

# **BASE PROSPECTUS**

DATED 23<sup>rd</sup> January 2019

## **EUR 20,000,000 4.5% ASSET (GOLD) BACKED NOTES PROGRAMME**

### **G2G P.L.C.**

a public limited liability company registered under the laws of Malta  
with company registration number C 87768  
and having its registered office at 228, Tower Road, Sliema SLM 1601, Malta

**THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE NOTES TO LISTING ON THE INSTITUTIONAL FINANCIAL SECURITIES MARKET, WHICH MEANS THAT THIS BASE PROSPECTUS HAS BEEN APPROVED BY THE LISTING AUTHORITY AS A BASE PROSPECTUS IN TERMS OF THE PROSPECTUS DIRECTIVE AND THAT THE NOTES ARE IN COMPLIANCE WITH THE LISTING RULES FOR THE WHOLESALE SECURITIES MARKET.**

**APPLICATION WILL ALSO BE MADE TO THE INSTITUTIONAL FINANCIAL SECURITIES MARKET FOR EACH TRANCHE OF NOTES ISSUED UNDER THE PROGRAMME TO BE ADMITTED TO LISTING AND TRADING ON THE INSTITUTIONAL FINANCIAL SECURITIES MARKET.**

### **IMPORTANT INFORMATION**

This Base Prospectus (together with any Supplement published from time to time) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive in respect of all Notes issued under the Programme.

This Base Prospectus has been filed with and approved by the MFSA, acting in its capacity as listing authority under the Financial Markets Act and as the competent authority under the Prospectus Directive. This Base Prospectus will be published in electronic form on the website of the Listing Authority and is also available, in printed form, free of charge, from the registered office of the Issuer and the Agent.

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

This Base Prospectus is to be read and construed in conjunction with any Supplement hereto and any documents that are deemed to be incorporated herein by reference and, with respect to any particular Tranche, also in conjunction with the Final Terms relating to such Tranche.

The Issuer confirms that, to the best of its knowledge and belief (i) this Base Prospectus, supplemented (with respect to any particular Tranche of Notes) with the relevant Final Terms, contains all information with respect to the Issuer and the Notes that is material in the context of the Programme and the issue and offering of the Notes; (ii) the information contained herein in respect of the Issuer and the Notes is accurate in all material respects and is not misleading; (iii) any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; (iv) there are no other facts, the omission of which would make any statement, whether fact or opinion, in this Base Prospectus misleading in any material respect; and (v) all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No broker, dealer, salesman or other person has been authorised by the Issuer to give any information, issue any advertisement or make any representation which is not contained or consistent with this Base Prospectus or any other document produced by the Issuer in relation to the Programme and, if given or made, such information, advertisement or representation must not be relied upon as having been authorised by the Issuer.

All of the Directors whose names appear under Section 5.3 of this Base Prospectus are the persons responsible for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Directors the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect its import, and the Directors have taken all reasonable care to ensure that this is the case. The Directors accept responsibility accordingly.

None of the advisers or any person mentioned in this Base Prospectus, other than the Issuer and its Directors, shall be responsible for the information contained in this Base Prospectus and any Supplement, in any documents incorporated by reference or in any Final Terms, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

All the advisers to the Issuer have acted and are acting exclusively for the Issuer in relation to the Prospectus and have no contractual, fiduciary or other obligation or responsibility towards any other person and will accordingly not be responsible to any investor or any other person whomsoever in relation to the contents of and any information contained in the Prospectus, its completeness or accuracy or any other statement made in connection therewith. Each person receiving this Base Prospectus acknowledges that such person has not relied on any of the advisers in connection with its investigation of the accuracy of such information or its investment decision and each person must rely on its own evaluation of the Programme and the merits and risks involved in the Programme.

This Base Prospectus is not and does not purport to represent investment advice.

The Issuer confirms that information included in the Prospectus in respect of undertakings or obligors or other third parties that are not involved in the issue, has been accurately reproduced from information published by or sourced from the relevant undertaking, obligor or other third party or which is otherwise publicly available. The Issuer further confirms that such information has been accurately reproduced, and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

It is the responsibility of any person in possession of this document to inform themselves of and to observe and comply with, all applicable law and regulations of any relevant jurisdiction. Prospective Applicants for any Notes that may be issued under the Programme should inform themselves as to the legal, tax and investment requirements of applying for any such Notes and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile. Applicants must rely on their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Programme.

This Base Prospectus, together with all Supplements, any documents incorporated by reference and the relevant Final Terms, should be read in their entirety before deciding whether to acquire any Notes. This Base Prospectus is valid for twelve (12) months from the date of publication. This Base Prospectus, any Supplement and any Final Terms reflect their status as at their respective dates of issue.

The Base Prospectus, the Final Terms and/or the offering, sale or delivery of any Notes may not be taken as an implication that (i) the information contained in such documents is accurate and complete subsequent to their respective dates of issue, (ii) there has been no adverse change in the financial condition of the Issuer since such dates or (iii) any other information supplied in connection with the Programme 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.

This Base Prospectus and/or the Final Terms do not constitute, and may not be used for the purposes of an offer, invitation or solicitation to any person (i) in any jurisdiction in which such offer, invitation or solicitation is not authorised, (ii) in any jurisdiction in which any person making such offer, invitation or solicitation is not qualified to do so or (iii) to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Base Prospectus and/or the Final Terms in certain jurisdictions may be restricted and accordingly, persons into whose possession it is received are required to inform themselves about, and to observe, such restrictions.

The Notes will not be registered under the United States Securities Act of 1933, as amended. The Notes may not be offered, sold or delivered within the United States or to U.S. persons (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended). The Notes may only be offered, sold or delivered to, and accepted by, 'qualified investors' (as such term is defined in Section 12 below).

The Notes issued under the Programme will be listed and admitted to trading on the Institutional Financial Securities Market. The Institutional Financial Securities Market is a

'regulated market' for the purposes of MiFID that is authorised and supervised by the MFSA.

**The value of investments can rise or fall and past performance is not necessarily indicative of future performance. If you need advice with respect to the Programme, you should consult a licensed investment adviser.**

The Notes, all the rights and obligations of the Noteholders and the Issuer, and any non-contractual obligations arising out of or in connection with the Notes, shall be governed by and construed in accordance with Maltese law. The Courts of Malta shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, all the rights and obligations of the Noteholders and/or the Issuer, and any non-contractual obligations arising out of or in connection with the Notes. Statements made in this document are (except where otherwise stated) based on the law and practice currently in force in Malta and are subject to changes thereto.

This Prospectus can only be used for the purposes for which it has been published.

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## 1. DEFINITIONS

In the Prospectus, unless the context otherwise requires, the following terms shall have the respective meanings set out below:

<b>Account Bank</b>	Banca Zarattini & Co SA, a company incorporated in Switzerland with registered office at Via Pretorio 1, 6900 Lugano, Switzerland, being a credit institution authorized by the Swiss Financial Market Supervisory Authority (FINMA);
<b>Agency Agreement</b>	the agreement between the Issuer and the Agent dated on or around the date of this Base Prospectus pursuant to which the Agent is appointed as the Issuer's subscription agent, paying agent and calculation agent in respect of the Notes;
<b>Agent</b>	Trident Corporate Services (Malta) Ltd, a company incorporated in Malta with registered office at Orange Point Building, Second Floor, Dun Karm Street, Birkirkara By-Pass, Birkirkara, BKR 9037, Malta, in its capacity as the Issuer's subscription agent, paying agent and calculation agent pursuant to the terms of the Agency Agreement;
<b>Applicant</b>	a person whose name, or persons whose names in the case of joint applicants, appear in the registration details of an Application Form;
<b>Approved Investors</b>	Applicants whose Application Forms have been accepted and approved by the Issuer or the Agent on behalf of the Issuer;
<b>Application Form</b>	the application for subscription of the Notes, copies of which are available from the Issuer or the Agent upon request;
<b>Articles</b>	the memorandum and articles of association of the Issuer in force at the time of approval of this Base Prospectus;
<b>Asset Pool</b>	the Issuer's pool of assets that backs the issue of the Notes, which pool is comprised of the Eligible Assets acquired by the Issuer through the proceeds of issue of Notes and all payments due to the Issuer in respect of the Eligible Assets;
<b>Base Prospectus</b>	this document in its entirety;
<b>Board or Directors or Board of Directors</b>	the directors of the Issuer whose names and addresses are set out under the heading "Board of Directors" in Section 5.3 of this Base Prospectus;
<b>Business Day</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
<b>Central Securities Depository or CSD</b>	the central registration system for dematerialised financial instruments in Malta operated by the MSE (of Garrison Chapel, Castille Place, Valletta VLT 1063, Malta) and authorised in terms of the Financial Markets Act;

<b>Clearstream</b>	Clearstream Banking AG of 60485 Frankfurt am Main, Germany;
<b>Commodity</b>	physically allocated bullion gold bars in formats of one (1) kilo with a fineness of 999.9/100;
<b>Commodity Custodian</b>	Resonor S.A., a company incorporated in Switzerland with registered office at Via Soave, 1 --6900 Lugano, Switzerland;
<b>Commodity Custody Agreement</b>	the Agreement between the Issuer and the Commodity Custodian dated on or around the date of this Base Prospectus pursuant to which the Commodity Custodian is appointed to provide safe deposit box services in respect of the Commodity of the Issuer;
<b>Commodity Spread</b>	in respect of each Tranche and each Note within that Tranche means the percentage difference between the value of the Commodity on the respective Issue Date and the value of the Commodity on the Maturity Date, in each case as such values are determined and made available by the LBMA as at 16:30 London BST of the relevant date;
<b>Companies Act</b>	the Companies Act, Chapter 386 of the laws of Malta;
<b>Condition Precedent</b>	shall have the meaning assigned to the term in Section 8.2;
<b>Custody Agreement</b>	the Agreement between the Issuer and the Eligible Securities Custodian dated on or around the date of this Base Prospectus pursuant to which the Eligible Securities Custodian is appointed to provide custody services in respect of the Eligible Securities of the Issuer, except for the IPW TP Investments;
<b>Eligible Assets</b>	the Commodity and the Eligible Securities;
<b>Eligible Securities Custodian</b>	Zarattini International Ltd, a company incorporated in Malta with registered office at 171, Old Bakery Street, Valletta VLT1455, Malta, being an MFSA licensed custodian in terms of the Investment Services Act;
<b>Eligible Asset Obligor</b>	the obligors of the Issuer in respect of the Eligible Assets acquired and held by the Issuer from time to time;
<b>Eligible Investors</b>	persons who are 'qualified investors' (within the meaning given in Section 12 below), and that are not "U.S. persons" (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) and who are not subscribing, acquiring or accepting the Notes from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
<b>Eligible Securities</b>	the securities and other assets in which the Issuer is permitted to invest in accordance with Section 6.5 of this Base Prospectus;
<b>EUR, Euro or €</b>	the lawful currency of the Eurozone, being the region comprised of Member States of the European Union that have and continue to adopt the single currency in accordance with the Treaty establishing



	the European Community, as amended by the Treaty on European Union and by the Treaty of Amsterdam;
<b>Event of Default</b>	each event specified as an event of default in Section 9.15;
<b>Final Terms</b>	the final terms applicable to a Tranche that will be published by the Issuer from time to time in the form set out in Section 10 to this Base Prospectus;
<b>Financial Markets Act</b>	the Financial Markets Act, Chapter 345 of the laws of Malta;
<b>Income Tax Act</b>	the Income Tax Act, Chapter 123 of the laws of Malta;
<b>Institutional Financial Securities Market or IFSM</b>	the Institutional Financial Securities Market, a 'regulated market' for the purposes of MiFID that is authorised and supervised by the MFSA;
<b>Interest Payment Date</b>	such date/s of each year (between and including the years 2019 and 2024, or if any such date is not a Business Day, the next following day that is a Business Day) on which interest payable on the Notes shall be paid, which Interest Payment Date/s shall be the same for, and indicated in the Final Terms of, each Tranche;
<b>Interest Rate</b>	Four point five per cent (4.5%) per annum;
<b>Investment Services Act</b>	the Investment Services Act, Chapter 370 of the laws of Malta;
<b>Interest Commencement Date</b>	the Issue Date;
<b>IPW TP</b>	the Integra Private Wealth Treasury Platform, as described in Section 6.5 of this Base Prospectus;
<b>IPW TP Investments</b>	the investments of the Issuer made through the IPW TP from time to time;
<b>Issue Date</b>	the issue date of a Tranche, which shall be indicated in the Final Terms for that Tranche;
<b>Issue Price</b>	the issue price of a Note under any Tranche, which shall be the Nominal Value per Note;
<b>Issuer</b>	G2G p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 87768 and having its registered office at 228, Tower Road, Sliema SLM 1601, Malta;
<b>LBMA</b>	the London Bullion Market Association or any successor thereof;

<b>Listing Agent</b>	Zeta Corporate & Management Services Limited, a company incorporated in Malta with registered office at 56, Ground Floor, Europa Centre, St. Anne Street, Floriana FRN9011, Malta, in its capacity as the listing agent appointed by the Company in respect of the Notes;
<b>Listing Authority</b>	the MFSA, acting in its capacity as Listing Authority in terms of the Financial Markets Act;
<b>Listing Rules</b>	the Listing Rules issued by the Listing Authority for the Wholesale Securities Market issued by the Listing Authority;
<b>MFSA or Malta Financial Services Authority</b>	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
<b>MSE</b>	Malta Stock Exchange p.l.c., as originally constituted by the Financial Markets Act, bearing company registration number C42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Manager</b>	Integra Private Wealth Limited, a company incorporated in Malta with registered office at 228, Tower Road, Sliema SLM 1601, Malta, in its capacity as discretionary portfolio manager appointed by the Company in respect of the portfolio of Eligible Securities comprised in the Asset Pool;
<b>Management Agreement</b>	the agreement between the Issuer and the Manager dated on or around the date of this Base Prospectus pursuant to which the Manager is appointed as discretionary portfolio manager in respect of the Eligible Securities of the Issuer;
<b>Maturity Date</b>	the maturity date of all the Notes issued under the Programme, which maturity date shall be the same for, and indicated in the Final Terms of, each Tranche;
<b>MiFID</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;
<b>Money Market Instruments</b>	any securities that at the time of acquisition by the Issuer have an initial or remaining maturity which does not exceed 397 days;
<b>Nominal Value</b>	in respect of each Note (under each Tranche) €100,000;
<b>Noteholder/s</b>	any holder/s of the Notes from time to time, as evidenced by an electronic entry in the register of Notes held by the CSD;

<b>Notes</b>	the asset backed notes issued by the Issuer under the Programme;
<b>Operating Account</b>	the Issuer's operating account with the Account Bank;
<b>Programme</b>	the €20,000,000 4.5% asset (gold) backed note programme to which this Base Prospectus relates and under which the Notes will be issued;
<b>Professional Advisor</b>	PricewaterhouseCoopers, of 78 Mill Street, Qormi QRM3101, Malta;
<b>Professional Advisor Agreement</b>	the agreement entered into by the Issuer and the Professional Advisor dated on or around the date of this Base Prospectus whereby the Professional Advisor agreed to provide the services and exercise the rights and authorities described in Section 7.1 in representation of the interests of the Noteholders;
<b>Prospectus</b>	this Base Prospectus in its entirety, together with any Supplements and the relevant Final Terms for each issue of Notes;
<b>Prospectus Directive</b>	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 amended from time to time by various instruments, including by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010);
<b>Prospectus Regulation</b>	the 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 from time to time by various instruments, including 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. 2016/301 of 30 November 2015), including 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;
<b>Regulated Market</b>	any stock exchange or other regulated market (including a multilateral trading facility) which operates regularly and which is recognized and is open to the public, and which is located in a Member State of the European Union (EU) or of the European Economic Area (EEA) or a country which is a member of the Organisation for Economic Cooperation and Development (OECD);

<b>Redemption Payment</b>	the payments out of the Notes to be received by Noteholders upon maturity, consisting of the Redemption Value and which may also consist (depending on the Final Terms of the relevant Tranche) of the last interest payment;
<b>Redemption Value</b>	such part of the Redemption Payment which represents the return of principal (as the same may have increased or decreased as a result of the Commodity Spread as set out in Section 9.9), excluding, for the avoidance of doubt, such part of the Redemption Payment which represents interest;
<b>Securities Account</b>	the Issuer's securities account with the Eligible Securities Custodian;
<b>Series</b>	the single series of Notes to be issued by the Issuer under the Programme, which shall be made up of one or more Tranches;
<b>Subscription Account</b>	the Issuer's subscription account with the Account Bank;
<b>Supplement</b>	any supplement to this Base Prospectus which may be issued from time to time by the Issuer;
<b>Terms and Conditions</b>	the terms and conditions applicable to each Tranche that are described in Section 9, as completed or supplemented by the Final Terms for the relevant Tranche and other relevant terms of this Base Prospectus;
<b>Tranche</b>	each tranche of the single Series of Notes issued by the Issuer under the Programme in accordance with the provisions of this Base Prospectus (as may be amended, supplemented and updated from time to time) and the applicable Final Terms, each tranche being identical in all respects, except for the Issue Date and/or Interest Commencement Date and/or Commodity Spread (in the latter case, depending on the value of the Commodity on the respective Issue Date of such Tranche).

A reference to a "person" in the Prospectus includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.

A reference in the Prospectus to a provision of law is a reference to that provision as amended or re-enacted.

References in the Prospectus to a company or entity shall be deemed to include a reference to any successor or replacement thereto.

## **2. RISKFACTORS**

### **2.1 General**

AN INVESTMENT IN THE NOTES ISSUED BY THE ISSUER INVOLVES CERTAIN RISKS INCLUDING BUT NOT LIMITED TO THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE ISSUER AND THE 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 A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS, TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE NOTES AND/OR ON THE VALUE, YIELD, MARKETABILITY, REPAYABILITY AND OTHER CHARACTERISTICS OF THE NOTES.

THE RISKS AND UNCERTAINTIES DESCRIBED BELOW ARE THOSE THAT THE DIRECTORS BELIEVE TO BE MATERIAL AS AT THE DATE HEREOF, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES OR AFFECTING THE NOTES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF OR DO NOT DEEM MATERIAL, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER, ON THE NOTES OR ON THE NOTEHOLDERS' RIGHTS THEREUNDER. ACCORDINGLY PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CAREFULLY READ, CONSIDER AND UNDERSTAND ALL OTHER SECTIONS IN THIS DOCUMENT AND IN THE PROSPECTUS BEFORE INVESTING. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISKS MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

NEITHER THIS BASE PROSPECTUS, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR ANY OF ITS ADVISORS OR THE LISTING AGENT THAT ANY RECIPIENT OF THIS BASE PROSPECTUS OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY NOTES.

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.

## **2.2 Forward-looking statements**

This document includes statements that are or may be deemed to be “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including but not limited to the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are based purely on the intentions, beliefs or current expectations of the Issuer and/or the Directors. There can be no assurance that the results and events contemplated by the forward-looking statements contained herein will occur.

Forward-looking statements, by their very nature, involve substantial uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, many of which are beyond the Issuer’s control. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The value, yield, marketability, repayability and other matters affecting the Notes and the Issuer’s actual results of operations and financial condition may, as a result of many different factors, differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if these matters affecting the Notes and/or the results of operations and financial condition of the Issuer are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Subject to its legal and regulatory obligations (including those under the Listing Rules), the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

## **2.3 Risks Relating to the Issuer and its Business**

### **Special Purpose Entity and Limited Operating History**

The Issuer was established under the laws of Malta with the special corporate purposes and objects of issuing, allotting and selling shares, debentures, asset backed securities or other securities of the Company, and to buy, sell, hold or otherwise deal in, directly or indirectly, or provide services in respect of precious metals, including the Commodity, as well as securities, including the Eligible Securities.

The Issuer was incorporated on the 10<sup>th</sup> of August 2018 and therefore has a limited operating history that can be evaluated as a basis for the Issuer’s potential performance.

### **Limited Source of Funds / Returns for Payments to holders of Securities**

The Issuer is a relatively low capitalised company and is not expected to have any assets other than the Eligible Assets in the Asset Pool and payments and returns received by the Issuer in respect of, or out of its operations in connection with, the said Eligible Assets. There can be no assurance that there will be sufficient funds and/or returns and profits received or available to the Issuer to enable the Issuer to make

payments due under the Notes, in whole or in part. This risk is further aggravated if there are other creditors of the Issuer, whose debts must be satisfied out of the same payments and assets, especially if their claims against the Issuer are secured over such assets or payments or otherwise rank in priority to those of Noteholders.

As seen elsewhere in (particularly in Section 5 of) this Base Prospectus, the Issuer expects to generate returns on or with respect to the Eligible Assets out of three main sources, namely:

- (a) the discounts offered to it by, and under its arrangements from time to time with, its Commodity suppliers on the acquisition price of the Commodity, but such discount arrangements are not guaranteed indefinitely in terms of the discount amount (which may vary from time to time), and furthermore they are not guaranteed in time in that such arrangements may typically be terminated by any of the parties thereto (even unilaterally by the respective Commodity supplier), all of which may negatively affect the Issuer's expectations of the amount and continuity of the relevant return expected to be made through such discounted acquisition price, especially for acquisitions of the Commodity to be made with the proceeds of the second and subsequent Tranches and/or with returns received from time to time on or with respect to the Eligible Assets;
- (b) the fees paid by the Commodity usufructuaries' or borrowers to the Issuer in respect of the temporary usufructs or loans of the Commodity made to them from time to time, but one cannot anticipate with certainty the extent of the Commodity within the Asset Pool that will be in demand for such usufructs or loans nor the extent of the consideration and profit to be made out of such usufructs or loans during the whole maturity term of the Notes; and
- (c) the payments and returns to be received from and in respect of the Eligible Securities, which are however subject to market risks, credit risks, counterparty risks and other risks typically associated with such investments and returns therefrom (including, without limitation, those set out herein below).

### **No Current Income**

The Issuer's investment policies should be considered speculative as there can be no assurance that the Issuer's investments in Eligible Assets will generate a return sufficient for the Issuer to meet its obligations to Noteholders.

### **Concentration Risk**

Concentration risk may arise because of lack of diversification in the Issuer's business or investments that may lead to excessive exposure to or concentration in one or a group of asset class/es, sector/s and/or counterparty/ies. The Issuer operates as a special purpose entity and the Issuer's investments are not materially diversified. The Commodity is expected to constitute its substantial investment, at least for the foreseeable future. This means that the Issuer's financial position and its ability to meet its obligations to Noteholders will be heavily dependent on the future price movements

of the Commodity as well as on the Issuer's ability to generate profit from its operations in respect of the Commodity.

### **Gold Sector Risk**

The price of gold (and consequently also of gold operations companies) may fluctuate substantially over short periods of time. The price of gold is affected by such factors as: (1) how much of the worldwide supply is held by large holders, such as governmental bodies and central banks; for example, if Russia or another large holder decided to sell some of its gold reserves, the supply would go up, and the price would generally go down; (2) unpredictable monetary policies and economic and political conditions in countries throughout the world; and (3) demand for gold bullion as an investment, including in bar form and underlying assets for exchanged-traded funds and other investment vehicles.

In times of significant inflation or great economic uncertainty, traditional investments such as bonds and stocks may not perform well. In such times, gold and other precious metals have historically maintained their value as hard assets, often outperforming traditional investments. However, in times of stable economic growth, traditional equity and debt investments could offer greater appreciation potential and the value of gold and other precious metals may be adversely affected, which could in turn affect the Issuer's returns.

Apart from the market risk due to the inherent volatility of gold's price, the gold sector is greatly affected by political risk resulting from: (1) the possibility that governments might sequester gold holdings as has happened from time to time; (2) the possibility that trading and settlement of gold and precious metal transactions can be limited by the state or suspended in the interest of public safety; (3) export and import restrictions, unrest, international sanctions, etc.

Furthermore, precious metals are produced predominantly in emerging economies. The political, legal and economic situation of such countries is generally less stable than that of developed countries and may be subject to rapid and unexpected changes.

All of the above may impact negatively on the value of the Issuer's assets and investments and returns from its operations relating to gold and will have a direct impact on the return to be made by Noteholders on maturity, which is in turn materially dependent and affected by the Commodity Spread, except for the yearly interest which is calculated on the Nominal Value.

### **Interest Rate Risks and Fixed Income Securities Risks**

The Issuer will invest in fixed income debt securities as a substantial part of the Eligible Securities. These may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Price changes in fixed-interest securities are influenced predominantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. Fixed-interest securities could suffer in value and liquidity when capital market



interest rates rise, while they could increase in value and liquidity when capital market interest rates fall.

The price changes also depend on the term or residual time to maturity of the fixed-interest securities. In general, fixed-interest securities with shorter terms have less price risks than fixed-interest securities with longer terms. However, they generally have lower returns and, because of the more frequent due dates of the securities portfolios, involve higher re-investment costs. Furthermore, fixed-income securities investments are also subject to risks associated to the issuers of such securities, primarily credit and counterparty risks.

### **Market risk**

The Eligible Assets of the Issuer are or may be subject to normal market fluctuations and price volatility and the risks inherent in the international gold and commodity markets and those inherent in investments in international securities markets (as applicable). There can be no assurance that these assets will appreciate in value or will not depreciate in value or produce the expected returns necessary for the Issuer to meet its obligations to the Noteholders.

### **Credit risk**

This is the risk arising from an Eligible Asset Obligor's or debtor's failure to meet a commitment that it has entered into and agreed with the Issuer, including possibly: (i) the failure by Commodity suppliers to deliver the Commodity acquired by the Issuer on the agreed delivery date; (ii) the failure by Commodity usufructuaries and borrowers to return an equivalent amount of Commodity of the same quantity or other payment obligations upon termination of the respective Commodity usufruct / loan and/or to pay fees due; or (iii) the failure by the issuers of Eligible Securities to honour their interest or principal re/payment obligations towards the Issuer under such Eligible Securities. Such risks will not typically be insured by or in favour of the Issuer, although it is not excluded that the Issuer may in future take out insurance or be named as beneficiary on any relevant insurance policy taken out by Commodity suppliers or usufructuaries' / borrowers. Any default or inability of obligors or debtors to pay amounts due to the Issuer may result in the inability of the Issuer to meet its obligations, in whole or in part, to the Noteholders under the Notes and its other creditors. The payment and other obligations of Eligible Asset Obligors towards the Issuer are typically not secured.

### **Contingent credit risk**

In case of financial distress, acts of negligence, gross negligence or otherwise misconduct by any of its business counterpart, including but not limited to its employees, contractors and service providers (including all service providers acting in connection with any transactions mentioned in this Prospectus) and Eligible Asset Obligors, the Issuer may fail to receive due reimbursement and/or compensation. Furthermore, such reimbursement and/or compensation, if any may be sought, would be subject to legal process risk, counterparty credit risk timing risk and other imponderabilia.

## **Liquidity risk**

The Issuer is also subject to liquidity risk, which is the risk that the Issuer may encounter difficulty in raising funds to meet financial commitments and may be unable to meet its obligations as they become due. The ability of the Issuer to meet its obligations in respect of the Notes is dependent on, inter alia, the timely payment of any amounts due to it under the Eligible Assets. Any delay in payments due to the Issuer under the Eligible Assets as aforesaid could result in a delay in payments due by the Issuer to the Noteholders. Liquidity risk may also result from an inability of the Issuer to realise a financial asset quickly at a price close to its fair value to finance its payment obligations.

## **Currency risk**

The investments of the Issuer may be denominated in a currency different to the currency of the Notes, namely the Euro. Should the Issuer invest in Eligible Assets that are denominated in a currency other than Euro, the Issuer may be subject to, and its ability to meet its obligations in respect of the Notes affected adversely by, exchange rate movements.

## **Dependence on the Board of Directors**

The Issuer has not appointed and is not considering to appoint a manager or other outside service provider to manage the Eligible Assets and operations and transactions in such Eligible Assets, save for the Eligible Securities (in respect of which the Issuer has appointed the Manager to provide discretionary portfolio management). The selection, negotiation, finalization and management of such assets (principally the Commodity) and transactions, operations and rights therein or in respect thereof will therefore be carried out by the Board of Directors, apart from their responsibility for the general management of the Issuer's affairs. Such management activities of the Board of Directors will therefore have a significant effect on the ability of the Issuer to meet its obligations to Noteholders.

## **Failure of Service Providers**

The Issuer is reliant on its service providers who have agreed to provide the Issuer with a number of services, including services with respect to Notes and payments to be made thereunder and the listing thereof, as well as the services of the Manager in respect of the selection and management of the Eligible Securities. Failure of any service provider to carry out its obligations to the Issuer could have a materially detrimental effect on the operations of the Issuer and potentially its ability to meet its obligations to the Noteholders or on the rights of such Noteholders.

Furthermore, the Commodity will be held in safekeeping by the Commodity Custodian under safe deposit box arrangements in its vaults. Whilst such safe boxes and vaults will be subject to standard safety measures, such as safety locks and alarm systems, the Commodity, by its very nature, will always be subject to the risk of theft or other security risks. Furthermore the anonymous nature of the safe custody arrangements creates an accounting and probative risk in the sense that the absence of an ongoing independent technological or third party system or arrangement of checking and confirming the amount of Commodity in the safe deposit box

at any point in time, increases the risk of accounting errors in recording the Commodity's inflows and outflows (for example when loaned to and returned by a Commodity Usufructuary) as well as the risk of credibility in proving the actual amount of Commodity stolen or misplaced (where applicable). The Professional Advisor will make a reconciliation of the amount of Commodity acquired, sold, loaned or returned, but only on a yearly basis.

### **Commodity Custodian**

The financials and the operational standards of the Commodity Custodian have not been reviewed, assessed or otherwise verified in connection with the transactions of the Issuer mentioned herein.

In case of financial distress, bankruptcy or otherwise dissolution of the Commodity Custodian and misattribution of the Issuer's assets in storage, the Commodity may become object of competing claims by third party creditors.

### **Operational risk**

This risk covers the losses arising from inadequate or failed internal processes and systems, the inability to retain key personnel, acts of negligence, gross negligence or otherwise misconduct by employees, and also by Eligible Asset Obligors, contractors and service providers (including, but not limited, the Manager and the Commodity Custodian) and unforeseen external events. The Issuer also takes into consideration reputational risk. Such operational risks include incurring direct or indirect loss due to inadequate or inoperative internal control processes, staff errors, and/or illegal actions, IT system failures or external factors.

### **Regulatory risk**

This risk arises from a failure or inability to comply fully with the laws or regulations applicable to the Issuer. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate (where applicable).

### **External Factors**

The Issuer is subject to certain risks inherent in the economy in general and other external factors which are beyond its control, including but not limited to changes in economic conditions and/or interest rates, business cycles, inflation, volatility in financial markets and increased competitive pressure in the financial services sector. The returns on the assets of the Issuer (out of which payments to Noteholders are to be made) may also be adversely affected by the political, social and economic climate in any relevant country.

### **Taxes on Assets**

Payments to and proceeds received by the Issuer in respect of any of its assets may be subject to withholding or other taxes. Such taxes, and changes thereto from time to time, may have a material bearing on the Issuer's profitability and its capacity to honour its payment and other commitments in terms of the Notes.

## **2.4 Risks Relating to the Notes**

### **General**

The value of investments can go up or down and past performance is not necessarily indicative of future performance.

### **No Assurance of Active Secondary Market for the Notes**

There is currently no market for the Notes and, notwithstanding that the Notes shall be admitted to listing and trading on the IFSM, there can be no assurance that any secondary market for the Notes will develop or, if a secondary market does develop, that it will provide Noteholders with sufficient liquidity of investment or that it will continue for the life of the Notes.

Even if a secondary market for the Notes does develop, it is not possible to predict the prices at which the Notes will trade in such secondary market.

The Issuer is under no obligation to make a market in the Notes. Therefore, Noteholders may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

No assurance is given that the Notes shall remain listed indefinitely.

A lack of liquidity in the secondary market for the Notes may have a severely adverse effect on the market value of Notes and may result in Noteholders: (i) being unable to sell their Notes on the secondary market, or (ii) receiving less than the initial price paid for the Notes.

The liquidity of such Notes may also be affected by other risk factors, including those affecting the underlying Asset Pool and also by restrictions on offers and sales of such Notes in some jurisdictions.

### **No Assurance of Future Price Level of Notes**

The Issuer cannot provide any assurance as to the future price level of the Notes. The Notes may trade at a discount or premium from their initial issue price. In addition to the Issuer's creditworthiness, many other factors may affect the trading market for, and market value of, the Notes. These factors include: general economic conditions; the existence or materialization of risks affecting the Asset Pool; the time remaining to maturity; redemption or repayment features; and the level, direction and volatility of market interest rates generally.

### **Notes are Fixed Income Securities**

The Notes are fixed rate notes, and accordingly they are subject to interest rate risks and risk associated with fixed income securities – see the risk factor titled “Interest Rate Risks and Fixed Income Securities Risks” above.

## **Repayments Linked to Market Value of Commodity**

As noted above, the component of the Redemption Payment consisting of the Redemption Value will be the Nominal Value paid by Noteholders upon subscription of the Notes adjusted by the Commodity Spread. This means that whilst Noteholders will receive a fixed interest of 4.5% on the Nominal Value initially paid by them, they will in effect bear the risk of any decline in the price of gold since they subscribed to the Notes, and at the same time they will also take the benefit of any increase in price of gold since such initial subscription. This means that the total return made by Noteholders on their holding may be less than 4.5% of the Nominal Value paid by them and, depending on the volatility in the price of gold, they may in the end receive a total return which is less than the Nominal Value which they originally invested.

## **Notes not Secured or Guaranteed**

The obligations of the Issuer under the Notes will not be guaranteed or secured, and Noteholders will not have a lawful right of preference to get payment out of assets of the Issuer over other creditors.

This risk is further aggravated if there are other creditors of the Issuer, whose debts must be satisfied out of the same assets, especially if their claims against the Issuer are secured over such assets or otherwise rank in priority to those of Noteholders. Whilst the Issuer is undertaking, under the negative pledge given under the Terms and Conditions under Section 9, not to create any security interests in favour of third parties over the Asset Pool acquired through the proceeds of issue of the Notes until the Notes have been repaid, such security interests may be created by operation of law and/or without active participation and beyond the control of the Issuer. Creditors ranking with a higher priority compared to the Noteholders may include tax authorities, including but not limited to the Maltese tax authorities, other creditors preferred by operation of law and the service providers of the Issuer with respect of the fees due to them by the Issuer.

Furthermore, it should be noted that such negative pledge is only an undertaking by the Issuer, and does not itself constitute a security interest, and should the negative pledge be breached by the Issuer, a security interest made or granted in favour of a *bona fide* third party in breach of such negative pledge of the Issuer may still be valid in terms of law.

## **Credit Risk and Issuer Default**

This is the risk for the Noteholders that the Issuer may default on its obligation or be unable to pay the Redemption Payment upon the Maturity Date. Any amount received by Noteholders in such circumstances may be less (even substantially less) than the Redemption Payment and less (even substantially less) than their initial investment.

This default may be occasioned by various factors, most notably by the illiquidity or fluctuations in value of the Eligible Assets and also by the default or inability of the Eligible Asset Obligors or other debtors of the Issuer to make payments due.

Changes in the perceived ability of the Issuer or of the issuers of the Eligible Assets to make payments under the Notes or (as the case may be) under the Eligible Assets, or in the perceived solvency or financial condition of the Issuer or the issuers of the Eligible Assets may also affect the respective security's or asset's market value.

### **No rating**

The Issuer does not intend to request any rating of the Notes, whether by an internationally recognized rating agency or otherwise.

The lack of a rating may adversely affect the transfer of the Notes.

### **Discontinuation of Listing**

Even after the Notes are admitted to trading on the IFSM, the Issuer is required to remain in compliance with certain on-going requirements in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Notes if, inter alia, it determines that such action is required for the protection of investors or of the integrity or reputation of the market. The Listing Authority may also discontinue the listing of the Notes on the IFSM. Any trading suspension or listing discontinuation described above could have a material adverse effect on the liquidity and value of the Notes.

### **Custody and Institutional Risk**

Default or insolvency of any entity responsible for the safekeeping of the Eligible Assets of the Issuer may result in the risk of not being able to receive all the assets held by such entity on behalf of its clients, should the former fail in its obligation to properly segregate clients' assets or should such proper segregation not be supported by the laws of the relevant jurisdiction.

### **General Tax and Legal Risks**

No assurance may be given that the manner in which the Notes and the Eligible Assets and the holding of such Eligible Assets have been structured or are held will be tax efficient for any particular Noteholder.

Noteholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp duties or any other kind of tax on payments, proceeds or gains (whether or not realized) which are received or made or deemed to be received or made by them from the Notes, according to the laws and practices of the country where the Notes are issued, purchased, sold, held or redeemed and/or in the country of residence or nationality of the Noteholder.

The tax consequences to the Issuer and/or any Noteholder are subject to adverse change through legislative, judicial, administrative or regulatory action in the various applicable jurisdictions. There can be no guarantee that income tax and other fiscal legislation and laws or regulations governing the Issuer's and/or any Noteholder's operations and investments will not be changed in a manner that may adversely affect the same. The

effect of such changes, while impossible to predict, could be substantial and adverse. The terms and conditions of the Notes offered pursuant to the Prospectus are based on the law and practice currently in force in Malta and are subject to changes therein. 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.

### **Liability for the Notes**

The Notes are an obligation of the Issuer only and do not establish any liability or other obligation of any other person mentioned in this Base Prospectus including but not limited to the Listing Agent, the Agent, the Manager, the Eligible Securities Custodian, the Account Bank and/or any of the Issuer's other service providers.

### **Information Regarding the Underlying and the Respective Issuers**

The Issuer confirms that information included in the Prospectus in respect of undertakings or obligors or other third parties that are not involved in the issue has been extracted from information published or made available by the said respective entities or is otherwise publicly available. The Issuer confirms that such information has been accurately reproduced. No further or other responsibility in respect of such information is accepted by the Issuer. The Issuer has not separately verified such information. Accordingly, other than as stated above, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by the Issuer as to the accuracy or completeness of the information concerning such third parties.

### **3. PERSONS RESPONSIBLE**

All of the Directors, whose names appear under the heading “Board of Directors” in Section 5.3 of this Base Prospectus, are the persons responsible for the information contained in this Base Prospectus and accept responsibility therefor.

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 document 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. LISTING AGENT AND STATUTORY AUDITORS**

### **Listing Agent**

Zeta Corporate & Management Services  
56, Ground Floor, Europa Centre, St. Anne Street, Floriana FRN9011, Malta

### **Statutory Auditors**

PWC Malta, of 78 Mill Street, Qormi QRM3101, Malta, have been appointed as the Issuer's statutory auditors until the next general meeting of the Issuer. PWC Malta, is a firm of certified public accountants, holding a warrant to practice the profession of accountant and a practising certificate to act as auditors in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta). PWC Malta is a registered audit firm with the Accountancy Board of Malta with registration number AB/26/84/38.

PWC Malta has also been appointed as the Professional Advisor to perform the services set out in Section 7.1 in representation of the interests of the Noteholders, which services are deemed to be compatible with those of the auditors. Furthermore, the choice and appointment of PWC Malta in the capacity of Professional Advisor is deemed to ensure their independence in carrying out the respective functions.

## **5. THE ISSUER**

### **5.1 Information about the Issuer:**

Legal & Commercial Name: G2G p.l.c.

Place of Registration and Domicile: Malta

Registration number: C87768

Legal Form: Public limited company established under the Companies Act

Date of Incorporation: 10 August 2018

Duration: Indefinite

Legislation under which the Issuer operates: Maltese law

Registered Address: 228, Tower Road, Sliema SLM 1601, Malta

Phone Number: +356 21 338831 // +356 21 338832

Fax Number: +356 21 310452

Email address: info@integra-pw.com

### **5.2 Business Overview:**

The Issuer was established under the laws of Malta with the special corporate purposes and objects of, and its business involves or may from time to time involve, the issuing, allotting and selling shares, debentures, asset backed securities or other securities of the Company, and to buy, sell, hold or otherwise deal in, directly or indirectly, or provide services in respect of precious metals, including the Commodity, as well as securities, including the Eligible Securities.

### **5.3 Administrative, Management and Supervisory Bodies**

#### **Board of Directors**

The Board of Directors of the Issuer must consist of a minimum of two (2) members and a maximum of seven (7) members, who do not need to be shareholders of the Issuer. The Directors must retire from office at each annual general meeting of the Issuer. Directors are normally appointed by ordinary resolution of the Issuer and are in each case appointed for a term until the dissolution of the next annual general meeting of the Issuer. A retiring Director shall be eligible for re-election or re-appointment.

The Board of Directors is in charge of the administrative, management and supervisory functions within the Issuer.

As at the date of this Base Prospectus, the Board of Directors of the Issuer is composed of the following persons, whose business address is that of the Issuer:

- Claudio Fioresta, who is also the Chairman of the Board, of B2B Smart Ltd Office 90, 2 London Bridge, SE1 2SX, London, United Kingdom

Claudio Fioresta was born in 1983 in Catanzaro, Italy and after secondary school he continued his studies in Bologna, Italy, at the Alma Mater Studiorum University, achieving the Degree in Communications in 2005 and the Magistral Degree in Social, Public and Politics

Communication in 2007. Claudio Fioresta completed his studies attending the MSc in Marketing Management at the European School of Economics in Milan in 2008-9.

Claudio Fioresta moved to London in 2009 and started working as Marketing Manager in St Mathew eAccounting. Today, he is one of the founding partners of a successful tax consultancy company based in London, that was incorporated in 2010. Having a good understanding of business environments, business management, accounting and trading dynamics, Claudio Fioresta entered the market of the commodities in 2013, with particular focus on Gold and Fuel products. After developing a strong business relationship with Swiss gold merchants in Switzerland, Claudio Fioresta gained a comprehensive knowledge of the gold chain of production and distribution and has acted as exclusive agent for the international market for a Swiss gold merchant since 2015.

Having a good insight of the market, Claudio Fioresta has fast access to profitable business opportunities in the gold sector.

- Francesco Cellerini, director, of FC Trading and Consulting Ltd Office 90, 2 London Bridge, SE1 2SX, London, UK

Francesco Cellerini was born in Firenze, Italy, in 1977 and completed his studies at the ITIS A. Meucci in Firenze in 1997. After gaining experience in the operations management in several companies, Francesco Cellerini approached the sector of commodities, becoming the managing director of the company Azzurra Srl in 2007, a company involved in the field of renewable energy. Francesco Cellerini started working in the physical commodities sector in 2012, cooperating closely with a Czech fuel trading company and developing a deep knowledge of the physical commodities environment as well as the international trading regulations.

Since 2014, Francesco Cellerini works closely with B2B Smart Ltd for the trading of both fuel products and physical gold, taking care of the operational side of the business. Mr Cellerini's skills and competencies add an important value in the operative stage of any trade or acquisition and in drafting business plans for expansion in the gold sector.

## **No Committees**

The Board of Directors has not established any committees.

The primary purpose of an audit committee is to protect the interests of the company's shareholders and assist the Directors in conducting their role effectively. As the Issuer's shareholders are private stakeholders (and not investors in the Notes being offered pursuant to the Prospectus), and since the Issuer falls within the definition of 'small and medium sized enterprise' as defined in the Prospectus Directive, and also given the size, nature and (lack of) complexity of the Issuer's business, the Directors have determined that it is not necessary, appropriate or feasible to establish an audit committee. The functions normally assigned to an audit committee as referred to and in terms of the Listing Rules will be performed by the Board of Directors as a whole.

## **Employees**

As at the date hereof, the Issuer has no employees.

## **5.4 Share Capital and Major Shareholders and Organizational Structure**

As at the date of this Base Prospectus, the authorised and issued share capital of the Issuer is forty-six thousand, five hundred and eighty-eight Euro (€46,588) divided into forty-six thousand, five hundred and eighty-eight (46,588) ordinary shares of one Euro (€1) each, fully paid up and subscribed as follows:

- i. as to the 46,000 shares by B2B Smart Ltd, a company registered under the laws of the United Kingdom, with Company Registration number 8315685 and with registered office at Office 90 2 London Bridge Walk, London, England, SE1 2SX
- ii. as to the remaining 588 shares, by Stefano Pecci, of Via Cantonale 28, 6818 Melano, Switzerland, holder of Italian Passport number YA5246313.

Resolutions on most matters at general meetings (including the appointment or removal of directors) are passed by simple majority of votes, through ordinary resolutions, except where an extraordinary resolution (requiring the vote of 75% in nominal value of the shares represented and entitled to vote at the meeting and at least 51% in nominal value of all the shares entitled to vote at the meeting) is expressly required by the Articles or by any mandatory provision of the Companies Act. Matters requiring an extraordinary resolution at general meetings in terms of the Companies Act include amendments to the Articles and a resolution for the dissolution of the Issuer, and matters requiring such an extraordinary resolution in terms of the Articles would include those in respect of which all the Directors of the Issuer are unable to vote in terms of conflicting interests, where the Articles vests power to the general meeting to resolve on such matters.

B2B Smart Ltd has sufficient voting powers to pass, on its own, both ordinary and extraordinary resolutions at general meetings of the Issuer, and controls the Issuer.

B2B Smart Ltd was incorporated on 3 December 2012 and its business mainly consists of acting as agents in the sale of fuels, ores, metals and industrial chemicals and management consultancy activities other than financial management.

As at the date of this Base Prospectus the Issuer has no subsidiaries and is itself a subsidiary company of B2B Smart Ltd which in turn does not form part of a group except that existing between itself as parent undertaking and the Issuer as subsidiary undertaking.

## **5.5 Potential Conflict of Interest of Directors / Shareholders**

As at the date of this Base Prospectus:

- (i) Mr. Claudio Fioresta, who is a director of the Issuer, is also the sole shareholder

and director of B2B Smart Ltd, which is in turn the majority shareholder of the Issuer; and

- (ii) Mr. Francesco Cellerini, who is a director of the Issuer, works closely and has business relationships with the said B2B Smart Ltd.

The above involvements may create conflicts of interests, particularly should there be circumstances where it would be necessary or desirable for the Issuer to take any measures or actions or to enforce any rights against or involving B2B Smart Ltd, although this is not envisaged under the current structure of the issue of the Notes. Potential conflicts of interest situations regarding Board members are specifically regulated by the Companies Act and by Article 23 of the Articles of Association, pursuant to which a Director is required to declare his interest in any contract, arrangement or transaction which is being discussed by the Board, and such Director shall also be precluded from voting on any such contract, arrangement or transaction except where such interest arises solely from the fact that he holds the office of Director of the Issuer and/or is the holder of or is otherwise interested in shares, debentures or other securities of the Issuer and/or is a director or other officer of a parent or subsidiary undertaking of the Issuer or of a subsidiary undertaking of the parent undertaking of the Issuer, and except in other circumstances specified in the Articles. Moreover, the minutes of Board meetings will invariably include a suitable record of such declaration and of the action taken by the individual Director concerned. Given the nature of the potential conflicts of interest described in the preceding paragraphs, there are no other measures in place to manage conflicts of interest (at board level or otherwise) or to ensure that the control of the Issuer's majority shareholder is not abused, as none have been deemed necessary by the Issuer.

Other than as stated in this Section 5.5, there are no potential conflicts of interest between the duties to the Issuer of its Directors and their private interests and/or other duties.

## **5.6 Historical Financial Information, Financial Statements and Auditing**

As at the date of this Base Prospectus, the Issuer has not yet made up financial statements (audited or unaudited) for its first accounting reference period.

## **5.7 Legal and Arbitration Proceedings**

No governmental, legal or arbitration proceedings whatsoever are pending or threatened by or against the Issuer. Nor have any such proceedings been pending or threatened since the date of incorporation of the Company.

## **6. THE ASSET POOL**

### **6.1 Management of the Asset Pool**

The Notes are backed by an actively managed pool of assets, namely the Eligible Assets, consisting primarily of the Commodity and to a lesser extent the Eligible Securities, and the proceeds therefrom.

The Board is responsible for the selection of the Commodity and for negotiating and concluding transactions (mainly acquisitions of gold, including acquisitions at a discount, and temporary usufructs and loans in respect of acquired gold). The members of the Board and their collective experience in relation to their management of the Commodity component in the Asset Pool are set out in Section 5.3 above. Members of the Board are appointed and removed by ordinary resolution of the Issuer's shareholders in general meeting pursuant to Article 25 of the Articles of Association of the Issuer. Any relationship of the Directors with the other parties involved in the issue of Notes is set out in Section 5.5 above.

The Eligible Securities component of the Asset Pool shall be managed on a discretionary basis by the Manager, within the parameters of the mandate given to it in terms of the Management Agreement entered into with the Issuer, as briefly reflected in Section 6.5 below, and as instructed by the Issuer's Board from time to time. Integra Private Wealth Limited (the Manager) is a company registered under the laws of Malta, with registration number C46966, and with registered office at 228 Tower Road, Sliema SLM 1601, Malta. The Manager holds a Category 2 Investment Services License issued by the MFSA under the Investment Services Act, in terms of which it is authorised inter alia to provide investment services in respect of different classes of financial instruments to different categories of clients. The Manager provides fund management and ancillary services to collective investment schemes and entities licensed or authorised or based in or outside Malta, as well as to individuals resident in and outside Malta. The Management Agreement provides for the possible termination of the appointment of the Manager by either party by giving three (3) months prior notice to the other in writing. The agreement may also be terminated forthwith upon the occurrence of specified events therein mentioned, including in case of material breach of obligations by either party or if the Manager's license is revoked. Apart from being the Manager appointed in respect of the Eligible Securities, the Manager also provides corporate services (principally company secretarial and registered office facilities) to the Issuer. The Manager also manages on a discretionary basis the IPW TP, and some of the Eligible Securities may consist of IPW TP Investments.

### **6.2 Eligible Assets**

The Issuer is undertaking towards Noteholders to acquire only Eligible Assets. Moreover, the Board will ensure that all Eligible Assets acquired by the Issuer will (unless acquired for cash management purposes) have characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the Notes. The Issuer intends to invest primarily in the Commodity, which the Issuer has already identified, through negotiations and/or agreements and arrangements with relevant counterparties, as

having characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the Notes.

The Issuer may, solely for liquidity and cash management purposes, also acquire certain Eligible Assets (particularly cash deposits and other quasi-cash Eligible Securities) that, when considered on their own and not as part of the Asset Pool, do not necessarily have the capacity to produce funds to service payments due and payable on the Notes.

The Issuer has the right to substitute Eligible Assets within the Asset Pool with other Eligible Assets, provided that in the Board's opinion, it is expected that the new Eligible Assets substituting the existing Eligible Assets will provide the Issuer with a return at least equivalent to the existing Eligible Assets being substituted (always with a view to ensuring that the Asset Pool has the ability to produce sufficient funds to service all payments due and payable on the Notes). The Issuer shall not substitute any Eligible Assets with assets that are not Eligible Assets.

### **6.3 No Segregation of Eligible Assets**

Further Eligible Assets may be added to the Asset Pool from time to time using the proceeds of each Tranche and/or payments derived from Eligible Assets existing within the Asset Pool from time to time.

Applicants should note that all Eligible Assets, once acquired by the Issuer, will form part of the same Asset Pool and the payment of yearly interest and of the Redemption Payment on all Tranches will be backed by all Eligible Assets comprising the Asset Pool from time to time. In other words, there will not be any segregation of Eligible Assets on a Tranche-by-Tranche basis. While the proceeds of the issue of a particular Tranche will be used to acquire particular Eligible Assets, the payment of yearly interest and of the Redemption Payment on that Tranche will not necessarily be funded by the returns from those Eligible Assets only but from the returns of all Eligible Assets within the Asset Pool from time to time, whether acquired by the Issuer prior to or following the issue of that Tranche. Conversely, funds produced by those particular Eligible Assets acquired from the proceeds of that Tranche will be available for the payment of yearly interest and of the Redemption Payment of other Tranches.

### **6.4 The Commodity**

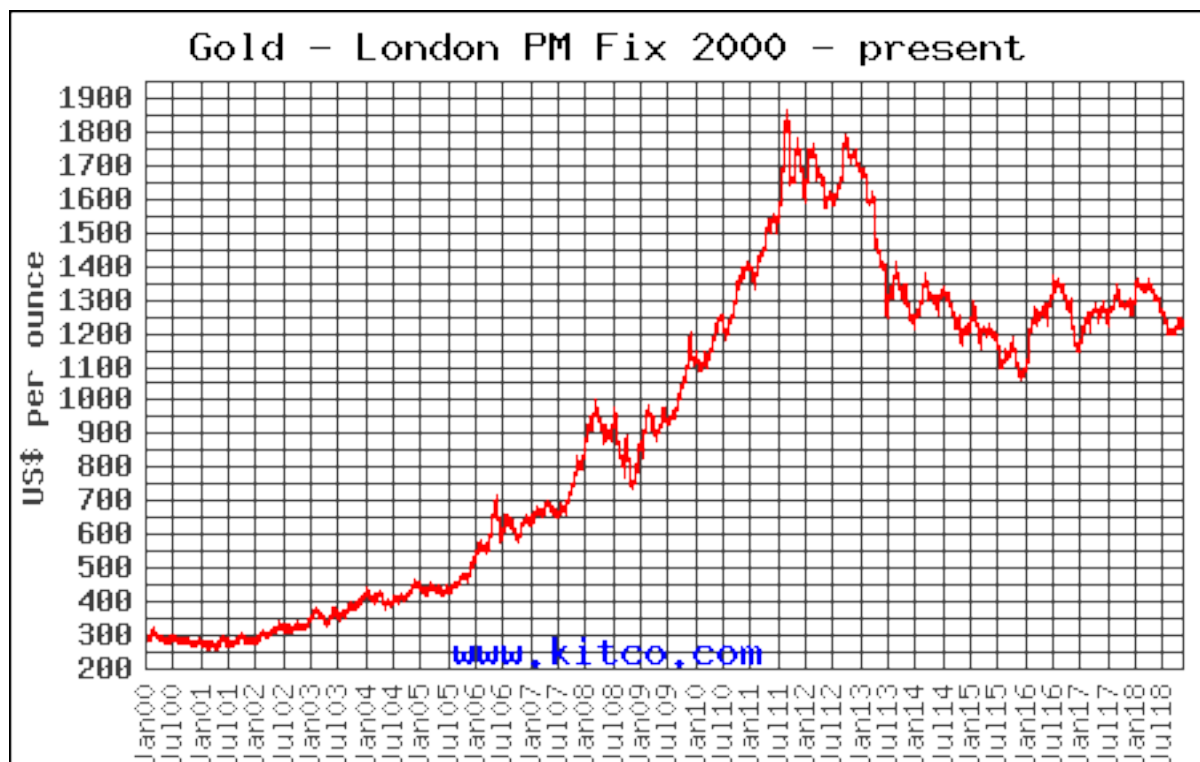
The Issuer intends the Asset Pool to be composed primarily of the Commodity.

The Issuer intends to invest a substantial part (typically, but not necessarily, 80% or more, depending on whether the Issuer has arranged for discounts on acquisition and the amount of such discount) of the proceeds of each Tranche in the Commodity, this being bullion gold bars in formats of one (1) kilo with a fineness of 999.9/1000.

Economic environment and global statistical data referred to the gold

Gold has been precious throughout history, and apart from its use as money (coins) it has also been of fundamental use in specific industries (such as jewellery, dentistry and electronics). Over the past several decades, the price of gold has been influenced by many different factors. Gold's price history has seen some significant ups and downs, and dramatic changes in price may be fuelled by such issues as central bank buying, inflation, geopolitics, monetary policy equity markets and more. Looking at the big picture, gold trended higher for many years before making all-time highs in 2011 of nearly \$2000 per ounce. Gold has since been moving lower, but could have possibly found a bottom in 2016.<sup>1</sup>

The following graph, as produced on Kitco website<sup>2</sup>, depicts the price of gold (on a six-monthly basis) since 2000 till July 2018:



“Global gold supply reached 4,477 tonnes in 2012 with approximately two thirds coming from mining and one third from the recycling of gold.

The 15 largest gold producing countries, which accounted for around three quarters of global output, directly generated US\$78.4 billion of gross value added (GVA) in 2012 – approximately equal to the GDP of Ecuador or Azerbaijan or 30% of the estimated GDP of Shanghai.

Large scale, formal gold mining in the top 15 producing countries directly employed an estimated 527,900 people in 2012.

<sup>1</sup> <https://goldprice.org/gold-price-history.html>

<sup>2</sup> [http://www.kitco.com/scripts/hist\\_charts/yearly\\_graphs.plx](http://www.kitco.com/scripts/hist_charts/yearly_graphs.plx)



- Gold mining is a significant source of exports for some countries: in 2012, gold exports were 36% of all Tanzanian exports and 26% of exports in Ghana and Papua New Guinea.
- The estimated GVA of global gold recycling is between US\$23.4 billion and US\$27.6 billion.
- The GVA per tonne of recycled gold is approximately US\$16 million compared with approximately US\$36 million for gold produced from mines.

In 2012, investment demand (consisting of bar and coin and gold-backed exchange traded funds (ETFs)) accounted for 35% of global gold demand, central bank gold purchases accounted for 12%, jewellery accounted for 43% and use in technology/manufacturing accounted for around 10% of gold demand.

- The 13 largest gold consuming countries in 2012 accounted for 75% of gold used for fabrication and 81% of gold used for (final) consumption, either in the form of jewellery or investment products such as small bars and coins.
- Their activities directly generate up to US\$110 billion of GVA – approximately equal to the GDP of Bangladesh or half the GDP of Hong Kong or Singapore.
- The direct GVA associated with the fabrication of small bar and coin is estimated to be US\$13.3 billion across the top 13 consuming countries whilst the direct GVA associated with consumption is estimated to be US\$38.3 billion ...
- The direct GVA attributable to gold jewellery fabrication and consumption across the top 13 gold consuming countries is estimated at US\$69.8 billion.
- The direct GVA attributable to gold's use in technology fabrication is estimated at almost US\$4 billion (excluding the value generated by the retail component of these goods)."<sup>3</sup>

#### Expected principal revenues from Commodity

The Issuer intends to enter from time to time into two major types of revenue generating transactions with respect to the Commodity during the duration of the Notes, as follows:

The Issuer may negotiate and enter into contracts with gold mining companies or gold extraction intermediary companies, with a view to **acquire gold at a discount** to its actual market value. The discount which is currently achievable on the market ranges between 10% to 20% of the market value of gold as quoted by the LBMA, depending on the period of validity, although the amount of such discount may be very variable.

The main reason for such discount is that, whilst acquiring gold in an already refined state with immediate delivery would cost the spot market price plus a margin for the refining work executed, the Issuer agrees with the relevant gold suppliers to buy and pay for the gold when it is still in a raw state, with a deferred delivery of the refined product to a number of months following its importation into Switzerland. The gold is actually paid for at the moment it reaches Switzerland, thus avoiding the risk to which the product may be exposed in its country of origin (usually emerging markets), but following such payment the Issuer will bear the credit risk and risk of default by the relevant gold suppliers, until the moment of delivery of the refined gold

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<sup>3</sup> These were the Key Findings of a Report titled "The direct economic impact of gold", October 2013, prepared by PWC UK, commissioned by World Gold Council.

bullion, and it is not envisaged (for the time being at least) that such risks will be insured by or in favour of the Issuer. The deferred delivery period typically ranges between 6 to 12 months.

This deferred delivery and the ensuing additional risks constitute the main consideration for the discount to be secured by the Issuer which is expected to be negotiated in the range of 10% to 20% of the market value of gold as quoted by the LBMA. The amount of this discount, which will apply to the first acquisitions made through the utilisation of the proceeds of the first Tranche (to the extent these are used for effecting such deferred delivery acquisitions at a discount), is not guaranteed and will not necessarily apply for acquisitions made following the issue of subsequent Tranches, and the discounts applicable at the relevant time may be more or less.

The Issuer will, or expects to, conclude acquisitions as aforesaid mainly with the following companies:

- A. SBC Group AG (also known as Swiss Bullion Company)**, a limited company registered and domiciled in Switzerland on 24 November 2010, under registration number CHE-114.534.544 - in the Swiss Commercial Register, with registered office in Fadenbruecke 10, 6374 Buochs (Nidwalden), Switzerland. The contact details of SBC Group AG are:

Phone Number: +41 41 620 02 20

Fax Number: +41 41 620 68 20

Email address: [info@swissbullioncompany.com](mailto:info@swissbullioncompany.com)

SBC Group AG operates under Swiss law.

SBC Group AG is a fully regulated financial intermediary reporting to a Swiss self-regulatory organization ("PolyReg"), subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA).

SBC Group AG covers the whole life cycle of gold from the mines to the final customer. Its core business is in mining (Ghana and Mali) and in the gold industry. It exclusively promotes gold products coming from its own precious metal refineries and sold under the trademark "Swiss Bullion Company" for financial gold and under the trademark "SBC" for retail gold and jewellery.

SBC GROUP AG refines and produces pure gold (999.9/1000 - 24 carat) certified with the Hallmark released by the Central Bank of Italy (code 4107 AL). The gold bars (from 1 gram up to 1 kilogram) and the gold coins are certified 100 per cent pure gold. It offers the opportunity to deliver customized and personalized ingots and coins with any name or logo as wished by the client (for example with the name of the client or for a festive day, a special event, a staff reward and a commemoration). Its commercial targets are institutional, retail and private clients who may have the following objectives: investment, saving or private.

The entire and paid up share capital of CHF 100,000.00 of SBC Group AG is exclusively owned by Mr. Dario Littera who is an Italian national, holding an Italian passport reference number Ya7708714, domiciled at Rotzbergstrasse 22, 6362 Stansstad (Nidwalden),

Switzerland.

To the Issuer's knowledge, SBC Group AG's directors are: Mr. Dario Littera (whose details are given above) and Mr. Raphael Lilla, a Swiss national, holding a Swiss passport reference number X3445311, domiciled at Sonnhaldenstrasse 8, 6373 Ennetburgen (Nidwalden), Switzerland.

SBC Group AG's auditors are Trescor Treuhand Luzern AG (CHE-107.406.527), of Waldstätterstrasse 9, 6004 Luzern, Switzerland. To the Issuer's knowledge, its financial statements are prepared in accordance with Swiss GAAP RPC, but the Issuer is not in possession of such financial statements.

**B. Gran Colombia Gold Corp.**, a corporation incorporated in Canada, with registered address at 1188 West Georgia Street, Suite 650, Vancouver, British Columbia, V6E 4A2, Canada. Gran Colombia Gold Corp. is listed on the Toronto Stock Exchange. Gran Colombia Gold Corp.'s business consists of gold and silver exploration, development and production, with its primary focus in Colombia. Gran Colombia is a large underground gold and silver producer in Colombia with several underground mines and two processing plants in operation at its Segovia and Marmato operations.

Acquisitions of gold (with or without discount) may however from time to time be made from or through other suppliers and intermediaries, and the Board of the Issuer is in discussions with and/or has established potential links and contacts with other gold suppliers and mining companies. One of such potential suppliers is Resonor SA (which is also the Commodity Custodian), whose details are set out below.

The acquisition contracts would typically be governed by Swiss law.

The Issuer also intends to, and is in negotiations with some relevant companies to, provide the Commodity within the Asset Pool or part of it from time to time by way and under title of **temporary usufruct or loan** to companies which are gold suppliers and/or wholesalers for a consideration payable to the Issuer, so that the latter can use it, typically to satisfy immediate delivery acquisition orders of gold by their respective clients, where the said companies do not have sufficient gold bullion stock available to satisfy such client demands.

The duration of such temporary usufructs / loans typically ranges between 1 to 3 years. The consideration for the said temporary usufructs / loans is typically paid in kind, through gold itself which can be sold or otherwise employed for a profitable purpose by the Issuer. The typical consideration for such temporary usufructs / loans as currently obtained from the Swiss market is 50 to 100 grams per each kilo of gold given in usufruct or lent per year, equivalent to a financial interest rate of 5% to 10% per year, payable in arrears.

The consideration is quite significant, reflecting the consideration for the bare owner / lender accepting to put the gold at the disposal of third parties for the latter to use for their own profit and benefit. At the same time, it also reflects the added risks borne by the bare owner / lender, namely the credit risk and risk of default by the relevant gold usufructuaries / borrowers in the delivery of gold of the same quantity at the expiry of the usufruct / loan period and/or the payment of the consideration, which risks will not typically be insured by or in favour of the

Issuer (although the Issuer may in future take out insurance or be named as beneficiary on any relevant insurance policy taken out by Commodity usufructuaries'/borrowers).

The Issuer expects to shortly conclude a gold temporary usufruct agreement as aforesaid with Resonor S.A., a company incorporated in Switzerland whose details are set out below, which is the currently appointed Commodity Custodian, and expects to have such temporary usufruct arrangements mainly with the said Resonor S.A. throughout the term of the Notes, but the Issuer may also from time to time conclude similar agreements, even for substantial quantities of gold, with other qualified entities operating in the gold market. The agreement with Resonor S.A. will contemplate a temporary usufruct of 24kt gold for a period of three years and for a consideration of 50 grams per kilo per year. Resonor S.A. will be contractually required to keep clear and detailed records and accounts of the Commodity held for the Issuer, detailing the quantity held in safekeeping and the quantity subject to temporary usufruct as aforesaid, and distinguishing same from any gold held for other clients and any proprietary gold belonging to itself. The agreement will be governed by Swiss law.

**C. Resonor S.A.**, a société anonyme registered and domiciled in Switzerland on 16 December 2008, under registration number CHE-107.848.747, with registered office in Via F. Soave 1 – 6900 - Lugano, Switzerland. The contact details of Resonor S.A. are:

Phone Number: +41 91 972 20 00

Fax Number: +41 91 923 20 35

Email address: info@resonor.ch

Resonor S.A. operates under Swiss law. It is an authorized financial intermediary, pursuant to art.2, Par. 3, Federal Act on Combating Money Laundering and Terrorist Financing. The company is member of the Organismi di Autodisciplina Riconosciuti (OAD) Polyreg since 2012, this being a self-regulatory organization subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA).

Resonor S.A. is a company expert in the sale and custody of pure gold bullion exclusively supplied by Swiss refineries.

The entire and paid up share capital of CHF 1,500,000.00 of Resonor S.A. is exclusively owned by Golding S.A., a Swiss company. The controlling shareholder of Golding S.A. is Mrs. Simona Formenti, an Italian national, holding an Italian Identity Card reference number AU1130678, domiciled at Via Maderno 23, 6900, Lugano, Switzerland.

To the Issuer's knowledge, Resonor S.A.'s directors are: Mrs. Simona Formenti (whose details are given above) and Mr. Carlo Calarco, an Italian national, holding an Italian passport reference number AA3496749, domiciled at Via Zuccoli 17, Paradiso, Switzerland.

Resonor S.A.'s auditors are Frigerio Auditing S.A. (CHE-101.037.153), of Via Zurigo 5, 6900, Lugano, Switzerland. To the Issuer's knowledge, its financial statements are prepared in accordance with the Swiss financial reporting legislation / art. 957 – 962 of the Swiss Code of Obligations (CO). A copy of Resonor S.A.'s financial statements since the financial year 31 December 2015 will be made available at the Issuer's address.

### Custody of Commodity

For as long as the Commodity owned by the Issuer is not in the possession of third parties or held under temporary usufruct by Resonor SA itself during its profitable use in the ways contemplated above (in other words, in the possession of others pending its delivery in a refined state following a deferred delivery acquisition or in the possession of others pursuant to any temporary usufructs or loans thereof), the Commodity shall be held in safe custody by the Commodity Custodian in its vaults pursuant to the Commodity Custody Agreement. The Commodity Custodian, Resonor S.A. (whose details are given above) shall accordingly put a safe deposit box inside a suitable vault at the disposal of the Issuer, which shall be protected by safety locks and alarm systems, for the deposit of the Commodity therein. The custody is anonymous, in the sense that the Issuer may place any valuable good inside the safe box, without that the Commodity Custodian becoming aware of the content. The Commodity Custodian is responsible for the fitness of the vault and the integrity of the locker, save any case of major force and accident. The service of rental of the locker is provided for a minimum of six months, which rental for such 6-month period is paid in advance and, unless cancelled, the contract is automatically renewed by six months. Stored goods are insured for a maximum value of CHF5,000 as is required under Swiss law. The Commodity Custody Agreement is governed by the laws of the Swiss Federation, and any dispute arising between the parties must be brought in front of the Tribunal of Lugano (Canton Ticino – Switzerland).

### **6.5 Eligible Securities**

Although the Asset Pool will be comprised primarily of the Commodity and the transactions relating to such Commodity and rights ensuing therefrom, the Issuer may and expects to also invest a portion of the proceeds from the issue of each Tranche in Eligible Securities. The Issuer intends to invest between 10% and 20% of the proceeds of each Tranche in the Commodity, depending on the amount of the discount (if any) given on acquisitions, and may thereafter from time to time also invest any part of the net returns of such Eligible Securities and/or of transactions in the Commodity, in other Eligible Securities. It is however the intention of the Issuer to retain at all times, either physically and/or by way of the subject-matter of deferred delivery acquisitions and/or of temporary usufructs / loans of Commodity, a quantity of Commodity corresponding at least to the quantity of Commodity that would have been bought on the open market using the whole proceeds of each Tranche at the market price (as quoted by LBMA) at the relevant time (without taking into consideration any discounts), subject to any working capital or other expenses or liabilities or requirements of the Issuer.

The Issuer will acquire Eligible Securities mainly for liquidity management purposes, with a view to finance and satisfy the liquidity needed to honour its recurring payment obligations under the Notes as well as to service providers and other creditors, as well as for cash management purposes and, to a lesser extent, to create some diversification within the Asset Pool. The Issuer has conferred on the Manager the necessary flexibility and discretionary management powers to exploit investment opportunities as they arise and to dynamically adjust the portfolio of Eligible Securities, in accordance with and within the general parameters described above and the specific parameters, restrictions and mandate set out below and more fully in the Management Agreement and in accordance with instructions which may be given from time to time by the Board.

The Manager is only permitted to invest in the following categories of Eligible Securities:

- (i) fixed-income debt securities, of short or medium-term maturity (up to 5 years) which are listed on a Regulated Market and which have a rating of A by S&P or equivalent rating by another recognised credit rating agency, or which are issued or guaranteed by a State;
- (ii) Money Market Instruments which are listed on a Regulated Market and which have a rating of A by S&P or equivalent rating by another recognised credit rating agency, or which are issued or guaranteed by a State;
- (iii) deposits with licensed credit institutions;
- (iv) notwithstanding the requirements and restrictions set out in the foregoing paragraphs, IPW TP Investments (as further described below).

The IPW TP (Integra Private Wealth Treasury Platform) is a managed account service offered by Integra Private Wealth Ltd (which is the Manager), which aims to achieve returns higher than those generated by a traditional bank account, whilst retaining an overall low level of risk. The IPW TP invests in deposits in denominated bank accounts with Maltese registered credit institutions, whether savings accounts or fixed term accounts, treasury bonds and / or treasury bills issued by Governments of EU countries or bonds of any nature issued by banks or other financial institutions domiciled, licensed and regulated in EU countries, as well as the utilization of funds to provide Lombard facilities to existing clients of the IPW TP. All instruments comprised within the IPW TP have a high credit rating (BBB or above).

The Eligible Securities, except the IPW TP Investments, will be held in custody by the Eligible Securities Custodian and registered in the Securities Account, a custody account established and maintained by the Eligible Securities Custodian in the name of the Issuer.

The Eligible Securities Custodian, Zarratini International Ltd., is a private limited liability company registered under the laws of Malta and is licensed by the MFSA to provide custody services and a range of other investment services under the Investment Services Act, these being its main activities. The Eligible Securities Custodian's company registration number is C68839 and its registered office is situated at 171, Old Bakery Street, Valletta VLT1455, Malta. It forms part of the same group of companies as the Account Bank.

The Eligible Securities Custodian assumes no responsibility for the contents of this Base Prospectus. The Eligible Securities Custodian has no duty to monitor or oversee the operations of the Issuer or any of the service providers to, or counterparties of, the Issuer.

The Eligible Securities Custodian and the Issuer have entered into the Custody Agreement regulating the custody services to be provided by the Eligible Securities Custodian in respect of the Eligible Securities.

The IPW TP Investments will be held by the Manager as nominee, and different underlying custodians will be used for such investments, as and where appropriate.

At no time will the fixed income debt securities or of the Money Market Instruments, under paragraphs (i) and (ii) above respectively, of a single Eligible Asset Obligor account for more than twenty percent (20%) of the Asset Pool.

The Issuer will not acquire derivatives to leverage its position nor shall it underwrite securities.

## **7. STRUCTURE OF THE TRANSACTION**

### **7.1 Overview of the Parties involved in the Transaction**

The main parties are the Issuer, the Agent, the Commodity suppliers / vendors, the Commodity usufructuaries / borrowers, the Commodity Custodian, the Professional Advisor, the Manager, the Listing Agent, the Eligible Securities Custodian and the Account Bank. Substantial detail on the Issuer, the Commodity suppliers / vendors, the Commodity usufructuaries / borrowers, the Commodity Custodian, the Manager and the Eligible Securities Custodian is set out elsewhere in this Base Prospectus.

#### ***The Agent***

Trident Corporate Services (Malta) Ltd is an MFSA recognised company service provider authorised in terms of the Company Services Providers Act (Chapter 529 of the Laws of Malta). The Agent's primary business is the provision of corporate services in terms of the said Company Service Providers Act. The Agent has no relationship with the Eligible Asset Obligors or to the other service providers to the Issuer. The Agent has been appointed as the Issuer's subscription agent, paying agent and calculation agent pursuant to the Agency Agreement. The main responsibilities of the Agent are (as the Issuer's agent) the collection and processing of Application Forms and subscription monies from Applicants, ensuring that the Notes are constituted by the approval of Applications and registration of Approved Investors' names by the CSD, calculation and payment of all amounts due and payable to Noteholders in accordance with the Terms and Conditions of the Notes.

The Agency Agreement (and the Agent's appointment pursuant to the Agency Agreement) shall terminate automatically on the date following the Maturity Date on which the Agent has fully performed its duties under this agreement in respect of the final and full redemption of the Notes. The Agency Agreement may also be terminated at any time by notice in writing by either the Issuer or the Agent upon the occurrence of certain specified events (as set out in further detail in the Agency Agreement) including a material breach of the other party's obligations under the Agency Agreement. If the Agent's appointment is terminated prior to the Maturity Date, the Issuer will, as soon as reasonably practicable appoint a replacement agent to perform the functions of the Agent on substantially the same terms of the Agency Agreement or the mostly similar reasonably obtainable, other than those relating to remuneration.

#### ***The Professional Advisor***

The Professional Advisor, PWC Malta, is an audit and advisory firm, based in Malta. The firm is a registered audit firm with the Accountancy Board of Malta with registration number AB/26/84/38. Apart from its appointment as Professional Advisor, PWC Malta are also appointed as the statutory auditors of the Issuer. For the purposes of carrying out its asset audit functions under the Professional Advisor Agreement in respect of assets situated in Switzerland (in particular the Commodity), the Professional Advisor is permitted and intends to appoint and outsource asset audited activities to PWC Switzerland.



In terms of the Professional Advisor Agreement, the Professional Advisor has been irrevocably appointed by the Issuer, to represent the interests of the Noteholders by carrying out an asset audit every year (without prejudice to the yearly statutory financial audit to be carried out by them as Auditors in terms of law), with a view to ensure that:

- (i) a reconciliation is made between the proceeds of subscriptions of Notes under the various Tranches, investments made and comprised in the Asset Pool from time to time (including the Commodity held by the Issuer as held in safekeeping by the Commodity Custodian and that forming the subject-matter of deferred delivery acquisition agreements and gold usufruct/lending agreements entered into by the Issuer with the gold suppliers and gold usufructuaries/borrowers respectively, as well as Eligible Securities acquired by the Issuer through the Manager from time to time), returns received from and disposals made of any such investments and the expenses incurred by the Issuer from time to time, all on the basis of the books and records maintained and provided by or on behalf of the Issuer and other sources of information (where applicable and to the extent available);
- (ii) to identify and bring to the attention of the Issuer any discrepancies identified in the reconciliation process referred to in paragraph (i) above and discuss and make proposals or requests to the Issuer on behalf of Noteholders for remedial actions to be taken in respect thereof, where applicable or appropriate;
- (iii) to discuss and make recommendations to the Issuer on behalf of Noteholders on the enforcement of rights and other remedies and measures to be taken by the Issuer against defaulting Eligible Asset Obligors;
- (iv) to inform the Noteholders and keep them updated on any discrepancies in reconciliation and of any remedial actions and/or remedies and measures requested from and/or taken by the Issuer as referred to in paragraphs (ii) and (iii) above, and also of a case where the Professional Advisor, in the course of carrying out its duties, identifies a failure by the Issuer to keep proper books and records as referred to in paragraph (i) above, or if the Professional Advisor is not provided with appropriate and relevant information which is necessary for it to carry out its duties.

For the avoidance of doubt, and without prejudice to the powers and duties of the Professional Advisor as prescribed in the Professional Advisor Agreement and as briefly set out above or to the right of Noteholders to exercise any rights or remedies to which they may be entitled against the Issuer, the Professional Advisor will not be authorized or obliged to institute any proceedings or exercise any remedies against the Issuer on behalf of the Noteholders in case of discrepancies in reconciliation or failure by the Issuer to comply with any obligations towards Noteholders.

The Issuer undertakes in favour of the Noteholders and of the Professional Advisor to provide the Professional Advisor with access to appropriate and relevant information as well as information requested by the Professional Advisor relating to the Eligible Assets which is necessary for the Professional Advisor to carry out its duties as the same may be in the possession of the Issuer, and the Issuer shall also use reasonable endeavours to procure

access for the Professional Advisor to such information as aforesaid which may be in the possession of its service providers, particularly the Commodity Custodian, the Manager and the Eligible Securities Custodian.

The appointment and authorizations of the Professional Advisor under the Professional Advisor Agreement shall constitute an irrevocable mandate for the whole duration of the Notes, given by way of security in favour of the Noteholders, and may accordingly be revoked and/or terminated by the Issuer only:

- (a) in case of a material breach of obligations by, or the insolvency of, the Professional Advisor; or
- (b) otherwise with the consent of at least 75% in value of the Noteholders at the relevant time.

The Professional Advisor may terminate the Professional Advisor Agreement by giving at least 3 months' notice in writing to the Issuer as well as in case of a material breach of obligations by the Issuer.

If the Professional Advisor's appointment is terminated prior to the Maturity Date, the Issuer will, as soon as reasonably practicable appoint a replacement representative to perform the functions of the Professional Advisor on substantially the same terms of the Professional Advisor Agreement or the mostly similar reasonably obtainable, other than those relating to remuneration, and the Issuer shall start using his reasonable efforts to find such replacement as soon as reasonably practicable following notice of termination by the Professional Advisor (even before the effective termination of the latter's appointment).

### ***The Account Bank***

The Account Bank provides the Issuer, through the nominee services of Zarratini International Ltd., with the Subscription Account and the Operating Account, both of which are held in the name of the said Zarratini International Ltd. acting as nominee for the Issuer. The Account Bank, Banca Zarattini & Co SA, is a company incorporated in Switzerland, and is a credit institution authorized by the Swiss Financial Market Supervisory Authority (FINMA). The Account Bank's company registration number is CHE - 106.778.073 and its registered office is situated at Via Pretorio 1, 6900 Lugano, Switzerland

The Account Bank assumes no responsibility for the contents of this Base Prospectus.

The Subscription Account and the Operating Account are regulated by the opening of account contract/s entered into between Zarattini International Ltd as nominee for the Issuer and the Account Bank and the Account Bank's terms and conditions. The Subscription Account and the Operating Account are both cash accounts in respect of which the Account Bank provides no custody or safekeeping services and the funds credited thereto are held by the Account Bank as banker.

## **7.2 Interest of Natural and Legal Persons involved in the Issue**

The interests or potential conflicts of interests of any Director or shareholder of the Issuer that are relevant to the issue of Notes is disclosed in Section 5.5, "Potential Conflict of Interest of Directors/Shareholders".

Section 6.1, "Management of the Asset Pool", discloses the interests of Integra Private Wealth Limited (the Manager) as discretionary manager of the Eligible Securities and also of the IPW TP (and some of the Eligible Securities may consist of IPW TP Investments).

Section 6.4, "The Commodity", discloses the interests of Resonor S.A. (the Commodity Custodian) in its dual capacity as provider of safe custody box services for the Commodity and as potential temporary usufructuary of the said Commodity.

## **7.3 Transaction Structure and Cash Flow**

### ***Subscription***

Subscription monies from Applicants shall be paid into the Subscription Account and shall be held in the Subscription Account under the control of the Agent for the Applicants' benefit until the Notes are constituted by the approval of the Applications and registration of Approved Investors' names by the CSD, at which point the subscription monies will be transferred to the Operating Account. The Issuer expects that at least eighty percent (80%) of the proceeds from the issue of each Tranche will be invested in Eligible Assets within twelve (12) weeks from the date those proceeds are received in the Operating Account.

The Issuer expects to keep, from the proceeds of issue of each Tranche, an amount of money equivalent to the discount (if any) obtained on acquisitions of Commodity financed from the proceeds of such issue (expected to be between 10% to 20% for the first acquisitions to be made from the proceeds of issue of the first Tranche) in the Operating Account, and to make such amount available to the Manager, within twelve (12) weeks from the date those proceeds are received in the Operating Account, to be invested in the Eligible Securities.

### ***Income***

All amounts received from time to time by the Issuer from the Eligible Asset Obligors in respect of the Eligible Assets (including any consideration received from Commodity usufructuaries/borrowers and cash income received under the Eligible Securities) are paid to and received by the Issuer in its Operating Account, and the Manager, the Eligible Securities Custodian (qua custodian of the Eligible Securities) and the Commodity Custodian will be instructed to make or transfer any such payments received by them into the Issuer's Operating Account. A part of such income and other payments received from Eligible Assets which are not necessary to finance costs, expenses and other liabilities of the Issuer may be invested in Eligible Assets and/or made available to the

Manager to invest in Eligible Securities, Any income under the Commodity which is paid and received in kind in the form of gold shall be held as part of the Commodity with the Commodity Custodian until further utilised as permitted hereunder (including disposal thereof to provide liquidity to the Issuer). Any income under the Eligible Securities which is received in kind shall, to the extent that it falls within the investment parameters set out in Section 6.5, be held as part of the Eligible Securities under the management of the Manager.

### ***Payments to Noteholders and Third Parties***

Payments to the Issuer in respect of the Eligible Assets are used to fund the Issuer's obligations to the Noteholders, as well as the Issuer's other payment obligations. There are no other arrangements upon which payment of interest and of the Redemption Payment to the Noteholders will be dependent.

The Issuer shall not procure any insurance in connection with the Eligible Assets, although it is not excluded that the Issuer may in future take out insurance or be named as beneficiary on any relevant insurance policy taken out by Commodity suppliers or usufructuaries'/borrowers. There is and will be no credit enhancement, liquidity support, or subordinate debt finance (in relation to the issue of Notes or otherwise) nor will the Issuer make any provision to cover principal shortfall risks.

As the Asset Pool is and will continue to be composed primarily of the Commodity which is expected to generate a substantial discount on acquisition (although the amount thereof is not guaranteed over time) as well as other returns in the form of Commodity usufruct / loan considerations, and will also be composed (to a lesser extent) of Eligible Securities which are themselves expected to generate steady returns, the Issuer expects that there will be sufficient funds to service all payments due and payable on the Notes (on which the interest rate is four point five percent (4.5%) per annum) and meet all of the Issuer's ongoing costs and expenses.

All payments of interest on the Notes and of the Redemption Payment on maturity will be effected by the Agent on behalf of the Issuer (as the Issuer's paying agent) from the Operating Account. The Agent will, on behalf of the Issuer, discharge these payment obligations under the Notes by making payments to the CSD for onward distribution to the accounts of the respective Noteholders indicated in the CSD's electronic register of Noteholders.

Payment of fees and expenses due to service providers and other creditors of the Issuer will likewise be made out of the Operating Account.

Both in the event that the Issuer is unable to make payments to all of its creditors and on an ongoing basis prior to any Event of Default, the Agent shall cause the Account Bank to make payments (of any amounts that are due and payable) from the Operating Account in accordance with the following order of priority of:

1. All taxes owed by the Issuer, whether to the Maltese tax authorities or otherwise and other creditors preferred by operation of law;

2. Fees and expenses of the service providers of the Issuer;
3. Payment of accrued and unpaid interest on the Notes; and
4. Payment of the Redemption Value under the Notes.

#### **7.4 No Post-Issuance Reporting**

The Issuer does not nor does it intend to provide post-issuance transaction reporting regarding the Notes and/or the performance of the Asset Pool.

## **8. THE OFFERING PROGRAMME**

### **8.1 General Description of the Programme**

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and the Final Terms applicable to the relevant Tranche. This information constitutes a general description of the Programme for the purposes of Article 22(5)(3) of the Prospectus Regulation.

The Programme and this Base Prospectus was authorised by resolution of the Issuer's Board of Directors dated 7<sup>th</sup> December 2018.

Under this EUR 20,000,000 Asset Backed Note Programme, the Issuer may from time to time issue Notes. The maximum aggregate nominal value/principal amount of the Notes from time to time outstanding under the Programme will not exceed EUR 20,000,000 (or its equivalent in any other currency). Notes will be issued on a continuous basis in Tranches. All Notes will have a minimum denomination of EUR 100,000 and accordingly, no Tranche issued under the Programme shall constitute an 'offer of securities to the public' within the meaning of the Companies Act or the Prospectus Directive. Application will be made for each Tranche of the Notes to be admitted to listing and trading on the IFSM. Each Note will be issued at an Issue Price corresponding to the Nominal Value (at par).

Each Tranche will consist of Notes that are identical in all respects except for the Issue Date, Interest Commencement Date and/or Commodity Spread (which Commodity Spread will depend on the value of the Commodity on the respective Issue Date of the relevant Tranche). The Issuer will be issuing only one Series of Notes under the Programme. Accordingly, each Tranche issued under the Programme will be consolidated and form part of the same Series and will be fungible with all other Tranches issued.

The specific terms governing each Tranche will be set forth in the applicable Final Terms, which shall be published by the Issuer in the form set out in Section 10. The Issuer shall make the Final Terms available to the public by means of electronic publication on the website of the Listing Authority ([www.mfsa.com.mt](http://www.mfsa.com.mt)). Any notice so given will be deemed to have been validly given on the date of such publication. The Final Terms for each Tranche may also be obtained free of charge from the registered office of the Issuer or the Agent.

### **8.2 Application for and Issue of the Notes and Terms and Conditions of Application and Issue**

#### ***Application for and Issue of the Notes***

Notes are offered and issued from time to time (each as a separate Tranche) when the Board, in its sole discretion, deems it appropriate to acquire and/or has identified for acquisition an amount of Eligible Assets as referred to in Section 6.2. The issue of each Tranche and Notes

thereunder will be authorised by a separate resolution of the Board.

The allotment of each Tranche will be conditional upon the admission to trading of the Notes to the IFSM ("Condition Precedent"). In the event that such Condition Precedent is not met, the issue of a Tranche will be revoked unilaterally by the Issuer and, within five (5) Business Days of the revocation taking effect, the Application monies will be returned by the Issuer, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form, at the Applicant's sole risk. The Issuer shall not be responsible for any charges or delay arising in connection with such transfer.

The Issuer has not established an aggregate minimum subscription level as a condition for the issue of each Tranche and, subject to the admission to trading of a Tranche on the IFSM (and the aggregate maximum nominal value of Notes that may be issued under the Programme and/or the maximum nominal value of Notes that may be issued under a particular Tranche as may be specified under the respective Final Terms), the Issuer shall issue Notes to each Applicant in the respective amount subscribed to by each of them.

Application Forms for each Tranche will be available from the Issuer or the Agent upon request following the publication of the relevant Final Terms; the Issuer and the Agent may be contacted using the contact details provided in the "Directory" at the end of this Base Prospectus. Unless an exception is made by the Issuer, all Application Forms must be received by the Agent by no later than two (2) Business Days prior to the respective Issue Date. Unless an exception is made by the Issuer, proof of payment into the Subscription Account, in cleared funds, of the full subscription monies, must also be received by the Agent by no later than 10:00 am CET on the respective Issue Date.

All Applicants submitting an Application Form will be required to submit, together with, but separately from, the respective Application Form a declaration that they qualify as Eligible Investors and the basis upon which they so qualify.

The Agent shall process the Application Forms on behalf of the Issuer, and in so doing it shall assess on behalf of the Issuer that all Applicants qualify as Eligible Investors: it being provided, for the avoidance of doubt, that for the purposes of such assessment it shall be sufficient for the Agent and the Issuer to rely on the relevant declaration/s signed by or on behalf of the respective Applicant at the exclusive responsibility of such Applicant and without the Agent or the Issuer being required to make further verifications in this respect (without prejudice to their right to request further information and to make further verifications, in their absolute discretion), and the Agent and the Issuer shall not be liable to any person for relying on the Applicant's declaration/s as aforesaid. In all cases, the relevant Application and the respective Applicant shall be subject to final approval by the Issuer, following the processing of the Agent.

In addition to any information or documentation required pursuant to the Application Form, the Agent and the Issuer reserve the right to request any further documentation from an Applicant (or from its representatives or financial intermediaries through which the Applicant submits its Application) that may in their discretion be deemed required or desirable in order to verify eligibility or client identification or generally to complete or approve an Application Form.

Following such processing and approval of Applications and allocation of the Notes amongst

Approved Investors, the Issuer will, through the Agent, issue Notes to such Approved Investors who have provided proof of payment into the Subscription Account, in cleared funds, of the full subscription monies in respect of the Notes that are the subject of the relevant Application Form by no later than 10:00 am on the relevant Issue Date. The issue (and constitution) of such Notes to Approved Investors shall be made on the Issue Date, by means of the appropriate book-entries in the electronic register held at the CSD upon instruction of the Agent (acting on behalf of the Issuer), pursuant to the relevant resolution of the Board referred to above (and pursuant to the authorisations contained in such resolution and in the Agency Agreement).

### ***Terms and Conditions of Issue and Application***

The Issuer reserves the right to withdraw any offer of Notes prior to the Issue Date for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Issuer and/or other relevant events that in the reasonable discretion of the Issuer may be prejudicial to the offer. In such case, Approved Investors who have already paid or delivered subscription monies for Notes will be entitled to reimbursement (without any interest) of such amounts, within five (5) Business Days of the withdrawal taking effect, by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form, at the Applicant's sole risk. The Issuer shall not be responsible for any charges or delay arising in connection with such transfer.

Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple applications. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the requirements hereof or set out in the Application or is not accompanied by the required documents.

In the event that an Applicant has not been allocated any Notes or has been allocated a number of Notes which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Notes applied for but not allocated, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form, at the Applicant's sole risk, within five (5) Business Days from the relevant Issue Date. The Issuer shall not be responsible for any charges or delay arising in connection with such transfer.

The Issuer or the Agent on its behalf may in its discretion process an Application received by facsimile, but reserves the right not to process the same until receipt of the original.

It is the responsibility of investors wishing to apply for the Notes to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements and any exchange control in the countries of their nationality, residence or domicile.

It is the responsibility of any person wishing to make any Application to satisfy himself/herself



as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

The contract created by the Issuer's acceptance of an Application filed by an Applicant shall be subject to all the terms and conditions set out in the Prospectus and the relevant Application, as provided in Section 8.3 below.

If an Application is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the declarations, confirmations, covenants, warranties and undertakings contained herein (in particular in Section 8.3 below) on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer, the Agent and/or the CSD, but it shall not be the duty or responsibility of the Issuer, the Agent and/or the CSD to ascertain that such representative is duly authorised to appear on the Application.

In the case of joint Applications, the person whose name shall be inserted in the field entitled "Applicant" on the Application shall for all intents and purposes be deemed to be the person nominated by all those joint Applicants whose names appear in the field entitled "Additional Applicants" in the Application to be their representative, and his/her name will be entered in the register of Noteholders with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Note/s so held. Notwithstanding what is stated above, the joint Applicants for Notes shall be liable, jointly and severally, in respect of all subscription monies due to the Issuer and in respect of the production of documents and information and all other obligations which may be due by applicants for Notes to the Issuer.

In respect of a 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-à-vis the Issuer to be the holder of the Note so held, as and subject to what is provided in Section 9.17 ("Notes held subject to Usufruct").

The Notes are only being offered to and may only be applied and subscribed for by Eligible Investors.

No person receiving a copy of the Prospectus or an Application Form in any territory may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal or regulatory requirements.

The Notes will be issued in whole, in denominations of €100,000 each. The minimum subscription amount for any investor (or joint investors considered cumulatively) shall be €100,000.

The issue of the Notes is not underwritten.

When acting in the capacity of a financial intermediary in respect of Applicants for the Notes (where applicable), Zeta Corporate & Management Services Limited will inform Applicants that it is also acting as Listing Agent in respect of the issue of Notes. Zeta Corporate & Management Services Limited has procedures in place to manage any conflicts of interest that may arise on its part, and those of its officers and employees carrying out functions on behalf of Zeta Corporate & Management Services Limited as Listing Agent will not be carrying out any functions on behalf of Zeta Corporate & Management Services Limited as financial intermediary.

### **8.3 Contract constituted by Acceptance of Application and Covenants, Warranties and Representations by Approved Investors**

The full contents of the Prospectus (including this Base Prospectus and the relevant Final Terms) as well as of the relevant Application exhaustively set out and contain the terms and conditions of offering, issue, subscription, transfer, acquisition, holding and redemption of the Notes of the relevant Tranche. By signing and submitting the relevant Application, the Applicant (and in the case of joint applications, each individual joint Applicant) will be entering into a legally binding contract with the Issuer (which shall become binding on the Issuer if and when such Application is accepted by the Issuer, acting through the Agent, until which time the Application shall be irrevocable by the Applicant):

- (a) whereby the Applicant acknowledges, declares and agrees (and will automatically be deemed to be acknowledging, declaring and agreeing) that he/she/it has made the Application solely on the basis of, and that he/she/it shall at all times be bound by and comply with, and shall be subscribing, acquiring and/or holding the relevant Notes on the basis of, such contents, terms and conditions;
- (b) whereby he/she/it makes and gives (and will automatically be deemed to be making and giving) to the Issuer the declarations, covenants, representations and warranties contained below in this Section 8.3 and all other applicable declarations, covenants, representations and warranties contained in the Prospectus and/or in the relevant Application;
- (c) which contract, and any non-contractual matter arising out of or in connection with it, shall be governed and construed in all respects in accordance with the laws of Malta, and any disputes arising out of or in connection with such contract or any non-contractual matter arising out of or in connection therewith shall be subject to the exclusive jurisdiction of the courts of Malta, as provided in section 9.19 (“Governing Law and Jurisdiction”).

Without prejudice to the aforesaid, by completing and delivering an Application, the Applicant:

- (a) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations made available to him by or on behalf of the Issuer concerning the Issuer and the issue of the Notes contained therein;

- (b) warrants that the information submitted by the Applicant in the Application is true and correct in all respects;
- (c) accepts that the Issuer, the Agent, the IFSM and the CSD may process, and authorizes the same to process the personal data that the Applicant provides in the Application, for all purposes necessary and subsequent to the Notes applied for, in accordance with applicable data protection legislation. The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer, the Agent, the IFSM and/or the CSD. Any such requests must be made in writing and sent to the Issuer, the Agent, the IFSM and/or the CSD at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;
- (d) confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the Notes or the issue of the Notes other than what is contained in the Prospectus and accordingly agrees that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (e) agrees that the documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance, and any verification of identity as required by applicable prevention of money laundering and funding of terrorism legislation, and that such monies will not bear interest;
- (f) agrees to provide the Agent and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- (g) warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Agent acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Notes or his/her/its Application;
- (h) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (i) represents and warrants that the Applicant is an Eligible Investor;
- (j) agrees that unless such Application is made through Zeta Corporate & Management Services Limited as financial intermediary, Zeta Corporate & Management Services Limited will not, in its capacity of Listing Agent or otherwise, treat the Applicant as its customer by virtue of such Applicant making an Application for the Notes, and that Zeta Corporate & Management Services Limited in its capacity of Listing Agent will owe the Applicant no duties or responsibilities concerning the price of the Notes or their suitability for the Applicant;
- (k) agrees that all documents in connection with the issue of the Notes will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application;

- (l) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of the Notes; and
- (m) the Notes shall become repayable before the Maturity Date only if an Event of Default occurs as provided in Section 9.15.

#### **8.4 Allocation Policy**

The Notes shall be allocated between Applicants in the manner determined by the Issuer at its discretion.

#### **8.5 Admission to Listing and Trading**

The Listing Authority has authorised the admissibility of the Notes to listing and trading on the IFSM pursuant to the Listing Rules by virtue of a letter dated 23<sup>rd</sup> January 2019

Application will also be made for the Notes of each Tranche to be admitted to listing and trading on the IFSM. The expected admission date of the Notes will be set out in the relevant Final Terms.

#### **8.6 Expenses of Issue and Admission to Trading; Introducer Fees**

An estimate of the total expenses relating to the issue of each Tranche and its admission to trading on the IFSM will be indicated in the relevant Final Terms for each Tranche.

The Issuer may appoint introducers of Eligible Investors in respect of any Tranche/s, in which case it will or may pay introducer fees to such introducers, the amount whereof shall be disclosed in the relevant Final Terms.

All of the Issuer's fees and expenses, including any introducer fees, will be payable out of the proceeds of the issue of each Tranche. No fees or expenses will be charged directly to Investors.

## **9. TERMS AND CONDITIONS OF THE NOTES**

### **9.1 General**

Each Note forms part of a duly authorised issue of up to €20,000,000 in aggregate nominal value of unsecured 4.5% coupon notes to be issued under various Tranches under the Programme, which shall be due on the Maturity Date, with each Note having a Nominal Value of €100,000, and issued by the Issuer at the Issue Price, namely €100,000 per Note. The Notes will be listed on the IFSM.

Unless previously purchased and cancelled as provided herein, the Notes shall be redeemable at the Redemption Value on the Maturity Date, as set out in Section 9.9 below.

The issue and listing of the Notes is made in accordance with the requirements of the laws of Malta, the Listing Rules, the Prospectus Directive and the Prospectus Regulation.

The Notes and their issue will be governed by the terms and conditions contained in this Section 9 and all the other terms and conditions contained in and constituted by the Prospectus, including the Final Terms of the relevant Tranche. Accordingly, the Terms and Conditions set out in this Section 9 and elsewhere in this Base Prospectus must be read together with the provisions of the Final Terms of a Tranche for a full description of the Terms and Conditions of that Tranche. These Terms and Conditions will therefore apply to the Notes as completed or supplemented by the applicable Final Terms. Any blanks in the provisions of these Terms and Conditions (or in the definitions of any terms used in these Terms and Conditions) that are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions.

References in these Terms and Conditions to Notes or Noteholder are to the Notes or Noteholder of all Notes that may be issued under the Programme. References to Final Terms are to the Final Terms published by the Issuer in respect of the Tranche to be issued pursuant to those Final Terms.

### **9.2 Constitution of the Notes**

The Programme and this Base Prospectus was authorised by resolution of the Issuer's Board of Directors dated 7<sup>th</sup> December 2018. The issue of each Tranche and Notes thereunder will be authorised by a separate resolution of the Board.

The Notes under each Tranche will accordingly be issued on the respective Issue Date of such Tranche, pursuant to the said resolutions and the authorisations contained therein and in the Agency Agreement, in favour of the Approved Investors, by means of the appropriate book-entries in the electronic register held at the CSD upon instruction of the Agent (acting on behalf of the Issuer).

After processing and acceptance/approval of Applications by the Agent (acting on behalf of the Issuer as duly authorized by virtue of the above-mentioned Board resolutions and the Agency Agreement), the Agent will on the relevant Issue Date instruct the CSD (on the Issuer's behalf as aforesaid) to make the appropriate book-entries in the electronic register held at the CSD.

Such constitution and issue of the Notes will be subject to the terms and conditions of application and issue set out in Section 8.

### **9.3 Currency and Denomination**

The Notes will be issued in euro (€). The Nominal Value of each Note (denomination per unit) will be €100,000. The aggregate principal amount of Notes that the Issuer may issue under the Programme is €20,000,000, divided into 200 Notes of €100,000 each.

The Notes will be issued in whole, and not in part.

### **9.4 Form and Title**

The Notes are issued in fully registered and dematerialised form and are represented in uncertificated form by the appropriate entry in the electronic register maintained by the CSD on behalf of the Issuer. There will be entered in such electronic register, the names, addresses, identity card numbers (or details of some other official document in the case of natural persons), registration numbers (or details of some other official document in the case of companies or other legal persons) and account details of the Noteholders and the particulars of the Notes held by them respectively. Noteholders will also have, at all reasonable times during business hours, access to the register of Noteholders held at the CSD for purposes of inspecting information held on their respective accounts.

Title to the Notes shall be evidenced by an entry in the electronic register of Notes held by the CSD. The CSD will issue, upon a request by a Noteholder, a statement of holdings to a Noteholder evidencing that Noteholder's entitlement to Notes held in the register kept by the CSD. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer shall be entitled to treat the person in whose name a Note shall be registered at the CSD as the absolute owner thereof for the purpose of making payment and for all other purposes, regardless of any notice of any nominee relationship or trust.

### **9.5 Status**

The Notes shall, as and when issued, constitute the general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, with all other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future. Furthermore, subject to Section 9.6 ("Negative Pledge and Undertakings") below, third party security interests may be registered which will rank in priority to the Notes against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect.

## 9.6 Negative Pledge and Undertakings

The Issuer undertakes, for as long as any payments under the notes or any of the Notes remains outstanding, without the prior approval of the Noteholder/s representing at least seventy five percent (75%) in Nominal Value of the Notes then outstanding (which approval shall then be binding on all Noteholders at the relevant time):

- (a) not to create any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon all or any part of the Asset Pool acquired through the proceeds of issue of the Notes then outstanding to secure any indebtedness of the Issuer, other than indebtedness under the Notes or indebtedness subordinated to the Notes;
- (b) not to create or issue any other bonds, notes or other debt securities, other than Notes under the Programme, except:
  - (i) Fungible Bonds (as defined below) and in such case only on condition that at least ninety percent (90%) of the net proceeds (less expenses) of issue of such Fungible Bonds are invested by the Issuer in further Eligible Assets to be held, dealt with and managed by or on behalf of the Issuer in a similar fashion to the Eligible Assets under the Asset Pool;
  - (ii) any other bonds, notes or other debt securities, but only if prior to such creation and issue, the Issuer creates a first ranking pledge over the Asset Pool then held by it in favour of the Noteholders or their representative (such as a security trustee appointed to hold such pledge for their benefit).

For the purposes of the foregoing provisions of this section 9.6:

- "Security Interest" shall mean any privilege, hypothec, pledge, lien, charge or other encumbrance whatsoever which grants rights of preference to a creditor over the Asset Pool;
- "Permitted Security Interest" shall mean:
  - (A) any Security Interest arising by operation of law;
  - (B) any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for payments due under the Notes;
  - (C) any Security Interest securing the obligations of the Issuer under the Notes, which may from time to time be created or given by the Issuer in favour of the Noteholders or their representative (such as a security trustee appointed to hold such Security Interest for their benefit); and
- "Fungible Bonds" shall mean further notes, bonds or other securities that may be issued by the Issuer with terms and conditions that are identical to the Notes in all respects except for the respective Issue Date and/or Interest Commencement Date and/or Commodity Spread

and/or the Interest Rate (which may be the same or less than the Interest Rate applicable to the Notes).

The Issuer hereby further undertakes and covenants in favour of the Noteholders that, at all times during which any of the Notes shall remain outstanding, it shall:

- (a) pay interest to the Noteholders at the rate of four point five per cent (4.5%) per annum on each Interest Payment Date and the Redemption Value of the Notes on the Maturity Date;
- (b) maintain its corporate existence as a public limited liability company duly organised, existing and in good standing under Maltese law;
- (c) promptly notify the Noteholders upon the occurrence of an Event of Default;
- (d) duly and punctually pay, perform and observe all rents, rates, taxes, stamp duties, covenants and other obligations whatsoever which ought properly to be paid or to be observed or to be performed by it;
- (e) permit the Professional Advisor or any person or persons authorised by him (solely for the purposes of the Professional Advisor's functions under the Professional Advisor Agreement), or if and for so long as the appointment of the Professional Advisor is vacant, the Noteholders or any person or persons authorised by them, at any time and from time to time during the usual times of business, to inspect and examine the Issuer's books and records, including information on the Eligible Assets comprised in the Asset Pool as is in the possession of the Issuer; PROVIDED that the aforementioned inspection may only be made by the Professional Advisor or Noteholders or their respective representative/s (as the case may be) after having notified the Issuer in writing of his/their intention and that the aforementioned inspection is made during reasonable business hours;
- (f) keep proper books of account as required by applicable laws which shall at all reasonable times be open to inspection by the Professional Advisor or any person or persons authorised by him (solely for the purposes of the Professional Advisor's functions under the Professional Advisor Agreement), or if and for so long as the appointment of the Professional Advisor is vacant, by the Noteholders or any person or persons authorised by them, and will furnish to them all such information relating to its business or affairs as they may reasonably require; PROVIDED that the aforementioned inspection may only be made by the Professional Advisor or Noteholders or their respective representative/s (as the case may be) after having notified the Issuer in writing of his/their intention and that the aforementioned inspection is made during reasonable business hours;
- (g) exercise reasonable endeavours to carry on and conduct its business in a proper and efficient manner; and
- (h) comply with the requirements of all laws in force in any jurisdiction from time to time as applicable to it.



## 9.7 Rights attaching to the Notes

The Terms and Conditions of the Notes as described and set out in the Prospectus constitute the terms and conditions of the contract between the Issuer and the Noteholder which comes into effect upon approval by the Issuer (or the Agent on its behalf) of the relevant Application submitted by such Noteholder, which approval shall be signified by the instruction given by the Agent (on behalf of the Issuer) to the CSD on the relevant Issue Date to make the appropriate book-entries in respect of the relevant Noteholder and the relevant Note/s in the electronic register held at the CSD. A Noteholder shall have such rights as are, pursuant to the Base Prospectus, attached to the Notes, including (without limitation):

- (i) the payment of interest and of the Redemption Value;
- (ii) the right to attend, participate in and vote at meetings of Noteholders in accordance with the Terms and Conditions; and
- (iii) all such other rights attached to the Notes emanating from the Prospectus.

No Notes shall be issued and allotted to Eligible Investors before the Condition Precedent set out in Section 8.2 has been duly satisfied.

## 9.8 Interest / Yield

Each Note bears interest on its Nominal Value at the Interest Rate from (and including) the Interest Commencement Date up to (but excluding) the Maturity Date. ***For the avoidance of doubt, interest is payable at the Interest Rate applied to the fixed Nominal Value paid upon subscription, irrespective of the Commodity Spread and any fluctuations in the price of the Commodity or any other asset since such subscription.***

Interest shall be payable in arrears in Euro on each Interest Payment Date. The first payment of interest shall be made on the first Interest Payment Date. In the event that any Interest Payment Date falls on a day other than a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day.

Interest on the Notes will accrue on a daily basis from the date of issue on the basis of a three hundred and sixty (360) day year divided into twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed. Interest shall cease to accrue on each Note on the day preceding the Maturity Date unless payment of the Redemption Value is improperly withheld or refused or unless the Issuer defaults in respect of payment, in which event, interest shall continue to accrue at the Interest Rate until the date of payment thereof.

The yield on the Notes is 4.5% per annum, reflecting the Interest Rate payable thereon. It is not possible to calculate the yield on the basis of the yield to maturity financial formula/ae, since the changes in the prices of the Commodity and the Commodity Spread, and accordingly the Redemption Value payable upon maturity, cannot be

ascertained as of the date hereof.

## **9.9 Redemption**

Unless previously purchased and cancelled, the Notes shall be redeemed on the Maturity Date at their Redemption Value which shall be calculated by the Agent.

The Redemption Value will correspond to the Nominal Value adjusted by the Commodity Spread. In other words the Redemption Value of each Note shall be calculated using the following formula:

$$RV = C1 \times PV$$

where:

“RV” means the Redemption Value of a Note on the Maturity Date;

“C1” means the quantity of Commodity that could be purchased on the Issue Date of the relevant Note at a price equivalent to the value of Commodity determined and made available by the LBMA as at 16:30 London BST of such relevant Issue Date; and

“PV” means the value of the same quantity of Commodity under C1 as determined and made available by the LBMA as at 16:30 London BST of the Maturity Date.

The Redemption Value determined by the Agent shall, save for manifest error, be conclusive and binding on each of the Issuer and the Noteholders.

## **9.10 Payments**

Noteholders must rely on the procedures of the CSD to receive payments under the Notes. The Issuer will discharge all of its payment obligations under the Notes by making payments to the CSD for onward distribution (through Clearstream, if necessary) to the accounts of the respective Noteholders indicated in the CSD’s electronic register of Noteholders. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holdings of Notes through the CSD.

Repayment of the Redemption Value of the Notes will be made in Euro on the Maturity Date by the Issuer to the person in whose name such Notes are registered as at the close of business on the Maturity Date, together with interest accrued up to (but excluding) the Maturity Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon repayment of the Redemption Value and accrued interest the Notes shall be redeemed and the appropriate entry made in the electronic register of the Notes at the CSD and the Issuer shall have no further obligation towards the Noteholder in respect of the Notes redeemed.

In the case of Notes held subject to usufruct, payment of the Redemption Value will be made against the joint instructions of all bare owners and usufructuaries. Before

effecting payment, the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Notes.

Payment of any instalment of interest on a Note will be made to the person in whose name such Note is registered at the close of business fifteen (15) days prior to the relevant Interest Payment Date.

All payments with respect to the Notes are subject in all cases to any pledge (duly constituted) of the Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Notes may be made net 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 any other authority thereof or therein having power to tax.

No commissions or expenses shall be charged by the Issuer to Noteholder in respect of such payments. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer, nor for any taxes whatsoever (including any interest and penalties payable in connection therewith) arising from or in connection with such payments, which shall be at the charge of the Noteholders, and the Noteholders will keep the Issuer and the Agent at all times indemnified against the same.

Any claim against the Issuer by Noteholders in connection with all payments due to them in respect of the Notes shall be prescribed (time-barred) upon the lapse of five (5) years from the day on which an action in relation to the same can be exercised.

### **9.11 Purchase and Cancellation**

To the extent allowed by law, the Issuer may at any time purchase Notes in the open market or otherwise and at any price. All Notes purchased by or on behalf of the Issuer may, at the option of the Issuer, be surrendered for cancellation, or otherwise disposed of at any price. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

### **9.12 Transferability of the Notes**

The Notes are freely transferable in accordance with applicable laws and the rules and regulations of the IFSM.

Any person becoming entitled to a Note in consequence of the death or bankruptcy of a Noteholder may, upon such evidence being produced as may from time to time properly required by the CSD, elect either to be registered himself as holder of the Note or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send

to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the Note.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Notes and to any applicable laws and regulations.

The cost and expenses of effecting any trading or transfer in the Notes on the IFSM shall be at the charge of the Noteholder or at the charge of such person as the rules and regulations of the IFSM may from time to time determine.

Because the Notes will be held at the CSD, investors will have to rely on its procedures for transfers. The CSD will not register the transfer or transmission of Notes for a period of fifteen (15) days preceding the due date for any payment of principal or interest on the Notes.

Notes may only be transferred in whole, and no part of a Note may form the object of a transfer.

### **9.13 Further Issues**

The Issuer may from time to time, without the consent of any existing Noteholders, constitute and issue further Tranches identical to earlier issued Tranches in all respects (provided that the Issuer may only issue up to EUR 20,000,000 of Notes under the Programme) except for the Issue Date, Interest Commencement Date and/or Commodity Spread. Each Tranche issued under the Programme will be consolidated and form part of the same Series and will be fungible with all other outstanding Tranches. Although the amount of Notes that may be issued under the Programme is limited to EUR 20,000,000, there is no other restriction on the amount of debt which the Issuer may issue. Accordingly, the Issuer may incur additional indebtedness (other than the indebtedness incurred in relation to the issue of the Notes) without the consent of the Noteholders, but subject to the undertakings of the Issuer under Section 9.6 ("Negative Pledge and Undertakings").

### **9.14 Meetings of Noteholders and Amendments to Terms and Conditions**

The Issuer may from time to time call meetings of Noteholders for the purpose of consultation with noteholders or for the purpose of obtaining the consent of Noteholders on matters which pursuant to Maltese law and/or the Prospectus require their approval or the approval of a Noteholders' meeting.

A meeting of Noteholders shall be called by the Directors by giving all Noteholders listed on the register of Noteholders as at a date being twenty eight (28) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any

amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Noteholders. Following a meeting of Noteholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Noteholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Noteholders in accordance with the provisions of this Section 9.14 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer, and shall be binding on all Noteholders.

The amendment or waiver of any of the Terms and Conditions of the Notes contained in this Prospectus, may only be made with the approval of the Issuer and the Noteholders at a meeting called and held for that purpose.

A meeting of Noteholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, any number of Noteholders present, in person or by proxy, representing not less than fifty per cent (50%) in Nominal Value of the 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 Noteholders present at that meeting. The Issuer shall within five (5) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting: any number of 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.

A Noteholder shall be entitled to be represented at any such meeting and to exercise his rights (including the right to vote) by proxy. For such purpose, the Issuer shall make available a proxy form, on paper or, where applicable, by electronic means to each Noteholder entitled to vote at a meeting of Noteholders. The proxy form shall be made available either together with the notice convening the meeting or after a company announcement of the meeting. Every instrument appointing a proxy must be in writing signed by the appointer or his attorney or in the case of a corporation executed as a deed or signed by its duly authorised representative. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or true copy of such power or authority shall be deposited at the registered office of the Issuer not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and, in default, the instrument of proxy shall not, unless the Directors otherwise decide, be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy is given or transfer of the Note in respect of which it is given unless previous intimation in writing of such death, insanity,

revocation or transfer shall have been received at the registered office of the Issuer.

Any person who in accordance with the Articles of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Noteholders, or if he is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting or is not willing to act, the Directors present shall elect one of their number to be the chairman of the meeting.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Noteholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Noteholders to present their views to the Issuer and the other Noteholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Noteholders present at the time at which the vote is being taken, and any 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.

The voting process shall be managed by the company secretary of the Issuer or some other person appointed for the purpose by the Directors or by the chairman of the meeting.

Except where otherwise required herein in respect of a specific matter or matters, any resolution proposed at a meeting of Noteholders shall only be considered as approved if the resolution is approved by Noteholders representing seventy-five (75%) of the Nominal Value of the Notes held by Noteholders present or represented at the meeting.

Save for the above, the rules generally applicable by law or under the Articles to proceedings at general meetings of shareholders of the Issuer shall mutatis mutandis apply to meetings of Noteholders.

### **9.15 Events of Default**

The Notes shall be or become immediately due and repayable at their Redemption Value by notice in writing given by any Noteholder/s to the Issuer (which shall be delivered by hand or registered mail to the registered office of the Issuer), if any of the following events ("Events of Default" and each an "Event of Default") shall occur and shall be continuing at the time of such notice:

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

given to the Issuer by any Noteholder; or

- c) the Issuer fails to perform or observe any material covenant, material condition or material provision contained in these Terms and Conditions, the Prospectus or the Professional Advisor Agreement (other than any obligation for the payment of the Redemption Value or interest in respect of the Notes) and such failure is incapable of remedy or is not remedied within sixty (60) days after notice of such default shall have been given to the Issuer by any Noteholder; or
- d) the Issuer is deemed unable or admits its inability to pay its debts as they fall due within the meaning of Article 214(5) of the Companies Act; or
- e) the Issuer stops or suspends payments (whether of the Redemption Value or interest) with respect to the Notes or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- f) the Issuer is adjudicated or found bankrupt or insolvent, or an order is made by any competent court, or a resolution is passed by the Issuer or any other action is taken for the dissolution, liquidation, or winding-up of the Issuer: provided that this paragraph (f) shall not apply to an application for dissolution, liquidation, or winding-up presented by a creditor of the Issuer which is being contested in good faith and with due diligence.

### **9.16 Notes held Jointly**

In respect of a Note held jointly by several persons, the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register of Noteholders with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the 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 Note shall, for all intents and purposes, be deemed to be the registered holder of the Note so held. Notwithstanding what is stated above, the joint holders of Notes shall be liable, jointly and severally, in respect of the production of documents and information and all other obligations which may be due by holders of Notes to the Issuer.

### **9.17 Notes held subject to Usufruct**

In respect of a Note held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register held by the CSD on behalf of the Issuer. Without prejudice to what is provided in Section 9.10 regarding payment of the Redemption Value, the usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Note so held and shall have the right to receive interest on the Note and to vote at meetings of the Noteholder, but shall not, during the continuance of the Note, have the right to dispose of the Note so held without the consent of the bare owner.

### **9.18 Notices to Noteholders**

Notices to the Noteholder shall be mailed to them at their respective addresses contained in the register of Noteholders maintained by the CSD on behalf of the Issuer and shall be deemed to have been served at the expiration of three (3) calendar days after the date of mailing. In proving such service, it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Noteholder at the address contained in the register of Noteholder maintained by the CSD on behalf of the Issuer. Notices concerning the Notes shall also be available on the website of the IFSM ([www.borzamalta.com.mt](http://www.borzamalta.com.mt)), where so required by the rules and regulations of the IFSM.

### **9.19 Governing Law and Jurisdiction**

The Notes, all the rights and obligations of the Noteholder and the Issuer, and any non-contractual obligations arising out of or in connection with the Notes, shall be governed by and construed in accordance with Maltese law.

The Courts of Malta shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, all the rights and obligations of the Noteholder and/or the Issuer, and any non-contractual obligations arising out of or in connection with the Notes. Each of the Issuer and the Noteholders hereby irrevocably submits to the exclusive jurisdiction of the Courts of Malta to hear and determine any proceedings and to settle any dispute which may arise out of, or in connection with the Notes.

Each of the Issuer and the Noteholder waives any objection to the Maltese Courts on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agrees that a judgement or order of such a Court shall be conclusive and binding on it and may be enforced against it in the Courts of any other jurisdiction.



## 10. FORM OF FINAL TERMS

The Final Terms for each Tranche shall be published by the Issuer in the following form:

*These are the Final Terms for the issue of a Tranche of Notes under the €20,000,000 4.5% Asset (Gold) Backed Notes Programme of G2G p.l.c. (the “Programme”) and comprise the final terms required for the issue and admission to trading on the Institutional Financial Securities Market of the Notes described herein pursuant to the Programme, as authorised by the Issuer’s board of directors’ resolution dated 7<sup>th</sup> December 2018. These Final Terms have been prepared for the purpose of Article 5(4) of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 23rd January 2019 and any Supplement(s) thereto from time to time (collectively, the “Base Prospectus”). Full information on the Issuer and the issue of the Notes is only available if these Final Terms are read in conjunction with the Base Prospectus. The Base Prospectus shall be made available to the public by means of electronic publication on the website of the Listing Authority ([www.mfsa.com.mt](http://www.mfsa.com.mt)). Capitalised terms used but not defined in these Final Terms shall have the same meanings specified in the Base Prospectus.*

### FINAL TERMS

Dated [-]

Series 1

Tranche [Year]/[Tranche No.]

issued pursuant to the

**€20,000,000 4.5% Asset (Gold) Backed Notes Programme**

Dated [], 2019

of

**G2G p.l.c.**

ISIN: [-]

Issue Price: €100,000 per Note

Issue Date: [-]

## **PART I: TERMS AND CONDITIONS**

This part of the Final Terms is to be read in conjunction with the Terms and Conditions of the Notes set out in the Base Prospectus.

### *1. Currency, Denomination, Minimum Subscription and Form*

Specified currency: Euro

Aggregate Nominal Value to be issued: [ ]

Specified (unit) denomination: EUR 100,000

Number of Notes to be issued: [ ]

Minimum subscription per Noteholder: EUR 100,000

Form: fully registered, dematerialised and uncertificated form, represented by the appropriate entry in the electronic register maintained by the CSD of the Malta Stock Exchange

### *2. Interest*

Fixed Rate of Interest / Yield (% per annum) on the Nominal Value: 4.5%

Interest Commencement Date: [*Issue Date*]

Interest Payment Dates: [-] and [-]

First Interest Payment Date: [ ]

### *3. Maturity Date [ ]*

## **PART II: TIMETABLE / ADMISSION TO LISTING AND TRADING AND AGENT**

### *4. Timetable / Admission to Listing and Trading*

Application forms available from the Agent: [ ]

Application deadline: [ ]

Issue Date: [ ]

Date of admission to listing and trading on IFSM: [ ]

Commencement of dealing: [ ]

## **PART III: ADDITIONAL DISCLOSURE REQUIREMENTS**

### *5. Amount of Eligible Assets to be Acquired: [ ]*

### *6. Additional Information on the Commodity*

Legal jurisdiction governing the Commodity (its acquisition and/or lending) [ ]

Global statistical data referred to securitised Commodity [ ]

Legal nature of the Commodity: physically allocated bullion gold bars in formats of one (1) kilo with a fineness of 999.9/100

Expiry or maturity date of the Commodity [ ]

Loan to value ratio or level of collateralisation [ ]

Additional representations and collateral relating to the Commodity [ ]

Relationship material to issue between Issuer and the Eligible Asset Obligors with respect to the Commodity [ ]

### *7. Any interest material to issue [ ]*

### *8. Estimated Expenses of Issue and Admission to Trading [ ]*

### *9. Introducer Fees (if applicable) [ ]*

## **11. TAXATION**

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation in respect of the Notes, including their acquisition, holding and disposal, and any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to the holders of the Notes, in so far as taxation in Malta is concerned. This information, which does not constitute legal or tax advice, and which does not purport to be exhaustive refers only to the holders who do not deal in securities in the course of a trading activity.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation in Malta, as known to the Issuer at the date of the Base Prospectus. 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 and may vary depending on the jurisdiction of the investor.

The information is being given solely for the general information of investors. The precise implications for investors will depend on their particular circumstances and professional advice in this respect should be sought accordingly.

### **11.1 Interest paid to Noteholder**

As a general rule, Noteholders who are resident in Malta are subject to tax on interest at the income tax rates applicable to that person at that time. Interest shall be paid gross and such person will be obliged to declare the interest so received in the relative income tax return.

However, pursuant to Article 33 of the Income Tax Act, interest shall be paid net of a final withholding tax, currently at the rate of fifteen percent (15%), of the gross amount of the interest. The withholding tax applies insofar as the interest is payable in respect of a “public issue by a company”, in terms of Article 41(a)(iv)(1). Accordingly, should the Notes issue be deemed, for Maltese income tax purposes, to fall within the ambit of a “public issue”, Noteholders should qualify for the fifteen percent (15%) withholding tax, unless, the Issuer is otherwise instructed by a Noteholder, or if the Noteholder does not fall within the definition of “recipient” in terms of Article 41(c) of the Income Tax Act. The withholding tax is considered as a final tax and a Maltese resident individual Noteholder need not declare the interest so received in his income tax return. No person shall be charged to further Maltese tax in respect of such income.

In the case of a valid election made by an eligible Noteholder resident in Malta to receive the interest due without the deduction of a final tax, interest shall 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 income tax rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Inland Revenue Department 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 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.

## **11.2 Capital Gains**

On the assumption that the Notes would not fall within the definition of “securities” in terms of Article 5(1)(b) of the Income Tax Act, which defines “securities” as, “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 income tax should be due on any capital gains resulting from the transfer of Notes by a Noteholder.

At any rate, no Malta tax should be chargeable on any disposal of Notes by a Noteholder who is not resident in Malta and provided that:

- (i) the Noteholder is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta; and
- (ii) the Issuer shall not own immovable property situated in Malta or any real rights thereon or, directly or indirectly, shares or other interests in any entity or person, which owns immovable property situated in Malta or any real rights thereon where five percent (5%) or more of the total value of the said shares or other interests so held is attributable to such immovable property or rights.

Furthermore, no Malta tax may be chargeable on any disposal of Securities listed on the IFSM in terms of the provisions of Article 5(6)(b) of the Income Tax Act.

## **11.3 Duty on Documents and Transfers**

In terms of Article 50 of the Financial Markets Act, any transfer of the Notes should be exempt from Maltese duty which may otherwise be chargeable in terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta).

**THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THIS BASE PROSPECTUS. PROSPECTIVE INVESTORS ARE CAUTIONED THAT TAX LAW AND PRACTICE AND THE LEVELS OF TAX RELATING TO THE NOTEHOLDERS MAY CHANGE FROM TIME TO TIME.**

**PROSPECTIVE INVESTORS ARE URGED TO SEEK PEROFESIONAL ADVICE AS REGARDS BOTH MALTESE AND FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF THE NOTES. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO INVESTORS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF A TRADING ACTIVITY.**

## **12. SELLING RESTRICTIONS**

### **12.1 Qualified Investors**

The Notes may only be offered, sold or delivered to, and accepted by, 'qualified investors' (as such term is defined below) and shall not be repackaged or sold to investors who do not qualify as such.

For the purposes hereof, 'qualified investors' shall mean and include:

- (i) persons or entities that are described in points (1) to (4) of Section I of Annex II to MiFID; or
- (ii) persons or entities who do not fall under points (1) to (4) of Section I of Annex II to MiFID but who request in writing to be treated as 'qualified investors' for the purposes hereof and who declare in writing that they satisfy at least two of the following criteria:
  - (a) the relevant person or entity has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters,
  - (b) the size of its financial instrument portfolio, defined as including cash deposits and financial instruments, exceeds EUR 500 000,
  - (c) it works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the Notes and the investment in the Notes envisaged.

### **12.2 United States of America**

The Notes have not been and will not be registered under the Securities Act of 1933 of the United States of America. The Notes may not be offered or sold or delivered within the United States or to or for the account or benefit of a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended).

### **13. DOCUMENTS INCORPORATED BY REFERENCE AND DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are incorporated by reference into this Base Prospectus:

- The updated Memorandum and Articles of Association of the Issuer.

The above document/s as well as the following documents are available for physical inspection at the Issuer's registered office for the whole period of validity of this Base Prospectus and may also be requested and provided by electronic means through a request to the Issuer's contact email: [info@integra-pw.com](mailto:info@integra-pw.com)

- The Agency Agreement;
- The Professional Advisor Agreement;
- The Commodity Custody Agreement;
- The Management Agreement;
- The Custody Agreement
- The financial statements of the Commodity Custodian for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017

## **DIRECTORY**

### The Issuer:

#### **G2G p.l.c.**

228, Tower Road, Sliema SLM 1601, Malta

Phone Number: +35621338831

E-mail: info@integra-pw.com

### Agent:

#### **TRIDENT CORPORATE SERVICES (MALTA) LTD**

Orange Point Building, Second Floor, Dun Karm Street, Birkirkara By-Pass,  
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