Authorised Financial Intermediaries for the subscription of the Bonds. Members of the general public who wish to subscribe for Bonds are to contact any of the Authorised Financial Intermediaries through whom they may participate in the Bond Issue.
- 7.2.2 Applicants may subscribe for the Bonds by submitting an Application Form through an Authorised Financial Intermediary, subject to a minimum application of €50,000 and in multiples of €100 thereafter, subject to the condition that an individual Bondholder shall maintain a subsequent minimum holding of €50,000 throughout his/her investment. The completed Application Form is to be lodged with any of the Authorised Financial Intermediaries. Submission of Application Forms must be accompanied by the full price of the Bonds applied for, in Euro. Payment may be made either in cash or by cheque payable to '*Rizzo, Farrugia & Co. (Stockbrokers) Ltd as Registrars*'. In the event that any cheque accompanying an Application Form is not honoured on its first presentation, the Authorised Intermediary reserves the right to invalidate the relative Application Form.
- 7.2.3 By submitting a signed Application Form the Applicant is thereby confirming to the Issuer and the Authorised Financial Intermediary through whom the Applications is made that: (i) the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer or the Authorised Financial Intermediary reserves the right to invalidate the relative Application, and furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Registrar (which acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation).
- 7.2.4 All Applications for the subscription of Bonds must be submitted on the appropriate Application Form by not later than 12.00 hours on 9 September 2016. The completed Application Form is to be lodged with any of the Authorised Financial Intermediaries.

- 7.2.5 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.
- 7.2.6 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.
- 7.2.7 If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar, but it shall not be the duty or responsibility of the Registrar to ascertain that such representative is duly authorised to appear on the Application Form.
- 7.2.8 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "*Applicant*" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "*Additional Applicants*" in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.
- 7.2.9 In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner).
- 7.2.10 Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

- 7.2.11 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 7.2.12 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.
- 7.2.13 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 7.2.14 Subject to all other terms and conditions set out in the Prospectus, the Registrar reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple Applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.
- 7.2.15 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the *"Code of Conduct for Members of the Malta Stock Exchange"* appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are Malta Stock Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.
- 7.2.16 By completing and delivering an Application Form, the Applicant:
- a. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
  - b. warrants that the information submitted by the Applicant in the Application Form or otherwise submitted to an Authorised Financial Intermediary through whom an Application is submitted is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;



- c. authorises the Authorised Financial Intermediary through who an application is made, the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;
- d. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- e. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance or surrender of the Existing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- f. agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- g. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;
- h. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- i. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “**United States**”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- j. agrees that Rizzo, Farrugia & Co (Stockbrokers) Limited will not, in their capacity of Sponsor and/or Registrar, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Rizzo, Farrugia & Co (Stockbrokers) Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;
- k. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant’s own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form; and

- I. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

### **7.3 Plan of Distribution and Allotment**

The Bond Issue, which has a total value of €8.5 million, will be distributed via the Authorised Financial Intermediaries pursuant to the conditional Placement Agreements entered into with Issuer. €5.5million has been placed with Rizzo, Farrugia & Co. (Stockbrokers) Limited and a further €3.0 million has been placed with Bank of Valletta p.l.c.. Accordingly, the Bond Issue has been fully placed with the Authorised Financial Intermediaries. Applications not made through the Authorised Financial Intermediaries will not be entertained.

In terms of each Placement Agreement entered into with Rizzo, Farrugia & Co. (Stockbrokers) Ltd and Bank of Valletta p.l.c., respectively, the Issuer bound itself to issue, and Rizzo, Farrugia & Co (Stockbrokers) Ltd and Bank of Valletta p.l.c. respectively bound themselves to subscribe for €5.5 million and €3.0 million in Bonds, respectively, subject to the Bonds being admitted to trading on the Official List of the Malta Stock Exchange.

In terms of the Placement Agreements, Rizzo, Farrugia & Co (Stockbrokers) Ltd and Bank of Valletta p.l.c., respectively, may subscribe for Bonds for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to either distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or instruct the Issuer and the Registrar to issue a portion of the Bonds subscribed by them directly to their underlying customers.

In each case, subscription amounts made by Applicants through Authorised Financial Intermediaries, including those made under nominee holdings, shall be in multiples of €100 Bonds, subject to a minimum subscription amount of €50,000 in Bonds by each individual Bondholder/underlying customer and a subsequent minimum holding of €50,000 per individual Bondholder/underlying customer is maintained throughout his/her investment.

It is expected that an allotment advice will be dispatched to Applicants by the CSD shortly after listing of the Bonds. The registration advice and other documents may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

### **7.4 Pricing**

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription.

### **7.5 Placement of the Offer**

The Issuer has entered into Placement Agreements with the Authorised Financial Intermediaries for the placement of the Bonds.

In terms of each of the Placement Agreements, the Issuer is conditionally bound to issue, and each Authorised Financial Intermediary is conditionally bound to subscribe to, the number of Bonds indicated therein. The amount of Bonds indicated therein shall reflect the amount of Bonds placed with the Authorised Intermediaries pursuant to the Placement Agreements, and accordingly, provided that the Bonds are admitted to listing on the Official list of the Malta Stock Exchange, the Bonds shall be fully subscribed to by the Authorised Financial Intermediaries. The Placement Agreements will become unconditional and binding on each of the Issuer and the Authorised Financial Intermediaries upon such condition being fulfilled. The Authorised Financial Intermediaries undertake to pay to the Issuer all subscription proceeds in cleared funds upon admissibility of the Bonds to listing on the Official List of the Malta Stock Exchange.



Applicants may subscribe for the Bonds by submitting an Application Form through any of the Authorised Financial Intermediaries in accordance with the procedure set out in section 7.2 of this Securities Note.

## **7.6 Allocation Policy**

Pursuant to the Placement Agreements, the Issuer shall allocate Bonds on the basis of the following policy:

- €5.5 million to Rizzo, Farrugia & Co. (Stockbrokers) Ltd.; and
- €3.0 million to Bank of Valletta p.l.c.

Subsequently, the Authorised Financial Intermediaries shall be responsible for the allocation of their respective share of the Bonds amongst their respective Applicants. Such allocation shall at all times be subject to the minimum investment amount for the subscription of Bonds, set at €50,000 per underlying Applicant.

## **7.7 Admission to Trading**

- 7.7.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 11 August 2016.
- 7.7.2 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.
- 7.7.3 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 19 September 2016 and trading is expected to commence on 20 September 2016.

## ANNEX 1 - AUTHORISED FINANCIAL INTERMEDIARIES

<b>Name</b>	<b>Address</b>	<b>Telephone</b>
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	22583000

## ANNEX 2 - SPECIMEN APPLICATION FORM



Plaza Centres plc  
3.9% EURO UNSECURED BONDS 2026  
BOND APPLICATION FORM

Please read the notes overleaf before completing this Application Form. Mark 'x' where applicable.

<b>A</b>	<b>BOND APPLICANT (see notes 3 to 7)</b>			
	<input type="checkbox"/> Non-Resident <input type="checkbox"/> Minor (under 18) <input type="checkbox"/> Body Corporate / Body of Persons <input type="checkbox"/> CIS - Prescribed Fund			
<b>B</b>	TITLE (Mr/Mrs/Ms/...)		FULL NAME AND SURNAME / REGISTERED NAME	
	ADDRESS			
	POSTCODE			
	MSE A/C NO (if applicable)	ID CARD/PASSPORT/COMPANY REG. NO.	TEL. NO.	MOBILE NO.
<b>C</b>	<b>ADDITIONAL (JOINT) BOND APPLICANTS (see note 4)</b>			
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME	ID CARD / PASSPORT NO.	
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME	ID CARD / PASSPORT NO.	
<b>D</b>	<b>MINOR'S PARENTS / LEGAL GUARDIANS (see note 5)</b>			
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME	ID CARD / PASSPORT NO.	
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME / REGISTERED NAME	ID CARD / PASSPORT NO.	
<b>E</b>	<b>APPLICATION AMOUNTS (see note 9)</b>			
	I/WE APPLY TO PURCHASE AND ACQUIRE:			
	AMOUNT IN FIGURES	AMOUNT IN WORDS		
	€			
	Plaza Centres plc 3.9% Unsecured Bonds 2026 (the "Bonds") (minimum €50,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 11 August 2016 (the "Prospectus"), payable in full upon application under the Terms and Conditions as defined in the said Prospectus. Trading in the Bonds on the Malta Stock Exchange shall be subject to a minimum holding of €50,000.			
<b>F</b>	<b>RESIDENT - WITHHOLDING TAX DECLARATION (see note 10)</b>			
	<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest.			
	<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deductions of withholding tax).			
<b>G</b>	<b>NON-RESIDENT - WITHHOLDING TAX DECLARATION (see note 11)</b>			
	TAX COUNTRY	CITY OF BIRTH		
	T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH		
	PASSPORT/NATIONAL ID CARD NUMBER	COUNTRY OF ISSUE	ISSUE DATE	
	<input type="checkbox"/> I/We am/are NOT resident in Malta but I/we am/are resident in the European Union.			
	<input type="checkbox"/> I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union.			
<b>H</b>	<b>INTEREST, REFUND AND REDEMPTION MANDATE (see note 14)</b>			
	Completion of this panel is MANDATORY			
	BANK	IBAN		

I/We have fully understood the instructions for completing this Bond Application Form, and am/are making this Bond Application solely on the basis of the Prospectus and subject to its Terms and Conditions as contained therein which I/we fully accept.

Signature/s of Bond Applicant/s

(Parent/s or legal guardian/s is/are to sign if Bond Applicant is a minor)  
(All parties are to sign in the case of a joint Bond Application)

Date

INTERMEDIARY'S STAMP	INTERMEDIARY'S CODE	BOND APPLICATION NUMBER
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#### Notes on how to complete this Bond Application Form and other information

1. This Bond Application is governed by the Terms and Conditions of the Bond Issue contained in Section 7 of the Securities Note. Capitalised terms defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus dated 11 August 2016.
2. The Bond Application Form is to be completed in BLOCK LETTERS.
3. Bond Applicants who are Non-Residents in Malta for tax purposes, must indicate their passport number in panel B and complete panel G. The relative box in panel A must also be marked appropriately.
4. Bond Applicants are to insert full personal details in panel B. In the case of a Bond Application by more than one person (including husband and wife) full details of all individuals, including I.D. card numbers and/or Passport numbers, must be given in panels B and C, but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).
5. Bond Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in panel A must also be marked appropriately. Any Bonds allocated pursuant to such a Bond Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Bond Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer is duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in panel B. Bond Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. BOND APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. BOND APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THE BOND APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE BOND APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.
8. **Bond Applications must be for a minimum of €50,000 and thereafter in multiples of €100. Trading in the Bonds on the Malta Stock Exchange shall be subject to a minimum holding of €50,000. It is the responsibility of Authorised Financial Intermediaries to ensure that Applications for subscription of Bonds made under nominee and when Bonds are traded on the secondary market, are also subjected to the minimum of €50,000 per underlying applicant/client.**
9. Payment must be made in Euro, in cleared funds to 'Rizzo, Farrugia & Co.(Stockbrokers) Ltd as Registrars'. In the event that the cheque accompanying a Bond Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Bond Application.
10. Only Bond Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Bond Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Bond Applicant's income tax return. The Bond Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. Interest received by non-resident Bond Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in panel A) will have final withholding tax (currently 10%), deducted from interest payments.
11. In terms of Section 16.1.4 of the Prospectus, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
12. In terms of the Maltese legislation, Plaza Centres plc and/or its agent is required to collect and forward certain information (including, but not limited to, information regarding payments made to certain bondholders) to the Commissioner for Revenue. The Commissioner for Revenue may in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and Applicants are to consult their own independent tax advisors in case of doubt.
13. The contents of notes 10 and 11 above do not constitute tax advice by the Issuer and Bond Applicants are to consult their own independent tax advisors in case of doubt.
14. If any Bond Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in panel H. Interest and redemption proceeds will be credited to the account indicated in panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
15. The Issuer reserves the right to refuse any Bond Application which appears to be in breach of the Terms and Conditions of the Bonds as contained in the Prospectus. Completed Bond Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex 1 of the Securities Note, during normal office hours. Remittances by post are made at the risk of the Bond Applicant and the Issuer and/or Registrar disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.
16. By completing and delivering a Bond Application Form you (as the Bond Applicant(s)) acknowledge that:
  - a. the Issuer may process the personal data that you provide in the Bond Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
  - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. you, as the Bond Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Bond Applicant to whom the personal data relates.

The value of Investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.