

SECURITIES NOTE

This Securities Note is issued in accordance with the provisions of Article 90 of the Companies Act (Chapter 386 of the laws of Malta) and 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 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 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

Dated 18 September 2015

In respect of an issue of €11,000,000 6% Unsecured Notes 2020
of a nominal value of €1,000 per Note issued at par by



MEDITERRANEAN INVESTMENTS HOLDING P.L.C.
A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C-37513

THE NOTES OFFERED HEREBY ARE BEING ISSUED AND OFFERED THROUGH AN OFFER BY THE ISSUER. THE MINIMUM AMOUNT PER SUBSCRIPTION SHALL BE €50,000. NO APPLICATION HAS BEEN MADE, NOR IS IT INTENDED THAT AN APPLICATION BE MADE, FOR THE SECURITIES ISSUED HEREBY TO BE ADMITTED ON A REGULATED MARKET OR OTHER TRADING PLATFORM.

THE MALTA FINANCIAL SERVICES AUTHORITY AND THE REGISTRAR OF COMPANIES ACCEPT NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKE NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER 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 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 AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

APPROVED BY THE DIRECTORS

A handwritten signature in black ink, appearing to read 'Joseph Fenech'.

Joseph Fenech

A handwritten signature in black ink, appearing to read 'Joseph Fenech'.

Joseph Fenech on behalf of:
Alfred Pisani, Samuel D. Sidiqi, Joseph Pisani,
Faisal J.S. Alessa, Mario P. Galea and Khadija Oubala

Legal Counsel



Nominee and Placement Agent





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IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 18 SEPTEMBER 2015 AND CONTAINS INFORMATION ABOUT MEDITERRANEAN INVESTMENTS HOLDING P.L.C. IN ITS CAPACITY AS ISSUER AND THE NOTES IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT AND 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 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 AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER ON EVEN DATE HEREWITH.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN OFFER BY THE ISSUER OF A GLOBAL NOTE OF €11,000,000 ISSUED IN FAVOUR OF THE NOMINEE AND THE SUBSEQUENT TRANSFER OF PARTICIPATIONS IN THE GLOBAL NOTE THROUGH THE ISSUE OF PARTICIPATION NOTES (THE “OFFER”). THE GLOBAL NOTE SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 6% PER ANNUM CALCULATED AND PAYABLE ANNUALLY IN ARREARS BY THE ISSUER ON 3 OCTOBER OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT DATE FALLING DUE ON 3 OCTOBER 2016. THE GLOBAL NOTE WILL BE REPAYABLE IN FULL AT MATURITY ON 3 OCTOBER 2020.

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 OFFER OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE 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 MALTA FINANCIAL SERVICES AUTHORITY AND THE REGISTRAR OF COMPANIES ACCEPT NO RESPONSIBILITY FOR AND MAKE NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS AND EXPRESSLY DISCLAIM 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 SECURITIES ISSUED BY THE ISSUER 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. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS RECEIVING IT ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY NOTES MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY 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 LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE TERMS OF THE OFFER AND THE PROSPECTUS.

THE NOTES SHALL NOT BE ADMITTED TO LISTING ON ANY REGULATED MARKET.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH,



ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE NOTES 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 THE 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 PUBLIC OR ADMITTED TO TRADING (THE "PROSPECTUS DIRECTIVE") OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE NOTES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS 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 THE PROSPECTUS DIRECTIVE.

THE NOTES 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 THE PROSPECTUS HAS BEEN SUBMITTED TO AND APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY ACTING THROUGH THE REGISTRAR OF COMPANIES IN MALTA, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

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

A SUBSCRIPTION AGREEMENT IS PROVIDED WITH THIS DOCUMENT. THE GLOBAL NOTE AND THE PARTICIPATION NOTES ARE ISSUED AS SUBJECT TO THE TERMS AND CONDITIONS AS SET OUT IN THIS SECURITIES NOTE, AND THE RELEVANT SCHEDULES OF THE NOMINEE AND PLACEMENT AGENT AGREEMENT. **INVESTORS PARTICIPATING IN THE GLOBAL NOTE THROUGH SUBSCRIPTION FOR PARTICIPATION NOTES ARE ENTITLED TO THE BENEFIT OF, ARE BOUND BY, AND ARE DEEMED TO HAVE NOTICE OF, ALL THE PROVISIONS OF THE NOMINEE AND PLACEMENT AGENT AGREEMENT APPLICABLE TO THEM.**

THE PARTICIPATION NOTES REPRESENT PARTICIPATION IN THE GLOBAL NOTE. THE PARTICIPATION NOTES ARE TRANSFERABLE NOTES WHICH MAY BE REDEEMED BY THE ISSUER OR THE NOMINEE AND PLACEMENT AGENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS CONTAINED THEREIN.

UNLESS OTHERWISE STATED, 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 NOTES.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT FORMING PART OF THE PROSPECTUS UNDER THE HEADING "ADVISORS TO THE ISSUER" IN SUB-SECTION 4.3 THEREOF HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER 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 NOTES 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 NOTES.



1 DEFINITIONS

In this Securities Note the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

“Act” or “Companies Act”	the Companies Act, 1995 (Chapter 386 of the laws of Malta);
“Applicant/s”	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
“Business Day”	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
“Directors” or “Board”	the directors of the Issuer whose names are set out in sub-section 4.1 of the Registration Document forming part of the Prospectus;
“Euro” or “€”	the lawful currency of the Republic of Malta;
“Fiduciary Asset”	the rights attaching to and emanating from the Global Note and the Nominee and Placement Agent Agreement including the right of payment of principal and interest under the Global Note;
“Global Note”	the Global Note issued by the Issuer in favour of the Nominee and Placement Agent representing the amount due by the Issuer to the Nominee and Placement Agent and creating, acknowledging and representing the indebtedness of the Issuer to the Nominee and Placement Agent under the terms and conditions set out in the form of Annex A1 to this Securities Note;
“Global Noteholder”	the holder of the Global Note;
“Group”	the Issuer (parent company), PCL and PWL (subsidiary companies), and MTJSC (associate company);
“Interest Payment Date”	3 October of each year between and including each of the years 2016 and the year 2020, 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;
“Issue Date”	expected on 9 October 2015;
“Issue Period”	the period between 08.30 hours and 14.00 hours on 2 October 2015 during which the Notes are available for subscription;
“Issue Price”	the price of €100 per Participation Note;
“Issuer” or “MIH”	Mediterranean Investments Holding p.l.c., a company registered under the laws of Malta with company registration number C-37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
“MTJSC”	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya [in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 (2010)] having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343;
“Nominee and Placement Agent”	Charts Investment Management Service Limited, a private limited liability company duly registered and validly existing under the laws of Malta with company registration number C7944 and with its registered office at Valletta Waterfront, Vault 17, Pinto Wharf, Floriana, Malta, FRN 1913;
“Nominee and Placement Agent Agreement”	the agreement entered into by and between the Issuer and the Nominee and Placement Agent dated 18 September 2015;
“Offer”	the offer for participation in the Global Note through the issuance of Participation Notes;
“Offer Amount”	€11,000,000;
“Palm City Residences”	the Palm City Residences, a property operated by PCL (as defined immediately below) and situated in Janzour, Libya;
“Participation Note”	a transferable note of a nominal value of €1,000 issued by the Nominee and Placement Agent to a Registered Investor acknowledging the interest of the person named therein in the Global Note, and evidencing an entry in the Register of Investors;
“Participation Noteholder”	a holder of a Participation Note;
“PCL”	Palm City Ltd, a company registered under the laws of Malta with company registration number C-34113 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;



“PWL”	Palm Waterfront Ltd, a company registered under the laws of Malta with company registration number C-57155 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
“Prospectus”	collectively the Summary Note, the Registration Document and this Securities Note, all dated 18 September 2015, as such documents may be amended, updated, replaced and supplemented from time to time;
“Prospectus Directive”	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 public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
“Redemption Date”	3 October 2020;
“Redemption Value”	the nominal value of each Note (€1,000 per Note);
“Register of Investors”	the Register to be maintained by the Nominee and Placement Agent identifying the Investors from time to time;
“Register of Global Noteholders”	the Register maintained by the Issuer identifying the holder of the Global Note;
“Registered Investor”	a person participating in the Global Note and whose interest and benefit therein is recognised by the Nominee and Placement Agent by means of an entry in the Register of Investors;
“Registration Document”	the registration document issued by the Issuer dated 18 September 2015, forming part of the Prospectus;
“Regulation”	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 a prospectus 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; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus (Text with EEA relevance);
“Securities Note”	this securities note in its entirety issued by the Issuer dated 18 September 2015, forming part of the Prospectus;
“Subscription Agreement”	the agreement to subscribe for the Participation Notes;
“Subscription Date”	means the date on which Participation Notes representing the Global Note are subscribed for and issued in accordance with the Prospectus;
“Subscription Funds”	means an amount equivalent to the Global Note raised by the Nominee and Placement Agent by virtue of the subscription of Participation Notes;
“Subscription Period”	means the period between 08.30 hours and 14.00 hours on 2 October 2015, during which the Participation Notes representing the Global Note are to be issued, PROVIDED THAT the Subscription Period may be extended by the Nominee and Placement Agent by giving written notice thereof to the Issuer by not later than ten (10) days from 18 September 2015;
“Summary Note”	the summary note issued by the Issuer dated 10 September 2015, forming part of the Prospectus;
“Terms and Conditions”	the terms and conditions applicable to the Participation Notes set out in Annex A2.

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- words importing the singular shall include the plural and *vice-versa*;
- words importing the masculine gender shall include the feminine gender and *vice-versa*;
- the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.



2. RISK FACTORS

HOLDING OF A PARTICIPATION NOTE INVOLVES CERTAIN RISKS. 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 ACQUIRE PARTICIPATION NOTES. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. 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.

PROSPECTIVE INVESTORS ARE WARNED THAT BY INVESTING IN THE PARTICIPATION NOTES THEY MAY BE EXPOSING THEMSELVES TO SIGNIFICANT RISKS THAT MAY HAVE THE CONSEQUENCE OF LOSING A SUBSTANTIAL PART OR ALL OF THEIR INVESTMENT.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE NOMINEE AND PLACEMENT AGENT 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 THE OFFER, SHOULD PURCHASE ANY PARTICIPATION NOTES.

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

2.1 Forward-Looking Statements

This Securities Note contains “forward-looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These statements by their nature involve a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer’s control, and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. Such forecasts and projections do not bind the Issuer with respect to future results and no assurance can be given that future results or expectations covered by such forward-looking statements will be achieved.

2.2 General

Prospective investors in the Global Note must determine the suitability of that investment in the light of their own circumstances. In particular, each prospective investor should:

- a) have sufficient knowledge and experience to make a meaningful evaluation of the Global Note, the merits and risks of acquiring Participation Notes and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b) have sufficient financial resources and liquidity to bear all the risks of an investment in the Global Note, including where the currency for principal or interest payments is different from the prospective investor’s currency;
- c) understand thoroughly the terms of the Global Note and Participation Notes; and
- d) be 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.



2.3 Risks relating to the Global Note

An investment in the Global Note involves certain risks including, but not limited to, those described below:

- The Global Note and the Participation Notes are transferable but shall NOT be traded on any regulated market or other trading facility and, as a result, there may be no liquid market for the Participation Notes. The market for the Participation Notes may be less liquid than a regulated market or other trading facility and Participation Noteholders may find it more difficult to identify willing buyers for their Participation Notes. Participation Noteholders who wish to sell their Participation Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for the Participation Notes. The ease of transferability of the Global Note and the Participation Notes depends on factors beyond the Issuer's control which could impact the trading value of the Global Note and the Participation Notes, such as the willingness or otherwise of potential buyers and sellers of the Global Note and the Participation Notes. The trading value of the Global Note and the Participation Notes may also be impacted by other factors, such as the time remaining for maturity of the Global Note and the Participation Notes, the outstanding amount of the Global Note and the Participation Notes and the level, direction and volatility of market interest rates generally.
- Investment in the Global Note involves the risk that subsequent changes in market interest rates may adversely affect the value of the Global Note.
- A Noteholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Participation Notes (€) and the Noteholder's currency of reference, if different.
- 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 Participation Notes prevailing from time to time.
- The Global Note shall constitute the general, direct, unconditional and unsecured obligation of the Issuer and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer. The Global Note will, however, rank subordinate to the present and future secured creditors of the Issuer. Furthermore, subject to the negative pledge clause (section 4 of Annex A1 of this Securities Note), third party security interests may be registered which will rank in priority to the Global Note against the assets of the Issuer for so long as such security interests remain in effect.
- The Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital, if any).
- In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Global Note it shall call upon the Nominee and Placement Agent to call a meeting of Participation Noteholders in accordance with the provisions of section 12 of Annex A2 of this Securities Note. These provisions permit defined majorities to bind all Participation Noteholders, including Participation Noteholders who do not attend and vote at the relevant meeting and Participation Noteholders who vote in a manner contrary to the majority.
- The terms and conditions of this Offer are based on Maltese law in effect as at the date of the 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 the Prospectus.

3. PERSONS RESPONSIBLE

Each and all of the Directors whose names appear under the heading "Identity of Directors, Senior Management, Advisors and Auditors of the Issuer" in sub-section 4.1 of the Registration Document 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.



4. CONSENT FOR USE OF THE PROSPECTUS

Consent required in connection with the use of the Prospectus by the Nominee and Placement Agent:

The Issuer has given its express written consent to the Nominee and Placement Agent for the use of the Prospectus by the same Nominee and Placement Agent for the purpose of final placement and/or subsequent resale of the Participation Notes. The Issuer accepts full responsibility for the content of the Prospectus also with respect to any subsequent resale or final placement of the Participation Notes by the Nominee and Placement Agent.

The Nominee and Placement Agent will only be permitted to use the Prospectus in the Republic of Malta.

There are no other conditions attached to the consent given by the Issuer to the Nominee and Placement Agent which are relevant for the use of the Prospectus.

The Nominee and Placement Agent is the only financial intermediary that is permitted to use the Prospectus for the purpose of final placement of the Participation Notes.

All information on the Terms and Conditions of the Participation Notes which are offered to any investor by the Nominee and Placement Agent is to be provided by the Nominee and Placement Agent to the investor prior to such investor subscribing to any Participation Notes. Any interested investor has the right to request that the Nominee and Placement Agent provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Participation Notes.

The Nominee and Placement Agent using the Prospectus in connection with a resale or placement of Participation Notes subsequent to the Offer 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 the Prospectus for such resale and placement 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.

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

If the investor is in doubt as to whether he/she can rely on the Prospectus and/or who is responsible for its contents, the investor should obtain legal advice in that regard.

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

In the event of a resale, placement or other offering of Participation Notes by the Nominee and Placement Agent, the Nominee and Placement Agent shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.

Any resale, placement or offering of Participation Notes to an investor by the Nominee and Placement Agent will be made in accordance with any terms and other arrangements in place between such Nominee and Placement Agent 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 Nominee and Placement Agent at the time of such resale, placement or offering to provide the investor with that information, and the Issuer has no responsibility or liability for such information.



5. KEY INFORMATION

5.1 Reasons for the Issue and Use of Proceeds

The proceeds from the Global Issue, which net of Offer expenses are expected to amount to approximately €10.9 million, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of €10.75 million of proceeds shall be used to repay a bank facility, with a syndication of banks, of a wholly owned subsidiary of the Issuer, which funds were applied to part finance the development of Palm City Residences;
- (ii) the remaining balance shall be applied to reduce the outstanding bonds of the Issuer that are listed on the Official List of the Malta Stock Exchange, by purchasing thereof from the market.

In the event that the Participation Notes representing the rights and interests of the Participation Noteholders in the Global Note are not fully subscribed, the subscribed portion of the Global Note shall firstly be applied for the purpose mentioned in (i) above.

5.2 Estimated Expenses and Proceeds of the Issue

The Offer will involve expenses, including professional fees, management and placing expenses, as well as other miscellaneous costs incurred in connection with this Offer. Such expenses are estimated not to exceed €100,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Participation Noteholder who subscribes for the Participation Notes. The amount of the expenses will be deducted from the proceeds of the Offer, which, accordingly, will bring the estimated net proceeds from the Global Note to €10.9 million. There is no particular order of priority with respect to such expenses.

5.3 Issue statistics

“Amount”:	€11,000,000;
“Subscription Agreement available to Prospective Investors”:	24 September 2015;
“Offer Price”:	at par (€100 per Participation Note);
“Denomination”:	€1,000 per Participation Note;
“Minimum Amount per Subscription”:	Minimum of €50,000 and multiples of €1,000 thereafter;
“Governing law and jurisdiction”:	the Prospectus and the Global Note are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Global Note;
“Interest”:	the Global Note shall bear interest from and including 3 October 2015 at the rate of six per cent (6%) per annum calculated and payable annually in arrears by the Issuer on the Interest Payment Date;
“Interest Payment Date”:	annually on 3 October 2016 (the first interest payment date), between and including each of the years 2016 and 2020;
“Listing”:	no application has been made, nor is it intended that an application be made, for the Global Note and Participation Notes to be admitted on a regulated market or other trading platform;
“Plan of distribution”:	the Participation Notes shall be available for subscription through the Nominee and Placement Agent;
“Redemption Date”:	3 October 2020;
“Redemption Value”:	at par (€100 per Bond);
“Status of the Global Note”:	the Global Note constitutes the general, direct, unconditional and unsecured obligation of the Issuer and shall at all times rank <i>pari passu</i> with other outstanding and unsecured debt of the Issuer, present and future;
“Underwriting”:	the Global Note and Participation Notes are not underwritten.



5.4 Interest of Natural and Legal Persons involved in the Issue

Save for the subscription for Notes by the Nominee and Placement Agent and any fees payable to the Nominee and Placement Agent in connection with the Offer, to the best of the Issuer's knowledge no person involved in the Issue has an interest material to the Offer.

5.5 Expected Timetable of Principal Events

Subscription Period	2 October 2015 (between 08.30 hours and 14.00 hours)
Commencement of interest on the Participation Notes issued upon closure of the Subscription Period	3 October 2015
Announcement of basis of acceptance	9 October 2015
Issuance of Participation Notes	9 October 2015

6. INFORMATION CONCERNING THE GLOBAL NOTE AND PARTICIPATION NOTES

6.1 Details of the Global Note

The Issuer is making an offer to the public for participation in the Global Note through the issuance of Participation Notes.

The Global Note represents a principal amount of €11,000,000 (eleven million euro) due by the Issuer to the Nominee and Placement Agent under the terms of the Global Note. The Global Note is redeemable on the Redemption Date.

The currency of the Global Note is Euro (€).

The Global Note constitutes the general, direct, unconditional and unsecured obligations of the Issuer, and will rank without priority and preference over all other present and future unsecured and unsubordinated obligations of the Issuer.

The Participation Notes represent participations in the Global Note corresponding to the amount stated in the Participation Notes. A Participation Note represents the proportionate entitlement of a Participation Noteholder to the rights over the Global Note and in particular shall entitle the Participation Noteholder to receive the repayment of principal and interest on the Global Note. By executing the Subscription Agreement the Participation Noteholder acknowledges and accepts that all enforcement action against the Issuer shall vest in the Nominee and Placement Agent and the Participation Noteholder shall not have the right to make any claim against the Issuer other than through the Nominee and Placement Agent. By subscribing to the Participation Notes, the Participation Noteholders irrevocably authorise the Nominee and Placement Agent for and on their behalf to exercise such rights, powers and discretions as are specifically delegated to it by the terms of the Nominee and Placement Agent Agreement, together with all such rights, powers and discretions as are incidental thereto, and to give a good discharge for any moneys payable under the Global Note.

6.2 Description of the Offer

The Offer by the Issuer consists of the issue of €11,000,000 (eleven million euro) 6% (six per cent) Global Note 2020, to be issued to the Nominee and Placement Agent pursuant to and under the terms and conditions of the Global Note. Investors in Malta can participate in the Global Note by virtue of the subscription to Participation Notes.

The Participation Notes relating to the Global Note shall be available for subscription during the Subscription Period on a first-come-first-served basis. Such subscription shall be for an amount of €11,000,000 less Offer expenses and the Issuer shall make use of such proceeds in the manner set out in sub-section 5.1 above.



The Subscription Period shall close immediately upon attaining full subscription. The Issuer has not established an aggregate minimum subscription level for the Global Note. Accordingly, in the event that the Participation Notes representing the rights and interests of the Participation Noteholders in the Global Note are not fully subscribed, the subscribed portion of the Global Note shall be allocated in accordance with the terms of this Prospectus.

The Global Note and Participation Notes will NOT be listed on the Malta Stock Exchange or on any other regulated market on the date of issue. Application has NOT been filed for the Global Note and Participation Notes to be quoted on the Official List or the Alternative Companies List of the Malta Stock Exchange. The Directors have no intention of submitting an application for the admissibility of the Global Note and Participation Notes to listing and subsequent trading on the Malta Stock Exchange or any other regulated market.

6.3 Interest and Yield

6.3.1 The Global Note shall bear interest from and including 3 October 2015 at the rate of 6% per annum on the nominal value thereof, calculated and payable annually in arrears by the Issuer on each Interest Payment Date. The first interest payment will be effected on 3 October 2016. 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. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Noteholders to bring claims for payment of interest and repayment of the principal on the Global Note is barred by the lapse of five (5) years.

6.3.2 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.

6.3.3 The gross yield, calculated on the basis of the Interest, the Issue Price and the Redemption Value of the Global Note at Redemption Date, is 6%.

6.4 Maturity and Redemption

6.4.1 Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Noteholder that the Global Note and Participation Notes will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 3 October 2020 in accordance with the terms and conditions of issue (see Annex A1 for the full terms and conditions). In such a case the Issuer shall be discharged of any and all payment obligations under the Global Note 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 Noteholders.

6.4.2 Subject to the provisions of this sub-section 6.4, the Issuer may at any time purchase Participation Notes from willing sellers as agreed between both parties from time to time. Any purchase by tender shall be made available to all Participation Noteholders alike.

6.4.3 All Participation Notes so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold. The Nominee and Placement Agent shall accordingly cancel the participations in accordance with the terms of the Nominee and Placement Agent Agreement and the Participation Note.

6.5 Status and Security

The Global Note shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, save for such exceptions as may be provided by applicable law, with all other outstanding and unsecured debt of the Issuer, present and future. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

The following sets out a summary of the Group's indebtedness which as at 30 June 2015 amounted to €102.2 million (€105.7 million at 31 December 2014), and includes bank loans, corporate bonds and other borrowings from related companies. The bank borrowings listed below are secured by privileges and hypothecs, and therefore the indebtedness being created by the Global Note, together with the other issued bonds, ranks after all these bank borrowings. In addition, the Global Note and Participation Notes would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

Further details on bank borrowings, including, *inter alia*, respective term, security and repayment schedule, are found in the audited consolidated financial statements for the financial year ended 31 December 2014 and the unaudited consolidated financial statements for the six-month period ended 30 June 2015, which have been published on the Issuer's website (www.mihplc.com) and are available for inspection at its registered office during office hours.



MIH Group Borrowings & Bonds (€'000)	30 Jun'15 Actual	31 Dec'14 Actual	31 Dec'13 Actual	31 Dec'12 Actual
Bank Borrowings	28,695	33,475	40,944	48,961
Bonds	70,894	69,565	72,885	73,108
Shareholders' Loan	2,655	2,655	3,200	3,200
Total borrowings and bonds	102,244	105,695	117,029	125,269

6.6 Rights of Participation Noteholders

Investors wishing to participate in the Global Note will be able to do so by duly executing a Subscription Agreement in relation to the Participation Notes. Execution of the Subscription Agreement will entitle such investor:

- (i) to participate in the Global Note with respect to the rights and benefits under the Global Note in the proportion that the amount of that subscription constitutes in relation to the face value of the Global Note;
- (ii) to have his/her name entered in the Register of Investors by the Nominee and Placement Agent as a Registered Investor in the Global Note;
- (iii) to receive from the Nominee and Placement Agent an acknowledgement of his/her interest in the Global Note by the issue of a Participation Note;
- (iv) to all such rights and benefits applicable to Participation Noteholders as set out in the Prospectus;
- (v) to all such applicable rights and benefits applicable to Participation Noteholders as set out in the Nominee and Placement Agent Agreement.

Upon execution of the Subscription Agreement, an investor will also be bound by and be deemed to have notice of, all the provisions of the Nominee and Placement Agent Agreement and the terms and conditions of the Global Note.

The Participation Note shall entitle the Participation Noteholders to rank *pari passu* according to the rights and interests held by each Participation Noteholder in the Fiduciary Asset in accordance with the terms of the Nominee and Placement Agent Agreement.

6.7 Participation Notes

Participation Notes are transferable certificates issued by the Nominee and Placement Agent to a Registered Investor acknowledging the interest of the Registered Investor named therein in the Fiduciary Asset and evidences an entry in the Register of Investors held by the Nominee and Placement Agent. The Participation Notes will be issued in registered form and will not be issued in bearer form.

6.8 The Nominee and Placement Agent

The Issuer, as principal, has entered into the Nominee and Placement Agent Agreement pursuant to which Charts Investment Management Service Limited has been appointed as the Nominee and Placement Agent to hold the Fiduciary Asset on behalf of and as nominee for the Registered Investors *pari passu* according to the rights and interests held by each Registered Investor in the Fiduciary Asset as evidenced in the Register of Investors in accordance with the provisions of the Nominee and Placement Agent Agreement.

The Nominee and Placement Agent will be the legal owner of the Fiduciary Asset which consists of the covenants of the Issuer to pay the principal under the Participation Notes and interests thereon and all the rights and benefits emanating from the Nominee and Placement Agent Agreement. The Nominee and Placement Agent recognises the interests of the Registered Investors and in effect holds the Fiduciary Asset in the interest of and acts for the benefit of the Registered Investors under the Nominee and Placement Agent Agreement.

The Nominee and Placement Agent's role therefore includes the status of the Nominee and Placement Agent to enforce all the rights under the Participation Notes and the Nominee and Placement Agent Agreement as well as to hold the Fiduciary Asset. As the legal owner of the Global Note and all rights attaching thereto the Nominee and Placement Agent will receive all payments of interest for distribution to the Registered Investors.

Similarly, the Issuer has appointed Charts Investment Management Service Limited as the Nominee and Placement Agent to hold the Global Note for the benefit of the Registered Investors *pari passu* according to the rights and interests held by each Registered Investor in the Global Note as evidenced in the Register of Investors in accordance with the provisions of the Prospectus. As the holder of the Global Note, the Nominee and Placement Agent will receive all payments of interest and principal for distribution to the Registered Investors.



6.9 Distribution and Allotment

The Issuer has appointed Charts Investment Management Service Limited as Nominee and Placement Agent for the purposes of this Offer. Subscription Agreements for participation in the Offer shall be available from Charts Investment Management Service Limited as from 24 September 2015. All Subscription Agreements must be accompanied by the full price of the Participation Notes applied for in Euro and in cleared funds at the Issue Price. The minimum subscription amount of Participation Notes that can be subscribed for by Applicants is €50,000, and in multiples of €1,000 thereafter. Payment may be made either in cash or by cheque payable to 'Charts Investment Management Service Limited'. In the event that cheques accompanying Subscription Agreements are not honoured on their first presentation, the Issuer and the Nominee and Placement Agent reserve the right to invalidate the relative Subscription Agreement.

By not later than 9 October 2015, the Issuer shall announce the results of the Offer through a company announcement.

The Participation Notes are expected to be issued ("Expected Issue Date") and mailed to the subscribers on 9 October 2015. Dealing in the Participation Notes may not commence prior to the said notification.

7. TAXATION

7.1 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 Participation Notes, including their acquisition, holding and disposal, as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to the Participation Noteholders 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 Participation Notes from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

7.2 Malta Tax on Interest

Since interest is payable in respect of a Note which is the subject of a public issue, unless the Issuer is otherwise instructed by a Participation Noteholder or if the Participation Noteholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Chapter 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 said Income Tax Act. Participation Noteholders 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 Participation Noteholder need not declare the interest so received in his income tax return if paid net of tax. No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund.

In the case of a valid election made by an eligible Participation Noteholder 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 Malta Commissioner of Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. Any such election made by a resident Participation Noteholder 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) of the Income Tax Act, Participation Noteholders 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.



7.3 European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Inland Revenue who will, in turn, exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC as amended by Council Directive 2014/48/EU of 24 March 2014.

Participation Noteholders may also be required to provide certain self-certification documents as may be necessary for similar compliance matters (including applicable Foreign Account Tax Compliance (FATCA) provisions and the Common Reporting Standard).

7.4 Maltese Taxation on Capital Gains on Transfer of the Participation Notes

On the assumption that the Participation Notes 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 Participation Notes.

7.5 Duty on Documents and Transfers

No Maltese duty on documents and transfers should be chargeable on the issue of the Participation Notes.

After the issue, future transfers of the Participation Notes may be dutiable at the applicable rate or rates according to the provisions of Maltese law, specifically the Duty on Documents and Transfers Act, unless appropriate exemptions apply.





ANNEX A1. TERMS AND CONDITIONS OF THE GLOBAL NOTE

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €11,000,000 6% GLOBAL NOTE, REDEEMABLE ON 3 OCTOBER 2020 BY MEDITERRANEAN INVESTMENTS HOLDING PLC (THE “ISSUER” OR THE “COMPANY”) IN TERMS OF THE NOMINEE AND PLACEMENT AGENT AGREEMENT AND THE PROSPECTUS.

THE ISSUE OF THE GLOBAL NOTE IS BEING MADE SUBJECT TO THE PROVISIONS OF THE NOMINEE AND PLACEMENT AGENT AGREEMENT DATED 18 SEPTEMBER 2015 (HEREINAFTER REFERRED TO AS THE “NOMINEE AND PLACEMENT AGENT AGREEMENT”) AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTEHOLDER AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE GLOBAL NOTE IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THIS DOCUMENT AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THIS DOCUMENT AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT AND THE NOMINEE AND PLACEMENT AGENT AGREEMENT.

ALL TERMS USED HEREIN SHALL UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED HAVE THE SAME MEANINGS ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE NOMINEE AND PLACEMENT AGENT AGREEMENT.

1 General

- (a) The issuance of the Global Note has been duly authorised by a resolution of the Board of Directors of the Issuer of 28 August 2015 by virtue of the powers contained in the Memorandum and Articles of Association.
- (b) The Global Note shall be issued to the Nominee and Placement Agent, as nominee for and for the benefit of the Registered Investors, which shall constitute the Fiduciary Asset.
- (c) The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Nominee and Placement Agent on behalf of the Registered Investors.
- (d) Unless previously purchased and cancelled, the Global Note shall be redeemable at the nominal value including accrued but unpaid interest on the Redemption Date.

2 Form, Denomination and Title

The Global Note shall be issued in fully certificated and registered form, without a coupon. The Global Note shall be issued to the Nominee and Placement Agent for the Offer Amount and the Nominee and Placement Agent shall be entered in the Register of Global Noteholders as the holder of the Global Note. The Nominee and Placement Agent shall hold the Global Note as nominee for the benefit of the Registered Investors.

3 Interest

- (a) The Global Note shall bear interest from and including 3 October 2015 at the rate of 6% per annum on the nominal value thereof, calculated and payable annually in arrears by the Issuer on each Interest Payment Date. The first interest payment will be effected on 3 October 2016. 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.
- (b) The Global Note shall cease to bear interest from and including the Redemption Date unless, upon due presentation, payment of the principal in respect of the Global Note is improperly withheld or refused, or unless the Issuer defaults in respect of payment, in any of which event interest shall continue to accrue at the greater of the rate specified above or at the rate of two per cent (2%) per annum above the European Central Bank’s refinancing rate in the case of the Notes, but in any event not in excess of the maximum rate of interest allowed by Maltese law;
- (c) 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.



4 Status of the Notes and Negative Pledge

- (a) The Global Note shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, save for such exceptions as may be provided by applicable law, with all other outstanding and unsecured debt of the Issuer, present and future. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.
- (b) The Issuer undertakes, for as long as any principal or interest under the Global Note 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 Global Note 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 eighty per cent (80%) of the difference between i) the value of the unencumbered assets of the Issuer and ii) the principal amount of the Global Note 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 106% of the aggregate principal amount of the Global Note still outstanding;

“**unencumbered assets**” means assets which are not subject to a Security Interest.

5 Payments

- (a) Payment of the principal amount (with interest accrued and unpaid to the Redemption Date) as well as payment of interest on the Global Note shall be made in euro to the person in whose name such Global Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be) against surrender of the Global Note at the registered office of the Issuer or at such other place in Malta as may be notified by the Issuer. Such payment shall be effected by direct credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the Global Noteholder. The Issuer shall not be responsible for any loss or delay in transmission. Such payment shall be effected within seven (7) days of the date set for redemption or the Interest Payment Date (as the case may be).
- (b) All payments with respect to the Global Note are subject in all cases to any pledge (duly constituted) of the Global Note and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Global Note shall be made gross of any amount to be deducted or withheld for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.
- (c) No commissions or expenses shall be charged to the Global Noteholder in respect of such payments.



6 Redemption

- (a) Unless previously purchased and cancelled, the Global Note shall be redeemed at the nominal value (together with interest accrued and which has remained unpaid to the date set for redemption) on the Redemption Date.
- (b) The redemption of the Global Note shall take place by payment of all principal and interest accrued until the date of redemption. The notice of redemption shall be effective only on actual receipt by the Nominee and Placement Agent, shall be irrevocable and shall oblige the Issuer to make and the Nominee and Placement Agent to accept such redemption on the date specified in the notice.
- (c) All or part of the Global Note being redeemed shall be cancelled forthwith and may not be re-issued or re-sold.

7 Covenants by the Company

- (1) The Company hereby covenants in favour of the Nominee and Placement Agent for the benefit of Registered Investors, that at all times during which any of the Global Note shall remain outstanding:
 - (a) It shall, until the Global Note has been redeemed, pay to the Nominee and Placement Agent for the benefit of the Participation Noteholders interest at the rate of 6% per annum on each Interest Payment Date and the principal amount of the Global Note on the Redemption Date;
 - (b) The Issuer shall keep proper books of account which shall at all reasonable times be open to inspection by the Nominee and Placement Agent or any person appointed by the Nominee and Placement Agent for that purpose, and will furnish to the Nominee and Placement Agent or any such person so appointed by the Nominee and Placement Agent all such information relating to the business or affairs of the Issuer as they shall require, and shall deliver to the Nominee and Placement Agent at least five (5) days before the annual general meeting of the Issuer each year a copy of the balance sheet and profit and loss account of the Issuer certified by the auditors of the Issuer respectively and copies of the auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto;
 - (c) The Issuer shall carry on and conduct its business in a proper and efficient manner.

8 Representations and Warranties

- (1) The Issuer represents and warrants to the Nominee and Placement Agent and each Participation Noteholder, and each of the Nominee and Placement Agent and Participation Noteholder rely on such representations and warranties, that:
 - (a) It is duly registered 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 properties and other assets under valid legal title;
 - (b) It has the power to execute, deliver, and perform its obligations under this document and the Nominee and Placement Agent Agreement; and that all necessary corporate, shareholder and other action has been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on the powers of the Issuer to borrow or guarantee shall be exceeded as a result of the Nominee and Placement Agent Agreement;
 - (c) This document and the Nominee and Placement Agent Agreement constitute valid and legally binding obligations of the Issuer;
 - (d) The execution and performance of its obligations under and in compliance with the provisions of this document and the Nominee and Placement Agent Agreement by the Issuer shall not:
 - (i) contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer is subject;
 - (ii) conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which the Issuer is a party, or is subject, or by which it or any of its property is bound;
 - (iii) contravene any provision of the Issuer's Memorandum or Articles of Association;
 - (e) No litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on its business, assets or financial condition of the Issuer;



- (f) The Prospectus contains all material information with respect to the Issuer and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer, its business and financial position, the omission of which would in the context of issue of the Global Note make any statement in the Prospectus misleading or inaccurate in any material respect.
- (2) The Issuer further represents and warrants to the Nominee and Placement Agent and each Participation Noteholder that rely on such representations and warranties, that:
 - (a) Every consent, authorisation, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by the Issuer in connection with the execution, validity, enforceability of the Nominee and Placement Agent Agreement or the performance of its obligations under the Nominee and Placement Agent Agreement have been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed on, or in connection with, any of the same;
 - (b) No default mentioned in this document or the Nominee and Placement Agent Agreement has occurred and is continuing.

9 Functions and Powers of the Nominee and Placement Agent

- (1) The Nominee and Placement Agent may, but shall not be bound to, unless requested to do so in writing by not less than seventy-five percent (75%) in value of the Registered Investors, enforce or take any step to enforce the covenants in clause 7 hereof, and (subject to any such request as aforesaid) may waive on such terms and conditions as it shall deem expedient any of the covenants and provisions hereinabove contained and on the part of the Issuer to be performed and observed.
- (2) The Nominee and Placement Agent shall only be bound to monitor financial information relating to the Issuer, on behalf of the Registered Investors, as shall be forwarded to the Nominee and Placement Agent by the Issuer on an annual basis.
- (3) Without prejudice to the powers and reliefs conferred on the Nominee and Placement Agent by applicable law and by the Nominee and Placement Agent Agreement, the Nominee and Placement Agent shall have the following powers:
 - (a) To employ and pay at the reasonable cost of the Company in discharge of its duties any agent to do anything or transact any business to be done or transacted under the Nominee and Placement Agent Agreement or this document, without being under any liability for any default of such agent; PROVIDED THAT prior to employing any agent as aforementioned, notice in writing of the estimated costs to be incurred is to be given to the Issuer;
 - (b) To rely on the advice of any lawyer, broker, surveyor, valuer or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Company or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic;
 - (c) To delegate any of its discretions under the Prospectus and the Nominee and Placement Agent Agreement to any officer or servant of the Nominee and Placement Agent believed by it to be competent and responsible and to delegate any of its powers and duties under the Prospectus and the Nominee and Placement Agent Agreement to such persons (including any such officer or servant as aforesaid) as it shall think fit, and to confer power to sub-delegate, without incurring any liability for the default of any person to whom such discretions powers or duties are delegated or sub-delegated;

And generally the Nominee and Placement Agent shall not be liable for any error of judgment committed in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts and the Nominee and Placement Agent, its officers and agents shall be entitled to be indemnified by the Issuer so far as may be lawful in respect of all liabilities incurred in the execution of the nominee relationship arising in terms of the Nominee and Placement Agent Agreement.

10 Events of Default

The Nominee and Placement Agent may at its discretion, and shall upon the request in writing of not less than seventy five percent (75%) in value of the Registered Investors, by notice in writing to the Issuer declare the Global Note to have become immediately payable on the occurrence of any of the following events (“**Events of Default**”):

- (a) the Issuer shall fail to pay any interest on the Global Note when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder;



- (b) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of this Annex A1 and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder;
- (c) if the Issuer, having announced the redemption of the Global Note whether in whole or in part, defaults for thirty (30) days in the payment of any principal monies owing in respect of such early redemption;
- (d) if a Court order or other judicial process is levied or enforced upon or sued out against any material part of the properties of the Issuer and is not paid out, withdrawn or discharged within one month;
- (e) if the Issuer stops payment of its debts or ceases or threatens to cease to carry on its business;
- (f) if the Issuer is unable to pay its debts within the meaning of section 214(5) of the Act, or any statutory modification or re-enactment thereof;
- (g) if a receiver is appointed of the whole or any part of the properties of the Issuer and such appointment is certified by the Nominee and Placement Agent to be prejudicial in its opinion to the Registered Investors;
- (h) if an order is made or an effective resolution is passed for winding up of the Issuer, except for the purpose of a reconstruction, amalgamation or division the terms of which have been approved in writing by the Nominee and Placement Agent;
- (i) if the Issuer substantially changes the object or nature of business as currently carried on;
- (j) if the Issuer commits a breach of any of the covenants or provisions herein contained and on its part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Nominee and Placement Agent (other than any covenant for the payment of interests or principal monies owing in respect of the Global Note);
- (k) if any representation or warranty made, or deemed to be made, or repeated by, or in respect of the Issuer is or proves to have been incorrect in any material respect;
- (l) if any material indebtedness of the Issuer is not paid when properly due, or becomes properly due and payable, or any creditor of the Issuer becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when properly due and the said indebtedness, guarantee or indemnity is called upon. PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €5,000,000 (five million euro);
- (m) if it becomes unlawful at any time for the Issuer to perform all or any of its obligations hereunder;
- (n) if the Issuer repudiates or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Global Note;
- (o) all, or in the sole opinion of the Nominee and Placement Agent, a material part of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Company are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

Upon any such declaration being made as aforesaid the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due payable at the time of the event which shall have happened as aforesaid.

11 Register of Global Noteholders

- (a) The Issuer shall maintain a register, at its registered office or at such other place in Malta as the directors of the Issuer may determine, in which it shall enter the name and address of the Nominee and Placement Agent as the holder of the Global Note, together with particulars of the Global Note. A copy of such register shall at all reasonable times during business hours be open to inspection by the Nominee and Placement Agent at the registered office of the Issuer.



- (b) In the event that any Global Note represented by a certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Issuer may at its discretion require and in accordance with the Global Note register, and in the case of wearing out, or defacement, or change of address of the Global Noteholder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of €50 (fifty euro). In case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Issuer all expenses incidental to the investigation by the Issuer of the evidence of such destruction or loss and to such indemnity.

12 Further Issues

The Issuer may, from time to time, without the consent of the respective Global Noteholder, create and issue further bonds, notes, debentures or any other debt securities having such terms as the Issuer (as applicable) may determine at the time of their issue.

13 Governing Law and Jurisdiction

- (a) The Global Note has been created, and the Offer relating thereto is being made, in terms of the Act. From its inception the Global Note, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law.
- (b) Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Global Note shall be brought exclusively before the Maltese Courts and the Global Noteholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

14 Security

The Global Note shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, save for such exceptions as may be provided by applicable law, with all other outstanding and unsecured debt of the Issuer, present and future. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

15 Notices

Notices will be mailed to the Global Noteholder at its registered address 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 Global Noteholder at its registered address and posted.



ANNEX A2.

TERMS AND CONDITIONS OF THE PARTICIPATION NOTES

TERMS AND CONDITIONS OF THE PARTICIPATION NOTES IN TERMS OF THE PROSPECTUS

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €11,000,000 6% PARTICIPATION NOTES, IN TERMS OF THE PROSPECTUS REDEEMABLE ON 3 OCTOBER 2020 BY THE NOMINEE AND PLACEMENT AGENT.

THE ISSUE OF THE PARTICIPATION NOTES IS BEING MADE SUBJECT TO THE PROVISIONS OF THE NOMINEE AND PLACEMENT AGENT AGREEMENT DATED 18 SEPTEMBER 2015 (HEREINAFTER REFERRED TO AS THE “NOMINEE AND PLACEMENT AGENT AGREEMENT”) AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTEHOLDER AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE PARTICIPATION NOTES IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THIS DOCUMENT AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THIS DOCUMENT AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT AND THE NOMINEE AND PLACEMENT AGENT AGREEMENT.

ALL TERMS USED HEREIN SHALL UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED HAVE THE SAME MEANINGS ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE NOMINEE AND PLACEMENT AGENT AGREEMENT.

1. General

- (a) The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Nominee and Placement Agent on behalf of the Registered Investors. The Participation Notes constitute the beneficial interest of the Participation Noteholders in the Global Note including the right to payment of principal and interest under the Global Note.
- (b) The Participation Notes shall bear interest at a rate of 6% (six per cent) per annum in accordance with the terms and conditions as set out in the Prospectus.
- (c) The Participation Notes shall be redeemable at their nominal value including accrued but unpaid interest on the Redemption Date.
- (d) The Participation Notes are freely transferable, provided that any individual holder of Participation Notes shall maintain at all times a minimum holding of €50,000 in the said Notes.

2. Form, Denomination and Title

- (a) The Participation Notes shall be issued in fully certificated and registered form, without coupons. Participation Notes shall be issued under the signature of a duly authorised signatory of the Nominee and Placement Agent.
- (b) The Nominee and Placement Agent shall maintain a Register of Investors which shall identify the Registered Investors from time to time. An entry in the Register of Investors shall be conclusive evidence of the beneficial interest of the person or persons named therein in the Global Note. The Register of Investors shall contain the following information:
 - Name of the Registered Investor;
 - Address of the Registered Investor;
 - Identity Card number (in the case of an individual);
 - Company Registration Number (in the case of a company);
 - The value expressed in euro (€) of the beneficial interest of the Registered Investor in the Global Note; and
 - Date of entry into the Register of Investors.

Every Registered Investor shall be entitled to be entered in the Register of Investors as a participant in the Global Note and shall be entitled to receive from the Nominee and Placement Agent a Participation Note acknowledging the Registered Investors' beneficial interest in the Global Note and evidencing the appropriate entry in the Register of Investors.

- (c) Any such Participation Note issued by the Nominee and Placement Agent in favour of a single or joint Registered Investor shall be for an amount not below fifty thousand euro (€50,000) and in multiples of one thousand euro (€1,000) each thereafter.



- (d) Joint Registered Investors shall be entitled to only one entry in the Register of Investors and accordingly to only one Participation Note. Such Participation Note shall be issued and delivered to that joint Registered Investor whose name first appears in the Register of Investors and the Nominee and Placement Agent shall not be bound to register more than three (3) persons as the joint Registered Investors.

3. Interest

- (a) The Participation Notes shall bear interest from and including 3 October 2015 at the rate of 6% per annum on the nominal value thereof, calculated and payable annually in arrears by the Issuer on each Interest Payment Date. The first interest payment will be effected on 3 October 2016. 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.
- (b) 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.
- (c) The Participation Notes shall cease to bear interest from and including the Redemption Date.

4. Payments

- (a) Payment of the principal amount (with interest accrued and unpaid to the Redemption Date) as well as payment of interest on the Participation Notes shall be made in euro to the person in whose name such Participation Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be) against surrender of the Participation Note at the registered office of the Nominee and Placement Agent or at such other place in Malta as may be notified by the Nominee and Placement Agent. Such payment shall be effected by direct credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the Participation Noteholder. The Nominee and Placement Agent shall not be responsible for any loss or delay in transmission. The Nominee and Placement Agent shall effect payments of principal or interest within three (3) business days from the date of actual receipt of payment thereof from the Issuer.
- (b) All payments with respect to the Participation Notes are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Nominee and Placement Agent in respect of the Participation Note shall be made net of any amount which the Nominee and Placement Agent is compelled to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.
- (c) No commissions or expenses shall be charged to the Participation Noteholder in respect of such payments.
- (d) The Nominee and Placement Agent shall only be under an obligation to effect payments of principal or interest to the Participation Noteholders if it has effectively received such payments from the Issuer. No liability shall attach to the Nominee and Placement Agent if it fails to effect such payments to Participation Noteholders when such failure is due to the non-payment thereof by the Issuer.
- (e) Payment of the principal and/or interest by the Issuer to the Nominee and Placement Agent under the Global Note shall relieve the Issuer from any further liability, to the extent of the payment made, towards the Participation Noteholders and the Participation Noteholders shall have no right or claim against the Issuer should they not receive the relative payment from the Nominee and Placement Agent.



5. Redemption

- (a) Unless previously redeemed and cancelled, the Participation Notes shall be redeemed at their nominal value (together with interest accrued to the date set for redemption) on the Redemption Date.
- (b) Each Registered Investor may, even before the Redemption Date, apply to the Nominee and Placement Agent to have its Participation Notes or any part thereof cancelled, provided that in the case of a request for cancellation, the cancellation request shall be for a minimum face value of €50,000 and multiples of €1,000 thereafter. The Nominee and Placement Agent may, but shall be under no obligation to, accede to such request, to be made in writing, by a Registered Investor. In the event that the Nominee and Placement Agent accedes to the Registered Investor's request it shall cancel the entry of such Registered Investor in the Register of Investors and the Participation Note of the Registered Investor concerned in whole or in part, as the case may be, for the nominal value of the Participation Note or that part thereof which is being cancelled. In such event (i) the Nominee and Placement Agent shall pay to the Registered Investor concerned the nominal value of that Registered Investor's Participation Notes and accrued and unpaid interest thereon; and (ii) the Nominee and Placement Agent shall be deemed to have a beneficial interest in the Global Note for the value corresponding to the cancellation.
- (c) The Nominee and Placement Agent may also receive requests from persons willing to have a beneficial interest in the Global Note. The Nominee and Placement Agent may, from its own beneficial interest in the Global Note, if any, accede to such request, but shall be under no obligation to do so. In the event that the Nominee and Placement Agent accedes to such request it shall register the beneficial interest of such person in the Global Note in the Register of Investors and issue a Participation Note in terms of the provisions of these terms and conditions, against payment by the applicant of the value of his/her Participation Note.
- (d) The Nominee and Placement Agent may, at its discretion, charge a fee to Registered Investors for each cancellation and subsequent entry made in the Register of Investors, which fee shall not exceed €60 per cancellation or subsequent entry.

6. Covenants by the Company

- (1) The Company hereby covenants in favour of the Nominee and Placement Agent for the benefit of Registered Investors, that at all times during which any of the Global Note shall remain outstanding:
 - (a) It shall, until the Global Note has been redeemed, pay to the Nominee and Placement Agent for the benefit of the Participation Noteholders interest at the rate of 6% per annum on each Interest Payment Date and the principal amount of the Global Note on the Redemption Date;
 - (b) The Issuer shall keep proper books of account which shall at all reasonable times be open to inspection by the Nominee and Placement Agent or any person appointed by the Nominee and Placement Agent for that purpose, and will furnish to the Nominee and Placement Agent or any such agent all such information relating to the business or affairs of the Issuer as they shall require, and shall deliver to the Nominee and Placement Agent at least five (5) days before the annual general meeting of the Issuer each year a copy of the balance sheet and profit and loss account of the Issuer certified by the auditors of the Issuer and copies of the auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto;
 - (c) The Issuer shall carry on and conduct its business in a proper and efficient manner.

7. Representations and Warranties of the Issuer

- (1) The Issuer represents and warrants to the Nominee and Placement Agent and each Participation Noteholder, and each of the Nominee and Placement Agent and Participation Noteholder rely on such representations and warranties, that:
 - (a) It is duly registered 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 properties and other assets under valid legal title;
 - (b) It has the power to execute, deliver, and perform its obligations under this document;
 - (c) The Global Note constitutes valid and legally binding obligations of the Issuer;



- (d) The execution and performance of its obligations under and in compliance with the provisions of the Global Note by the Issuer shall not:
 - (i) contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer is subject;
 - (ii) conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which the Issuer is a party, or is subject, or by which it or any of its property is bound;
 - (iii) contravene any provision of the Issuer's Memorandum or Articles of Association;
 - (e) No litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on the business, assets or financial condition of the Issuer;
 - (f) The Prospectus contains all material information with respect to the Issuer and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer, its business and financial position, the omission of which would in the context of issue of the Global Note make any statement in the Prospectus misleading or inaccurate in any material respect.
- (2) The Issuer further represents and warrants to the Nominee and Placement Agent and each Participation Noteholder that rely on such representations and warranties, that:
- (a) Every consent, authorisation, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by the Issuer in connection with the execution, validity, enforceability of the Nominee and Placement Agent Agreement or the performance of its obligations under the Nominee and Placement Agent Agreement has been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed in, or in connection with, any of the same;
 - (b) No default mentioned in this document or the Nominee and Placement Agent Agreement has occurred and is continuing.

8. Functions and Powers of Nominee and Placement Agent

- (1) The Nominee and Placement Agent may, but shall not be bound, unless requested to do so in writing by not less than seventy-five percent (75%) in value of the Registered Investors, to enforce or take any step to enforce the covenants in clause 6 hereof, and (subject to any such request as aforesaid) may waive on such terms and conditions as it shall deem expedient any of the covenants and provisions hereinabove contained and on the part of the Issuer to be performed and observed.
- (2) The Nominee and Placement Agent shall only be bound to monitor financial information relating to the Issuer, on behalf of the Registered Investors, as may be forwarded to the Nominee and Placement Agent by the Issuer on an annual basis.
- (3) The Nominee and Placement Agent shall have the following powers:
 - (a) To rely on the advice, opinion, direction, report, statement, certificate, or other information furnished by any lawyer, broker, surveyor, valuer or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic;
 - (b) To delegate any of its discretions under the Prospectus to any officer or agent of the Nominee and Placement Agent believed by it to be competent and responsible and to delegate any of its powers and duties under the Prospectus to such persons (including any such officer or agent as aforesaid) as it shall think fit, and to confer power to sub-delegate, without incurring any liability for the default of any person to whom such discretions, powers or duties are delegated or sub-delegated.



9. Events of Default under the Global Note

The Nominee and Placement Agent may at its discretion, and shall upon the request in writing of not less than seventy-five percent (75%) in value of the Registered Investors, by notice in writing to the Issuer declare the Global Note to have become immediately payable on the occurrence of any of the following events (“**Events of Default**”):

- (a) the Issuer shall fail to pay any interest on any Global Note when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder;
- (b) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in these Terms and Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder;
- (c) if the Issuer, having announced the redemption of the Global Note whether in whole or in part, defaults for thirty (30) days in the payment of any principal monies owing in respect of such early redemption;
- (d) if a Court order or other judicial process is levied or enforced upon or sued out against any material part of the properties of the Issuer and is not paid out, withdrawn or discharged within one month;
- (e) if the Issuer stops payment of its debts or ceases or threatens to cease to carry on its business;
- (f) if the Issuer is unable to pay its debts within the meaning of section 214(5) of the Act, or any statutory modification or re-enactment thereof;
- (g) if a receiver is appointed of the whole or any part of the properties of the Issuer and such appointment is certified by the Nominee and Placement Agent to be prejudicial in its opinion to the Registered Investors;
- (h) if an order is made or an effective resolution is passed for winding up of the Issuer, except for the purpose of a reconstruction, amalgamation or division the terms of which have been approved in writing by the Nominee and Placement Agent;
- (i) if the Issuer substantially changes the object or nature of its business as currently carried on;
- (j) if the Issuer commits a breach of any of the covenants or provisions herein contained and on their part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Nominee and Placement Agent (other than any covenant for the payment of interests or principal monies owing in respect of the Global Note);
- (k) if any representation or warranty made, or deemed to be made, or repeated by, or in respect of the Issuer is or proves to have been incorrect in any material respect;
- (l) if any material indebtedness of the Issuer is not paid when properly due, or becomes properly due and payable, or any creditor of the Issuer becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when properly due and the said indebtedness, guarantee or indemnity is called upon. PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €5,000,000 (five million euro);
- (m) if it becomes unlawful at any time for the Issuer to perform all or any of its obligations hereunder;
- (n) if the Issuer repudiates or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Global Note;
- (o) all, or in the sole opinion of the Nominee and Placement Agent, a material part of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Company is seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

Upon any such declaration being made as aforesaid the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due payable at the time of the event which shall have happened as aforesaid.



10. Registration and Replacement of the Participation Notes

- (a) A register of the Participation Notes shall be maintained by the Nominee and Placement Agent at its registered office or at such other place in Malta as the Nominee and Placement Agent may determine, wherein there will be entered the names and addresses of the Participation Noteholders and particulars of the Participation Notes held by them respectively and a copy of such register will at all reasonable times during business hours be open to inspection by Participation Noteholders at the registered office of the Nominee and Placement Agent.
- (b) Any person becoming entitled to a Participation Note in consequence of bankruptcy or winding-up of a Participation Noteholder may, upon such evidence being produced as may from time to time properly be required by the Nominee and Placement Agent, request in writing the redemption and cancellation of such Participation Note followed by the issuance of a new Participation Note of the same amount and may elect either to be registered himself as Participation Noteholder or to have some person nominated by him registered as Participation Noteholder.
All redemptions are subject to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations.
- (c) In the event that any Participation Note represented by certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Nominee and Placement Agent may at its discretion require and in accordance with the Participation Note register, and in the case of wearing out, or defacement, or change of address of the Participation Noteholder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of fifty euro (€50). In case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Nominee and Placement Agent all expenses incidental to the investigation by the Nominee and Placement Agent of the evidence of such destruction or loss and to such indemnity.
- (d) The Nominee and Placement Agent shall be required to provide the Issuer with an updated copy of the register of Participation Noteholders, including extracts therefrom, as may be required by the Issuer from time to time, and the Participation Noteholder shall by entering into the Subscription Agreement relative to the Participation Notes taken up by him be deemed to have given his express, unequivocal and irrevocable consent to the communication of such information to the Issuer.

11. Transferability of the Participation Notes

- (a) The Participation Notes are freely transferable and once registered by the Nominee and Placement Agent, may be transferable in whole for a minimum face value of €50,000 (five thousand euro) and multiples of €1,000 (one thousand euro) thereafter.
- (b) All transfers are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations.
- (c) The cost and expenses of effecting any registration of transfer, 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 person to whom the transfer has been made.
- (d) Any person to whom the transfer has been made shall, upon such evidence being produced as may from time to time properly be required by the Nominee and Placement Agent, request in writing the transfer of such Participation Note from a registered Participation Noteholder and may elect either to be registered himself as Participation Noteholder or to have some person nominated by him registered as Participation Noteholder.
- (e) The Nominee and Placement Agent will not register the transfer of Participation Notes for a period of fifteen (15) days preceding the due date for any payment of interest on the Participation Notes.

12. Meetings of Participation Noteholders

- (a) The provisions of the Prospectus and of the Nominee and Placement Agent Agreement may be amended with the approval of Registered Investors at a meeting called for that purpose by the Nominee and Placement Agent in accordance with the terms hereunder.



- (b) In the event that the Issuer wishes to amend any of the provisions set out in the Prospectus or of the Nominee and Placement Agent Agreement, it shall call upon the Nominee and Placement Agent, in writing, seeking its consent to such amendment or amendments. The Nominee and Placement Agent, prior to granting or refusing such consent, shall call a meeting of Participation Noteholders registered in the Register of Investors as at that date, by giving such Participation Noteholders not less than fourteen (14) days' notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat, including sufficient information on any amendment of the Prospectus or the Nominee and Placement Agent Agreement that is proposed to be voted upon at the meeting and seeking the approval of the Participation Noteholders registered as aforesaid. Following a meeting of Participation Noteholders held in accordance with the provisions contained hereunder, the Nominee and Placement Agent shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Issuer whether its consent to a request of the Issuer is granted or withheld. Subject to having obtained the necessary approval by the said Participation Noteholders in accordance with the terms set out hereunder at a meeting called for that purpose as aforesaid, any such proposed amendment or amendments to the provisions set out in the Prospectus or Nominee and Placement Agent Agreement shall subsequently be given effect to by the Issuer in consultation with the Nominee and Placement Agent.
- (c) For all intents and purposes it is hereby set out that any meeting of Participation Noteholders, including but not limited to meetings held for the purposes set out in paragraphs (a) and (b) above, shall be held in accordance with the provisions of the Nominee and Placement Agent Agreement and the procedure set out below.
- (d) A meeting of Participation Noteholders shall be called by giving Participation Noteholders not less than fourteen (14) days' notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat.
- (e) A meeting of Participation Noteholders 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) Participation Noteholders present, in person or by proxy, representing not less than fifty per cent (50%) in nominal value of the Participation Notes 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 Participation Noteholders present at that meeting. An adjourned meeting shall be held not earlier than five (5) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Participation Noteholders 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.
- (f) Once a quorum is declared present by the Chairman of the meeting (who shall be the person who in accordance with the memorandum and articles of association of the Issuer would chair a general meeting of members of the Issuer), 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 representative shall present to the Participation Noteholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken, including but not limited to why the Terms and Conditions of Issue of the Participation Notes ought to be amended as proposed by the Issuer. The meeting shall allow reasonable and adequate time to Participation Noteholders to present their views to the Issuer and the other Participation Noteholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Participation Noteholders present at the time at which the vote is being taken, and any Participation Noteholders 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.
- (g) The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the Auditors of the Issuer.
- (h) The proposal placed before a meeting of Participation Noteholders shall only be considered approved if at least seventy-five percent (75%) in nominal value of the Participation Noteholders present at the meeting at the time at which the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- (i) Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders of the Issuer shall apply *mutatis mutandis* to meetings of Participation Noteholders.



13. Participation Notes held Jointly

In respect of a Participation Note held jointly by several persons (including but not limited to husband and wife), the joint Participation Noteholders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. In the absence of such nomination and until such nomination is made, the person first named on the register in respect of such Participation Note shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. The Nominee and Placement Agent shall not be bound to register more than three (3) persons as the joint Registered Investors.

14. Participation Notes held Subject to Usufruct

In the respect of a Participation Note 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-a-vis the Nominee and Placement Agent, to be the holder of the Participation Note so held and shall have the right to receive interest on the Participation Note, but shall not, during the continuance of the Participation Note, have the right to dispose of the Participation Note so held without the consent of the bare owner.

15. Governing Law and Jurisdiction

- (a) The Participation Notes and all contractual arrangements arising therefrom are governed by and shall be construed in accordance with Maltese law.
- (b) Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Participation Note shall be brought exclusively before the Maltese Courts and the Participation Noteholders shall be deemed to acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

16. Notices

Notices will be mailed to Participation Noteholders at their registered addresses 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 Participation Noteholder at his/her registered address and posted.