

Instrument of Trust entered into today the 23rd June, 2022

Of the first part:

Daniela Zammit who is appearing hereon in the name and on behalf of the company Malta Properties Company p.l.c. a public limited liability company duly incorporated under the laws of Malta with registration number letter C 51272 and with registered office situated at The Bastions, Triq Emvin Cremona, Floriana FRN 1281, Malta, as duly authorised by virtue of a resolution of the Board of Directors of the aforesaid company, a copy of which is annexed to this Instrument of Trust as a document marked with the letter "A", in this deed hereinafter referred to as the **"Issuer"** or **"MPC"**);

Of the second part:

Daniela Zammit who is appearing hereon in the name and on behalf of "MCB Property Company Limited", a private limited liability company duly incorporated under the laws of Malta with registration number letter C 51493 and having its registered office at The Bastions, Triq Emvin Cremona, Floriana FRN 1281, Malta, as duly authorised in virtue of a resolution signed by the Board of Directors and attached together with this deed and marked as document letter "B" and this in terms of the Memorandum and Articles of Association of the said Company, in this Instrument of Trust, hereinafter referred to as the **"Security Provider 1"** or **'MCB Company'**;

Of the third part:

Daniela Zammit who is appearing hereon in the name and on behalf of "ZTN Property Company Limited", a private limited liability company duly incorporated under the laws of Malta with registration number letter C 54592 and having its registered office at The Bastions, Triq Emvin Cremona, Floriana FRN 1281, Malta, as duly authorised in virtue of a resolution signed by the Board of Directors and attached together with this deed and marked as document letter "C" and this in terms of the Memorandum and Articles of Association of the said Company, in this Instrument of Trust, hereinafter referred to as the **"Security Provider 2"** or **'ZTN Company'**;

(Security Provider 1 and Security Provider 2 shall collectively be referred to as the **"Security Providers"** and each a **"Security Provider"**)



Of the fourth part:

Arthur Galea Salomone and James Bannister who are appearing hereon in the name and on behalf of Finco Trust Services Limited, a limited liability company duly incorporated under the laws of Malta with registration letter C 13078 and registered office at The Bastions Office No. 2, Emvin Cremona Street, Floriana FRN 1281, Malta, in its capacity of security trustee appointed by means of the Trust Instrument (as this term is defined in below) (in this deed, in its capacity of security trustee is referred to as the **"Security Trustee"**); as duly authorised by virtue of a resolution of the Board of Directors of the aforesaid company, a copy of which is annexed to this Instrument of Trust as a document marked with the letter "D".

Whereas, the Issuer proposes to issue the Bonds (as defined below) and has by Directors' resolution of the 24th May 2022 authorised the issue of Bonds (as defined below) which are to be admitted on the Official List operated by the Malta Stock Exchange pursuant to the Prospectus (as hereinafter defined) and the Tranche 1 Final Terms (as hereinafter defined) which Bonds are to be secured as set out in the Prospectus, the Tranche 1 Final Terms and in this Trust Instrument.

And whereas this Trust Instrument relates exclusively to the issue of the Bonds (as hereinafter defined), that is, the secured bonds to be issued by the Issuer in terms of the Prospectus (as hereinafter defined) and the Tranche 1 Final Terms (as hereinafter defined), to the exclusion of any further tranches of bonds that may be issued by the Issuer under the Prospectus;

And whereas the security provided pursuant to this Instrument of Trust and in terms of the Deeds of Hypothec (as hereinafter defined) is for the exclusive benefit of the Bondholders (as hereinafter defined), being the holders of the Bonds (as hereinafter defined) from time to time as evidenced by an electronic entry in the Bondholder Register (as hereinafter defined) to the exclusion of any bondholders of further tranches of bonds that may be issued by the Issuer under the Prospectus;

And whereas, the Issuer and the Security Providers shall grant to the Security Trustee for the benefit of the Beneficiaries (as hereinafter defined) the Security Interest (as hereinafter defined), which Security Interest shall consist in first ranking special hypothecs over the Secured Properties (as hereinafter defined) created by means of a Deed of Hypothec (as hereinafter defined) granted in favour of the Security Trustee

who shall hold such Security Interest for the benefit of the Bondholders (as hereinafter defined).

And whereas, the Malta Financial Services Authority has approved the Prospectus on 1st June 2022 and the Tranche 1 Final Terms on the 1st June 2022.

And whereas, the Security Trustee is authorised to act as trustee in terms of the Trusts and Trustees Act (Chapter 331 of the Laws of Malta) and has agreed to act as trustee under this Trust Instrument for the benefit of the Bondholders.

Now therefore it is agreed and declared as follows:

1 Interpretation

1.1 In this Trust Instrument the following words shall, unless the context otherwise determines, have the same meaning as assigned to them hereunder:

“Act” means the Trust and Trustees Act (Cap. 331 of the Laws of Malta);

“Beneficiaries” means the Bondholders from time to time;

“Bondholders’ Decision” means a resolution passed by Bondholders during a Bondholders Meeting holding not less than seventy-five per centum (75%) in nominal value of the Bonds then outstanding;

“Bondholder” means a holder of the Bonds from time to time as evidenced by an electronic entry in the Bondholder Register;

“Bond Issue Proceeds” means the subscription proceeds from the issue of the Bonds deposited into the Collateral Account/s;

“Bondholders Meeting” means a meeting of the Bondholders constituted in accordance with Clause 14 below;

“Bonds” means the secured bonds to be issued by the Issuer in terms of the Prospectus and the Tranche 1 Final Terms **only** or as the case may be the amount of such Bonds for the time being issued and outstanding;

  

"Central Securities Depository" means the Central Securities Depository of the Malta Stock Exchange being the central registration system for dematerialised financial instruments in Malta;

"Change and Swap Security Interest" shall mean a Security Interest granted pursuant to Clause 8A (Condition B) of this Trust Instrument;

"Civil Code" means the Civil Code (Cap 16 of the Laws of Malta);

"Collateral Account" means the bank account or accounts held or to be held by the Security Trustee with a Maltese-licensed credit institution for the purpose, inter alia, of depositing and holding the Bond Issue Proceeds until their release in accordance with the Prospectus and/or the Tranche 1 Final Terms and/or this Trust Instrument;

"Deed of Hypothec" means each deed to be entered into by and between, *inter alia*, each Security Provider and the Security Trustee whereby each Security Provider will constitute a first ranking special hypothec over Secured Property owned by that Security Provider in favour of the Security Trustee and for the benefit of the Bondholders and "Deeds of Hypothec" means all or any of the aforesaid deeds;

"Designated Properties" means the GO Head Office and the Zejtun Exchange;

"Event of Default" has the same meaning as set out in Clause 10.9 of this Trust Instrument;

"GO Head Office" has the same meaning as in the Tranche 1 Final Terms;

"HSBC Repayment" has the same meaning as set out in Part B, clause (d)(1) of the Tranche 1 Final Terms;

"Initial Security Interest" means the first ranking special hypothecs constituted in favour of the Security Trustee for the benefit of the Bondholders over (a) the GO Head Office and (b) the Zejtun Exchange;

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"Interest" means 4% per annum

"Interest Payment Date" means 30 June of each year between and including each of the years 2023 and the year 2032

"Issue Date" means 30 June 2022;

"Malta Stock Exchange" means the Malta Stock Exchange p.l.c. as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063 Malta;

"Principal Amount" means initially, as at the date of this Instrument of Trust, the sum of Euro 25,000,000 representing the par value of the issued Bonds and thereafter the principal amount owing by the Issuer to the Bondholders from time to time under the Bonds representing the par value of the Bonds which have not been previously re-purchased and cancelled by the Issuer or otherwise redeemed;

"Property Valuer" means AP Valletta Ltd. (AP) of 4, Sappers Street, Valletta VLT 1320, Malta.

"Prospectus" means the base prospectus issued by the Issuer on 1st June 2022 for the issuance of the Bonds as the base document for the Tranche 1 Final Terms, a copy of which is attached as Schedule 1 and any supplements thereto;

"Prospectus Regulation" means Commission Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time;

"Register of Bondholders" means the register of Bonds held and maintained by the Central Securities Depository on behalf of the Issuer or as may be stipulated by the MSE Bye-Laws from time to time.

"Registrar" means Rizzo, Farrugia & Co. (Stockbrokers) Ltd. Of Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta.

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"Secured Property" means any immovable property in respect of which from time to time a Security Interest is constituted in favour of the Security Trustee, for the benefit of the Bondholders, for the purposes of securing the Bonds and the obligations of the Issuer and the Security Providers in terms of the Prospectus, the Tranche 1 Final Terms, the Deeds of hypothec and this Security Instrument;

"Security Interest" means any security which may be held on trust by the Security Trustee for the benefit of the Bondholders and shall include the Initial Security Interest (unless released under Article 8A of this Instrument) and any Change and Swap Security Interest from time to time as may be varied or reduced from time to time in terms of this Trust Instrument and any other security which may be held in trust for the Beneficiaries under the terms of the Trust Instrument;

"Special Hypothecs" means the first ranking special hypothecs to be granted by the respective Security Provider to the Trustee with respect to the immovable properties making up the Security Interest;

"Tranche 1 Final Terms" means the Tranche 1 Final Terms in relation to the issuance of the Bonds pursuant to the Prospectus issued by the Issuer on the 1st June 2022 prepared for the purpose of Article 8(4) of the Prospectus Regulation, a copy of which is attached as Schedule 2;

"Trust" means the MPC 2032 Tranche 1 Secured Bond Trust created by this Trust Instrument;

"Trust Instrument" means this trust instrument and any other instrument varying or amending it;

"Trust Property" means:

- (a) the Bond Issue Proceeds from such time as they are received by the Security Trustee until such time as these are released by the Security Trustee in accordance with this Trust Instrument;

- (b) any Security Interest from time to time (including the proceeds from the enforcement of any Security Interest) granted to the Security Trustee for the benefit of the Bondholders; and

“Zejtun Exchange” has the same meaning as in the Tranche 1 Final Terms.

1.2 In this Trust Instrument unless the context requires otherwise:

- (a) capitalised terms defined in the Prospectus and the Tranche 1 Final Terms (as applicable) shall have the same meaning as this Trust Instrument (unless herein defined);
- (b) reference to any law or legal provision includes a reference to: (i) that law or legal provision as from time to time amended extended or re-enacted or consolidated; and (ii) all legal notices or orders made pursuant to it;
- (c) references to costs, charges and expenses shall unless otherwise provided include any VAT or similar tax charged or chargeable in respect of such costs charges and expenses;
- (d) words denoting the singular shall include the plural and vice versa;
- (e) words denoting any gender include all the genders and words denoting persons shall include firms and corporations and vice versa;

1.3 Any reference to the Issuer, the Security Providers and/or the Security Trustee includes a reference to its/their duly authorised delegates.

1.4 Reference to “Clauses” or “clauses” are to the clauses or sub-clauses of this Trust Instrument.

1.5 Clause headings are for convenience only and shall not be considered or affect the construction or interpretation of this Trust Instrument.

- 1.6 In the event of any inconsistency between the provisions of this Trust Instrument and the provisions of the Prospectus, and the Tranche 1 Final Terms the provisions of this Trust Instrument shall prevail.

2 Appointment

- 2.1 The Issuer hereby appoints the Security Trustee, who accepts, with effect from the date of approval of both the Prospectus and the Tranche 1 Final Terms, to act as trustee of the Trust Property in accordance with this Trust Instrument, the Prospectus, the Tranche 1 Final Terms and Maltese law.
- 2.2 The Security Trustee's appointment shall continue until such appointment is renounced by the Security Trustee or otherwise terminated in accordance with the provisions of this Trust Instrument and Article 20 of the Act.
- 2.3 The Security Trustee's appointment relates exclusively to the security provided pursuant to this Instrument of Trust and in terms of the Deeds of Hypothec for the exclusive benefit of the Bondholders being the holders of the Bonds from time to time as evidenced by an electronic entry in the Bondholder Register to the exclusion of any bondholders of further tranches of bonds that may be issued by the Issuer under the Prospectus.

3 Undertakings

- 3.1 The Issuer undertakes and binds itself in favour of the Security Trustee:
- (a) to issue the Bonds on or around the Issue Date; and
 - (b) provided that the HSBC Repayment has been made by the Security Trustee, to contemporaneously and on the same date as the HSBC Repayment is made, procure that the Security Providers shall execute Deeds of Hypothec and to do all that is necessary to properly constitute, register and perfect first ranking special hypothecs over the Designated Properties by no later than the date indicated in the Tranche 1 Final Terms (Part b (g)(7)).

3.2 The Security Providers each undertake and bind themselves in favour of the Security Trustee:

- (a) to constitute themselves as jointly and several surety with the Issuer and amongst themselves for the Issuer's obligations in respect of the Bonds in accordance with the Prospectus and the Tranche 1 Final Terms, particularly the repayment of the Principal Amount and Interest thereupon;
- (b) to grant, in warranty of the proper observance by the Issuer of all the covenants and obligations undertaken by the Issuer towards the Bondholders in terms of the Prospectus, the Tranche 1 Final Terms and the Bonds and towards the Security Trustee for the benefit of the Beneficiaries in terms of this Trust Instrument and in particular in warranty of its obligations to repay the Principal Amount and Interest thereupon and all other monies due by or recoverable from the Issuer in terms of the Prospectus, the Tranche 1 Final Terms, the Deeds of Hypothec, the Bonds and this Instrument of Trust, as well as in warranty of the proper observance of their own obligations in terms of this Trust Instrument, the Prospectus, the Tranche 1 Final Terms, the Deeds of Hypothecs and the Bonds towards the Security Trustee for the benefit of the Beneficiaries, the Special Hypothecs on the Designated Properties, and to do all that is necessary in order to register and perfect such first ranking special hypothecs over the Initial Security Interest by no later than the date indicated in the Tranche 1 Final Terms (Part b (g)(7)).

For the avoidance of doubt, the Suretyship is strictly limited to the special hypothecs on the respective Designated Properties and shall in no way extend to any other assets of the Security Provider/s.

4 Declaration of Trust

- 4.1 Upon receipt of the Bond Issue Proceeds by the Security Trustee, the Bond Issue Proceeds will be held by the Security Trustee on trust for the Bondholders *pari passu* according to the rights and interests held by each Bondholder in the Security Interest as evidenced in the Register of Bondholders until such Bond Issue Proceeds are released to the Issuer in terms of this Trust Instrument.

  

4.2 (a) Upon creation of the Security Interest, the Security Interest will be held by the Security Trustee, in terms of this Trust Instrument, on trust for the Bondholders *pari passu* according to the rights and interests held by each Bondholder as evidenced in the Register of Bondholders;

(b) The Security Trustee shall make additional declarations of trust whenever additional property is received under trust and such declarations of trust shall be on the same terms as stated herein and shall form an integral part hereof.

4.3 This Trust is constituted as a security trust for the purposes of Article 2095E of the Civil Code.

4.4 The Parties agree that in terms of and for the purposes of the Act, this Trust shall be treated as being constituted in the context of a commercial transaction. Pursuant to the provisions of Article 21(7) of the Act, each Party agrees that the duties, liabilities, obligations and responsibilities incumbent upon the Security Trustee shall be limited to those expressly specified in this Trust Instrument;

Provided that nothing in this clause shall permit the Security Trustee to be exonerated from the effects of, or be indemnified for, its own fraud, wilful misconduct or gross negligence.

4.5 The trust established under this Trust Instrument is to be known as the "MCP 2032 Tranche 1 Secured Bond Trust".

5 Trust Property

5.1 The Trust Property shall consist in (a) the Bond Issue Proceeds until such time as they are released post listing of the Bonds in accordance with this Trust Instrument and the Prospectus and/or the Tranche 1 Final Terms and (b) the Security Interest over the Secured Property.

5.2 The Security Interest shall, (subject to the provisions of Clause 8A consist in:

(a) a first ranking special hypothec over the GO Head Office given by MCB Company; and

- (b) a first ranking special hypothec over the Zejtun Exchange given by ZTN Company.

5.3 The Security Trustee is expected to receive the Bond Issue Proceeds from the Registrar before the 14 July 2022. The Bond Issue Proceeds shall be deposited in the Collateral Account.

From the Bond Issue Proceeds amounting to twenty five million Euro (€25,000,000), the Security Trustee is hereby authorised:

- (a) to pay HSBC Bank Malta plc up to twenty one million Euro (€21,000,000) for settlement of the HSBC Repayment;
- (b) to release in favour of the Issuer the remainder of the net bond proceeds (save for any amount to be retained by the Trustee in terms of this Trust Instrument) following execution of the Deed/s of Hypothec and constitution and registration of the first ranking special hypothecs over the Designated Properties;
- (c) to retain an amount which is sufficient to cover any bank costs and charges relative to the Collateral Account/s and the deposit of the Bond Issue Proceeds;
- (d) to retain the amount of thirty five thousand (€35,000) (the "Float") for the purpose of having a necessary reserve that may be required to meet expenses that may be incurred by the Security Trustee in the performance of its duties under this Trust Instrument and in particular to enforce any of the Security Interests under this Trust Instrument provided that **subsequent only** to an Event of Default, the Issuer undertakes to maintain the Float at thirty five thousand (€35,000) upon the request of the Security Trustee and once the funds making up the Float have been reduced to below €10,000.

There is no obligation of the Security Trust to ensure that the Collateral Account is interest bearing.

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6 Beneficiaries

- 6.1 The Beneficiaries of the Trust shall be the Bondholders.
- 6.2 The Register of Bondholders shall be maintained by the Central Securities Depository of the Malta Stock Exchange and shall serve as conclusive evidence of the entitlement of each Beneficiary under this Trust Instrument, and the Security Trustee shall have no obligation to verify the correctness of the Register of Bondholders and is hereby excluded from any liability arising from or in connection with any failure to verify the correctness thereof.
- 6.3 The beneficial interest of a Beneficiary in the Trust and in the Security Interest shall terminate upon such time as a Beneficiary is no longer registered in the Register of Bondholders or upon redemption of the principal amount of the Bonds and payment of all interest thereunder as the case may be.
- 6.4 The Issuer hereby agrees to provide the Security Trustee, a copy of the Register of Bondholders upon request, as well as full access to the Register of Bondholders thereby providing the Security Trustee with full and unrestricted information in respect thereof. Furthermore, the Issuer hereby undertakes in favour of the Security Trustee that it shall pay all and any charges and levies that may, from time to time, be levied by the Central Securities Depository for the services performed by the same in connection with the Bonds and the Register of Bondholders.
- 6.5 In the event that the Bonds are de-listed from the Malta Stock Exchange or if the Central Securities Depository ceases to maintain the Register of Bondholders for any reason whatsoever, then, without prejudice to any other right or power or discretion of the Security Trustee under this Trust Instrument including any rights of enforcement, the Issuer shall immediately notify the Security Trustee and shall be bound to observe any directions with respect to the keeping of a Register of Bondholders which the Security Trustee in its discretion shall give.

7 Trust Instrument Binding on all Beneficiaries

- 7.1 The terms and conditions of this Trust Instrument shall, upon subscription or purchase of any Bonds, be binding on such subscriber or purchaser of the Bonds, and on each Bondholder from time to time, as a Beneficiary under this Trust as if the Beneficiary had been a party hereto and as if this Trust Instrument contained covenants on the part of each Beneficiary to observe and be bound by all the provisions hereof, and the Security Trustee is hereby authorised to do the things required of it by this Trust Instrument.

8 Security Interest

- 8.1 The Bonds creating and acknowledging the indebtedness of the Issuer to the Bondholders shall be issued directly by the Issuer to the Bondholders pursuant to the Prospectus and the Tranche 1 Final Terms and shall accordingly create a direct contractual relationship between the Issuer and each Bondholder. The Security Trustee shall, notwithstanding that it is not a Bondholder, be entitled to be registered as the holder of the Security Interest for the benefit of the Bondholders in accordance with the provisions of this Trust Instrument and Article 2095E of the Civil Code (Chapter 16 of the laws of Malta).
- 8.2 The Security Interest is being constituted to secure the Issuer's and each Security Provider's obligation to repay the Principal Amount of the Bonds and all interests thereon and the proper observance by each of the Issuer and each Security Provider of all the covenants and obligations undertaken by them under this Trust Instrument, the Deeds of Hypothec, the Prospectus and the Tranche 1 Final Terms.
- 8.3 The Security Interest over immovable property may rank after lawful causes of preference which may be created by operation of law or general hypothecation customarily granted in warranty of peaceful possession.
- 8.4 The Issuer and Security Providers undertake in favour of the Security Trustee, that for as long as any principal or interest under the Bonds or any indebtedness under the Bonds remains outstanding, not to create or permit to subsist any claim, charge, lien, encumbrance, hypothec (whether general or specific),

privilege or security interest other than the Security Interest or security interest arising by operation of the law.

- 8.5 The Issuer and Security Providers shall neither create nor allow to subsist any further encumbrances over Secured Property, save as permitted by this Trust Instrument, nor shall the Issuer and Security Providers transfer ownership and/or any other real right over the Secured Property under any title whatsoever, without the consent of the Security Trustee. For the avoidance of doubt this prohibition shall include the granting of general hypothecation, saving (i) general hypothecation customarily granted in warranty of peaceful possession and/or (ii) general hypothecation given by a Security Provider in which the respective Secured Property is specifically excluded from the aforementioned general hypothecation.

8A Removal or Change and Swap Security

- 8A.1 The Issuer and/or either of the Security Providers may request the Security Trustee to release and discharge a Security Interest over a Secured Property (the "Discharged Security").
- 8A.2 The Security Trustee may only accept and approve the release and discharge of the Discharged Security under Condition A and/or Condition B:

Condition A

- (a) following a revaluation of the Secured Property, the value of the Secured Property (excluding the value of the property proposed to be the Discharged Security) shall be at least at 120% of the value of the outstanding Bonds;

PROVIDED that the establishment of such value shall be determined by the Property Valuer and his valuation shall be deemed conclusive. The Security Trustee shall be entitled to rely solely on the valuation determined by the Property Valuer without incurring any liability for so relying.

By way of explanation, the Issuer and/or Security Providers (as applicable) may request (and the Security Trustee shall accept and approve) the release and discharge of a Secured Property from the Security Interest should, following a revaluation of the Secured Property, the value of the Secured Property making up the Security Interest remains at least at 120% of the value of the outstanding Bonds despite the removal (without replacement) of one or more of the Secured Property from the Security Interest.

Condition B

- (a) a first ranking special hypothec over an alternative property (the "Alternative Security") shall be given in favour of the Security Trustee for the benefit of the Bondholders in accordance with all and any terms and conditions for the creation and maintenance of a Security Interest as may be set out in the Deeds of Hypothec, Prospectus, the Tranche 1 Final Terms or this Trust Instrument; and
- (b) the grantor of such Alternative Security shall agree to be bound by the Prospectus, the Tranche 1 Final Terms and the Trust Instrument as a Security Provider (and shall *inter alia* be subject to all the obligations of a Security Provider as set out therein) and shall enter into a Deed of Hypothec for the purpose of binding itself to terms and conditions which are equivalent to those provided in the Deeds of Hypothec; and
- (c) the value of the Secured Property (excluding the value of the property constituting the Discharged Security but including the value of the property constituting the Alternative Security) shall be at least at 120% of the value of the outstanding Bonds;

PROVIDED that the establishment of such value shall be determined by the Property Valuer and his valuation shall be deemed conclusive. The Security Trustee shall be entitled to rely solely on the valuation determined by the Property Valuer without incurring any liability for so relying.

9 Covenants by the Issuer and Security Providers

9.1 Each of the Issuer and the Security Providers covenants with the Security Trustee that at all times during the continuance of the Security Interest:

- (a) it will maintain its corporate existence as a company duly organised and existing and in good standing under the laws of Malta;
- (b) it will maintain the company solvent such that the company's annual financial statements shall not demonstrate a negative equity position nor shall the auditors fail to concur with the going concern assumption;
- (c) it will maintain its listing of the Bonds on the Malta Stock Exchange;
- (d) it will redeem the Bonds at their nominal value on the Redemption Date as set out in the Prospectus or the Tranche 1 Final Terms and punctually pay interest when due;
- (e) it will enter into the necessary deeds for the creation of the Security Interest. The Bond constitutes the general, direct, unconditional and obligations of the Issuer secured by the Security Providers. The Bondholders shall in respect of the Bond at all times rank *pari passu* without any priority or preference among themselves, but the Security Interest shall rank with priority or preference over all unsecured indebtedness of the respective Security Provider, if any;
- (f) it will do all such acts and take such measures as are necessary in order not to allow any Secured Property to perish in whole or in part;

The Issuer shall provide the Security Trustee with an annual report prepared by a Property Valuer in fulfilment of its obligations to annually revalue its immovable property in evidence of the value of the Secured Property which shall be conclusive evidence of the valuation of the Secured Property/Security Interest. The Security Trustee is entitled to rely solely on the valuation determined by the Property Valuer without incurring any liability for so relying;

- (g) In the event of development or works on any of the Secured Properties it will provide the Security Trustee with an authentic copy of a public deed registered at the Public Registry in accordance with the provisions of article 1996A of the Civil Code (Chapter 16 of the laws of Malta) by which each contractor, engaged to work on the development of the Secured Property and having a contract value (or, in the case of a series of contracts, a cumulative value) exceeding €500,000 (five hundred thousand euro), irrevocably renounces to its right to register a special privilege or special legal hypothec on the Secured Property accorded to it by law in terms of Articles two thousand and ten, sub-section (b) (2010) (b) and two thousand and twenty two (2022) of the Civil Code (Chapter 16 of the laws of Malta) or to register or secure any other cause of preference or security on the Secured Property to which it may become entitled in terms of law, by virtue of any claim for outstanding dues for supplies, materials, work or services performed or undertaken by it in connection with the development of the Secured Property which exceed €500,000 (five hundred thousand euro). Moreover, each contractor shall covenant that it shall only be allowed to subcontract to other subcontractors on condition that a similar waiver of rights is documented as per above provisions;
- (h) it will insure and keep insured to the full replacement value thereof all such parts of the Secured Property as are of an insurable nature against such risks as in accordance with sound commercial practice are normally insured against by companies carrying on a similar business with one or more insurance companies licensed to transact insurance business in Malta or such other insurance company. All monies received by virtue of any such insurance shall be paid to the Security Trustee to be applied in making good the loss or damage in respect of which the monies were received or in such other manner as the Security Trustee shall approve provided that if the Issuer and/or respective Security Provider/s (as applicable) make good the loss or damage in respect of which the monies were received by the Security Trustee, then the Security Trustee shall reimburse the Issuer and/or respective Security Provider/s (as applicable) with the monies received;

- (i) it will not sell, transfer or otherwise alienate the Secured Property or part thereof or dispose of any rights therein without the prior written consent of the Security Trustee, which will be given solely in respect of Clause 8A of this Trust Instrument; For the avoidance of doubt this prohibition shall not include the leasing of the Secured Property or part/s thereof;
- (j) save as is otherwise permitted in terms of this Instrument of Trust, it will not do any acts which will result in the reduction or dilution of the value of the Secured Property or any part thereof;
- (k) save as is otherwise permitted in terms of this Instrument of Trust, it will not do any acts or take any measures which will result in the extinction, reduction or alienation of the Security Interest or any part thereof or in a reduction of ranking of the Security Interest or part thereof;
- (l) it shall do all such acts as it may consider necessary or desirable, or as may be reasonably required by the Security Trustee, to ensure that during such period that the Bonds are outstanding, the Security Interest shall rank with priority over all other claims of the respective Security Provider and in the event of a third party claim or any circumstances which the Security Trustee's right, title and/or interest of the Security Interest and thereby the Secured Property is or may be prejudiced, the Issuer shall defend the Security Trustee's right and title to the Security Interest and thereby the Security Trustee's interest in the Secured Property;
- (m) it will upon, within 30 calendar days of perfection of the Security Interest, provide the Security Trustee with an authenticated copy of a public deed registered at the Public Registry (and in applicable at the Land Registry) for each privilege, hypothec or other charge comprising the Security Interest over the Secured Property, and shall provide to the Security Trustee, upon its request/s, if any, an authenticated copy of searches at the Public Registry (and if applicable at the Land Registry) evidence of the continued existence and registration of the Security Interest;

- (n) save as is otherwise permitted in terms of this Instrument of Trust, it will not remove or destroy or suffer to be removed or destroyed any part of the Secured Property;
- (o) it will forthwith, on receipt of the same, deliver to the Security Trustee a copy of all orders, directions, notices whatsoever adversely affecting or likely to adversely affect the Security Interest and/or the Secured Property in a material manner;
- (p) it will comply with the requirements of the Development Planning Act (Chapter 552 of the laws of Malta) and any other laws or regulations in force regulating immovable property including inter alia all planning, development, building and environmental laws and regulations, in so far as such requirements relate to the Secured Property or any part thereof;
- (q) it will comply with the requirements of the Civil Code (Chapter 16 of the laws of Malta) and any other laws or regulations in force governing and regulating property ownership and /or the creation and maintenance of the Security Interest;
- (r) it will promptly notify the Security Trustee in writing upon the occurrence of any Event of Default as set out in clause 10.9 of this Trust Instrument;
- (s) to duly and punctually pay, perform and observe any rents, rates, taxes, stamp duties, covenants and other obligations whatsoever which ought properly to be paid or to be observed or performed by the Issuer or the Security Provider/s in respect of the Secured Property;
- (t) to carry on and conduct its business in a lawful and proper manner.

PROVIDED that the Issuer undertakes to maintain the corporate existence of each of the Security Providers as a limited liability company duly organised and existing and in good standing under the laws of Malta.

10 Default and Enforcement

- 10.1 The Security Trustee may at its discretion, and shall if requested to do so by a Bondholders' Decision, by notice in writing to the Issuer and the Security Providers, declare the Bonds to have become immediately due and repayable, if any Events of Default under this Clause and/or the Tranche 1 Final Terms shall occur.

The Security Trustee shall not be bound to take any proceedings and/or other action pursuant to this Trust Instrument unless directed to do so by a Bondholders' Decision and only if it is indemnified, if it so requires, against all actions, proceedings, claims and demands to which it may thereby render itself liable and against all costs, charges, damages and expenses which it may incur by so doing.

- 10.2 If the Issuer shall fail to pay the principal amount as and when the Bonds are due to be redeemed as provided by the Tranche 1 Final Terms, and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer or at any time after the Bonds shall have become immediately due and repayable, the Security Trustee (to the exclusion of the Beneficiary) may, at its discretion, and shall, if so requested by a Bondholders' Decision, and without further notice, take such proceedings against the Issuer and/or each Security Provider as it may deem fit including for the enforcement of the Security Interest.
- 10.3 The Beneficiaries acknowledge that the Security Trustee shall not be bound to take any steps or institute any proceedings or to take any other action to enforce the security constituted by the Security Interest unless the Security Trustee shall have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.
- 10.4 The Security Trustee shall not be bound to take any steps to ascertain whether any Events of Default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Events of Default or condition, event or other circumstance has happened and that the

Issuer and Security Providers are observing and performing all the obligations, conditions and provisions contained in the Deeds of Hypothec, the Prospectus and/or Tranche 1 Final Terms and the Trust Instrument.

10.5 In the event of any breach by the Issuer or Security Provider of any of the covenants, obligations or provisions contained in this Trust Instrument, the Deeds of Hypothec, the Prospectus and/or Tranche 1 Final Terms due to any fortuitous event of a calamitous nature beyond the control of the Issuer or any Security Provider, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer or Security Provider such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. In the circumstances, the Security Trustee shall, in this respect, act on and in accordance with any Bondholders' Decision.

10.6 Only the Security Trustee may enforce the provisions of the Trust Instrument and/or the Prospectus and/or the Tranche 1 Final Terms and/or the Deed of Hypothec and no Bondholder may take proceedings directly against the Issuer or a Security Provider;

PROVIDED that Bondholders may be entitled to enforce the provisions of the Trust Instrument and/or the Prospectus and/or the Tranche 1 Final Terms and/or the Deed of Hypothec if the Security Trustee, having become bound to proceed as above, fails to do so within a period of sixty (60) days after an official intimation requesting it to proceed to enforce pursuant to a Bondholders' Decision.

10.7 All monies recovered or received by any of the Bondholders after the occurrence and during the continuance of an Event of Default shall be held on trust for the Security Trustee and be applied by Security Trustee in accordance with Clause 12 of this Trust Instrument.

10.8 The Security Trustee shall be entitled to make deductions and withholdings (on account of taxes or otherwise) from payments to the Bondholders hereunder which it is required by any applicable law to make, and to pay all taxes which may be assessed against it in respect of Bonds and/or the Security Interest in

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respect of anything done or omitted to be done by it in its capacity as trustee or otherwise by virtue of its capacity as trustee. Neither the Issuer, Security Provider nor the Security Trustee shall be under any obligation to pay any additional amounts in the event of a withholding or deduction required by applicable law.

10.9 Events of Default.

The Security Trustee may in its absolute and uncontrolled discretion, and shall upon the request in writing of the Bondholders following a Bondholders' Decision, by notice in writing to the Issuer and each Security Provider declare the Bonds to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events ("Events of Default"):

- (a) the Issuer fails to punctually effect the payment of interest under the Bonds on an Interest Payment Date and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- (b) the Issuer fails to pay the principal amount of a Bond on the date fixed for its redemption and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- (c) the Issuer or any of the Security Providers are no longer solvent such that their annual financial statements demonstrates a negative equity position;
- (d) the external auditors fail to concur with the going concern assumption for either the Issuer or any of the Security Providers;
- (e) the Issuer or any of the Security Providers fail to perform or shall otherwise be in breach of any other obligation contained in the Prospectus, the Tranche 1 Final Terms, the Deeds of Hypothec or this Trust Instrument, and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer and the Security Providers by the Security Trustee;



- (f) in terms of section 214(5) of the Companies Act (Cap. 386 of the Laws of Malta), a court order or other judicial process (against which there lies no appeal) is levied or enforced upon or sued out against the Issuer or a Security Provider or any part of the property of the Issuer and/or the Secured Property and is not paid out, withdrawn or discharged within one month;
- (g) the Issuer or any of the Security Providers ceases or threatens to cease to carry on its business;
- (h) the Issuer or any of the Security Providers is unable to pay its debts within the meaning of section 214(5) of the Companies Act (Cap. 386 of the Laws of Malta), or any statutory modification or re-enactment thereof;
- (i) a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or any of the Security Providers and such appointment is deemed by the Security Trustee to be prejudicial, in its opinion, to the Bondholders;
- (j) an order is made or an effective resolution is passed for winding up of the Issuer or any of the Security Providers, except for the purpose of a reconstruction, amalgamation or division, the terms of which have been approved in writing by the Security Trustee;
- (k) the Issuer or any of the Security Providers commits a breach of any of the covenants or provisions contained in the Trust Instrument, the Prospectus, the Tranche 1 final Terms or the Deeds of Hypothec and the said breach still subsists for sixty (60) days after having been notified by the Security Trustee;
- (l) the security constituted by any hypothec, pledge or charge upon the whole or any part of the undertaking or assets of the Issuer or any Security Provider or upon the Secured Property shall become enforceable and steps are taken to enforce the same and the taking of

such steps shall be certified in writing by the Security Trustee to be in its opinion prejudicial to the Bondholders;

- (m) any material representation or warranty made by or in respect of the Issuer or any of the Security Providers is or proves to have been incorrect in any material respect in the sole opinion of the Security Trustee;
- (n) any material indebtedness of the Issuer is not paid when properly due or becomes properly due and payable or any creditor of the Issuer (as the case may be) becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €3,000,000 (three million Euro) which is declared as due in terms of an executive title which is final and inappellable. The Issuer undertakes to inform the Security Trustee upon an occurrence of material indebtedness under this article;
- (o) the Issuer or Security Provider repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and/or the Trust Instrument; or
- (p) the de-listing of the Bonds;
- (q) all, or in the sole opinion of the Security Trustee, a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or Security Provider are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid if the Security Trustee so declares in its declaration;

PROVIDED that in the event of any breach by the Issuer or Security Provider of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond the control of the Issuer or Security Provider, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer or Security Provider such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times act on and in accordance with any Bondholders' Decision. The Security Trustee shall not be bound to take any steps to ascertain whether any event of default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such event of default or condition, event or other circumstance has happened and that the Issuer and Security Provider are observing and performing all the obligations, conditions and provisions on their respective parts contained in the Prospectus, the Tranche 1 Final Terms, the Deeds of Hypothec and the Trust Instrument.

11. Representations and Warranties

11.1 Each of the Issuer and Security Provider represents and warrants to the Security Trustee, that relies on such representations and warranties, that:

- (a) it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;
- (b) it has the power to execute, deliver, and perform its obligations under this Trust Instrument, the Prospectus, the Tranche 1 Final Terms and the Deeds of Hypothec;
- (c) all necessary corporate, shareholder and other action has been duly taken to authorise the execution, delivery and performance of the same and no limitation on the powers of the Issuer and/or Security Provider (as applicable) to borrow or guarantee shall be exceeded as a result of



this Trust Instrument, the Prospectus, the Tranche 1 Final Terms and the Deeds of Hypothec;

- (d) this Trust Instrument, the Prospectus, the Tranche 1 Final Terms and the Deeds of Hypothec constitute valid and legally binding obligations of the Issuer and of each Security Provider;
- (e) the execution and performance of the obligations under, and in compliance with the provisions of this Trust Instrument, the Prospectus, the Tranche 1 Final Terms and the Deeds of Hypothec by the Issuer and each Security Provider shall not:
 - (i) contravene any existing applicable law, rule or regulation or any judgement, decree or permit to which Issuer and each Security Provider is subject;
 - (ii) conflict with, or result in any breach of any terms of, or constitute a default under any obligation, bond or other instrument to which the Issuer or each Security Provider is a party or are subject or by which they or any of their property are bound;
 - (iii) contravene any provision of the Issuer's memorandum and articles of association or the memorandum and articles of association of each Security Provider.
- (f) they hold good and valid title to the Designated Properties;
- (g) other than as may be disclosed in the Prospectus or the Tranche 1 Final Terms, no litigation, arbitration or administrative proceedings is taking place, pending or, to the knowledge of the officers of the Issuer or each Security Provider, threatened against the Issuer or each Security Provider which could have a material adverse effect on the business, assets or financial condition of the Issuer or each Security Provider as the case may be;
- (h) as at the date thereof, the Prospectus and/or the Tranche 1 Final Terms contain all material information with respect to the Issuer and each

Security Provider and all that information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer and each Security Provider and their respective businesses and financial position, the omission of which would in the context of issue of the Bonds make any statement in the Prospectus or Tranche 1 Final Terms misleading or inaccurate in any material respect.

11.2 The Issuer and each Security Provider further represent and warrant to the Security Trustee, that relies on such representations and warranties, that:

- (a) there has been no material adverse change in the financial position of the Issuer or each Security Provider from their respective dates of incorporation;
- (b) every consent, authorisation, approval or registration with or declaration to, governmental or public bodies or authorities or courts, required by the Issuer and each Security Provider in connection with the execution, validity, enforceability of this Trust Instrument or the performance of their obligations under this Trust Instrument have been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed in, or in connection with, any of the same;
- (c) no default mentioned in this Trust Instrument has occurred and/or is continuing.

12. Distributions by the Security Trustee

12.1 Following the enforcement of the Security Interest, all monies received by the Security Trustee shall be held by the Security Trustee (subject to any prior ranking claims thereon in terms of law) upon trust to apply the same for the following purposes and in the following order of priority in payment of:

- (a) all costs, charges, expenses and liabilities incurred and payments made in or about the exercise of the trust in relation to this Trust Instrument by the Security Trustee including all remuneration payable to the

Security Trustee with interest thereon as hereinafter provided and all costs and expenses incurred in relation to the enforcement of the Security Interest;

- (b) the interest owing upon the Bonds *pari passu* and without any preference or priority;
- (c) the principal amount owing upon the Bonds *pari passu* and without any preference of priority; and
- (d) the surplus (if any) shall be paid to the Issuer and/or the Security Providers *pro rata* as determined by the Security Trustee having regard to the Security Interest/s which were enforced;

PROVIDED that if the Security Trustee shall be of the opinion that the Security Interest may prove deficient, payments may be made on account of principal and before the interest or the whole of the interest on the Bonds has been paid, but such alteration in the order of payment of principal and interest shall not prejudice the right of the Beneficiaries to receive the full amount to which they would have been entitled if the primary order of payment had been observed or any less amount which the sum ultimately realised from the Security Interest may be sufficient to pay;

PROVIDED further that before applying the said monies as aforesaid, the Security Trustee is entitled to be satisfied that any documentation, self-certification, or information it requires from the Beneficiaries is provided to its satisfaction in order to allow it to perform its duties in terms of this Trust Instrument and in terms of law;

PROVIDED further that the above will be without prejudice to the Security Trustee's rights of recourse to the Courts for direction, in terms of the relevant provisions of the Act.

- 12.2 The Security Trustee shall give Beneficiaries at least ten (10) days' notice of every distribution to be made by the Security Trustee to Beneficiaries. The Security Trustee shall withhold payment of any monies due to be distributed to any Beneficiaries, where such distribution would be unlawful. Any monies

the payment thereof is for any time withheld by the Security Trustee pursuant to this Clause shall be maintained in the Collateral Account. The amount which equals the amount of any principal monies for the time being withheld from the person or persons registered or entitled to be registered as Bondholder/s shall not carry interest while such monies are being withheld, save interest, if any, allowed on the account in which such monies are placed. The receipt by the Bondholder or of the first-named of joint Bondholders of any monies paid by the Security Trustee in respect of the Bonds shall be a good discharge to the Security Trustee for those monies.

- 12.3 Other than as provided in this Trust Instrument, all payments and other obligations to the Beneficiaries under the Bonds, or in terms of the Prospectus, the Tranche 1 Final Terms, the Deeds of Hypothecs shall be the exclusive obligation of the Issuer and the Security Trustee shall not have, and nothing herein contained shall be construed as creating or otherwise acknowledging, any obligation on the part of the Security Trustee in favour of the Beneficiaries for any payments under the Bonds for the satisfaction of any obligations in terms of the Prospectus, the Tranche 1 Final Terms or the Deeds of Hypothecs.

13 Powers and Functions of the Security Trustee

- 13.1 The Security Trustee may, but shall not be bound, unless requested to do so by a Bondholders' Decision passed at a meeting of the Bondholders, enforce or take any step to enforce the covenants in Clause 9, or to taken action against the Issuer or any of Security Providers whether in terms of Clause 10 or otherwise and (subject to any such request as aforesaid) may waive, on such terms and conditions as it shall at its unfettered discretion deem expedient, any of the covenants and provisions of this Instrument of Trust due to be performed and/or observed by the Issuer and/or any of the Security Providers.
- 13.2 Save as is expressly provided in this Trust Instrument, the Security Trustee shall not hold all or any of the Security Interest for the benefit of any person who is not a Beneficiary;
- 13.3 Without prejudice to the powers and reliefs conferred on trustees by the applicable law and by this Trust Instrument, the Security Trustee shall have the following powers:



- (a) To discharge its duties under this Trust Instrument at the cost of the Issuer, to employ and pay, at the reasonable cost of the Issuer, in discharge of its duties, any professional or agent to do anything or transact any business to be done or transacted in terms of this Trust Instrument without incurring any liability for any default of such professional or agent, provided that where such cost is unreasonable and exceeds the remuneration expressly agreed to with the Issuer, notice in writing of the estimated costs to be incurred is to be given to the Issuer;
- (b) To rely on the advice of any lawyer, broker, surveyor, valuer, stockbroker or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic;
- (c) To operate any bank or other account (and may, without being liable for consequent loss, delegate to any person the operation of any bank or other account);
- (d) To file any legal proceedings for the enforcement of the Security Interest notwithstanding that the Security Trustee is not the creditor of the obligations under the Bonds including the principal and interest due on the Bonds;
- (d) In accordance with Article 25(2) of the Act, to delegate, whenever it thinks fit, any of its powers under this Trust Instrument to any person/s (including without limitation, any officer, employee, agent of the Security Trustee).

13.4 In addition, the Security Trustee shall also undertake the following functions:



- (a) The Security Trustee shall be empowered to receive the Bond Issue Proceeds and release such Bond Issue Proceeds in accordance with this Instrument;
- (b) The Security Trustee shall appear on all contracts (including notarial deeds), including inter alia (i) for the creation of obligations under this Trust Instrument and/or the Prospectus and/or the Tranche 1 Final Terms, (ii) for the creation, reduction, waiver, cancellation or discharge of or subrogation to any Security Interest or (iii) for any removal of Secured Property and/or Security Change and Swap as contemplated under this Trust Instrument and/or the Prospectus and/or the Tranche 1 Final Terms;
- (c) The Security Trustee shall be empowered to cancel, reduce, waive and/or discharge the effects of a Security Interest over a Secured Property to the extent that such cancellation, reduction, waiver or discharge is effected as part of a removal of Secured property and/or Security Change and Swap as contemplated under this Trust Instrument or alternative adequate arrangements for the provision of security have been made;
- (d) To carry out any actions for the enforcement of a Security Interest as contemplated in this Trust Instrument;
- (e) To distribute all proceeds emanating from an enforcement of a Security Interest as contemplated in this Trust Instrument.

13.5 Without prejudice to its rights under this Trust Instrument and for the avoidance of doubt, the Security Trustee:

- (a) shall under no condition be deemed to be responsible for the ongoing commercial operations of the Issuer and/or each Security Provider;
- (b) shall not be obliged to interfere, involve itself, revisit or challenge any of the decisions of the Issuer and/or each Security Provider, except as otherwise expressly required by this Trust Instrument or by law.



- 13.6 The Security Trustee shall be under no obligation to insure any of the Secured Property or any deeds, documents or title, certificates, bonds or other evidence in respect thereof, or to require any other person to maintain such insurance (save as provided in Clause 9(g) of this Trust Instrument).
- 13.7 Notwithstanding any other provision of the Trust Instrument to the contrary, the Security Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- 13.8 The Security Trustee may rely on (a) any representation, notice or documents believed by it to be genuine, correct and appropriately authorised, and (b) any statement made by a director, authorised signatory or employee of the Issuer or any of the Security Providers regarding any matters which may reasonably be assumed to be within its knowledge or within its power to verify.
- 13.9 The Security Trustee shall not, except as otherwise provided in this Trust Instrument, have any duty, responsibility or liability to any Bondholder, either initially or on a continuing basis: (a) to provide any of the Bondholders with any information with respect to the Issuer or a Security Provider, or (b) for any failure of the Issuer and/or a Security Provider to perform any of its obligations under and pursuant to this Trust Instrument, the Bonds, the Prospectus, the Tranche 1 final Terms or the Deeds of Hypothec or any document in connection therewith.
- 13.10 The Security Trustee shall be empowered to comply with all its obligations in terms of applicable laws and regulations, including *inter alia*, its obligations in terms of the Act and the Trusts and Trustees Act (Register of Beneficial Owners) Regulations (S.L. 331.10) and each of the Issuer, each Security Provider and the Bondholders agree to hold the Security Trustee harmless for any action which the Security Trustee may take in the proper discharge of its duties in terms of this Clause.
- 13.11 The Security Trustee shall administer the Trust Property in accordance with the terms of this Trust Instrument and its standard terms and conditions as applicable from time to time.



14 Meetings of Beneficiaries (Bondholders)

14.1 The Security Trustee at any time, and at the cost of the Issuer, prior to exercising any power or discretion in terms of the Trust Instrument may:

- (a) call a meeting of the Bondholders; and/or
- (b) write to all Bondholders to request their views;

14.2 The Security Trustee shall not be liable for any action it may deem necessary to take prior to acting in accordance with this Clause 14 and the Security Trustee shall not be bound to act on behalf of Bondholders under this Trust Instrument unless it receives a properly authorised Bondholders' Decision as stipulated in this Trust Instrument. Nothing in this Trust Instrument shall be construed as meaning that the Security Trustee is bound to act in the manner specified in this Clause unless so required by this Trust Instrument.

14.3 The Issuer may at any time, and at its own cost, request the Security Trustee to convene a meeting of the Bondholders in accordance with this Clause 14.

14.4 A meeting of the Bondholders may also be convened by the Security Trustee on the requisition of Bondholder(s) holding in aggregate, at the date of deposition of the requisition with the Security Trustee, not less than 10% of the nominal value of the Bonds outstanding at that time.

Such requisition under this Clause 14.4 shall state the objects of the meeting and shall be signed by the requisitionist(s) and deposited at the registered office of the Security Trustee, and may consist in one document signed by all the requisitionists or in several documents in like form each signed by one or more requisitionists.

14.5 A meeting of the Bondholders shall be convened by the Security Trustee as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, giving not less than 14 days' notice in writing to all Bondholders listed on the Register of Bondholders (as per the details set out in the said Register of Bondholders).



Such notice shall set out the time, place and date set for the meeting and the matters proposed to be discussed or voted on thereat. The notice shall also explain how Bondholders may appoint proxies.

PROVIDED that where a meeting is to be convened pursuant to Clause 14.4, if the Security Trustee does not within twenty one (21) days from the date of the deposit of the requisition proceed to duly convene a meeting, the requisitionist(s) may proceed to convene a meeting in the same manner, as nearly as possible as that in which meetings are to be convened by the Security Trustee, but a meeting so convened shall not be held after the expiration of three (3) months from the date of the deposit of the requisition. Notwithstanding the provisions of Clause 14.6, for a meeting convened by the requisitionists, the Bondholders shall appoint a person to act as chairman to the meeting by simple majority from amongst their number present for the meeting.

- 14.6 Notice of every meeting of the Bondholders shall be given to the following persons (and no other person shall be entitled to receive such notice):
- (a) every Bondholder;
 - (b) the Issuer;
 - (c) each Security Provider;
 - (d) the Security Trustee; and
 - (e) the auditors for the time being of the Issuer.
- 14.7 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting, by any person entitled to receive notice shall not invalidate the proceedings of a meeting.
- 14.8 A meeting of the Bondholders shall only be validly constituted and shall only properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, two (2) or more Bondholders present (in person or by proxy) and holding or representing not less than fifty percent (50%) in nominal value of the Bonds then outstanding, shall constitute a quorum.

Handwritten signatures and initials in blue ink, including a stylized signature, a circular mark, and the letters 'TB'.

If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated in the notice convening same, the meeting shall stand adjourned to the same place, date and time in the next week, or to such other date, place and time as the chairman of the meeting may decide and if at the adjourned meeting a quorum is not yet present within thirty (30) minutes from the time appointed for the meeting, the Bondholders present shall constitute a quorum.

For the purposes of an adjourned meeting, the Security Trustee shall not be required to send notices anew, provided that the Security Trustee shall within two (2) days from the date of the original meeting procure that the Issuer publishes by way of company announcement the place, date and time when the adjourned meeting is to be held.

- 14.9 The chairman of a meeting of the Bondholders in terms of 14.1 or 14.4 shall be a director of the Security Trustee or such other person as the Security Trustee may nominate in writing from time to time. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting. The chairman of a meeting of the Bondholders in terms of 14.3 shall be a director of the Issuer or such other person as the Issuer may nominate in writing from time to time.
- 14.10 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.
- 14.11 Each matter submitted to the meeting shall be decided by show of hands unless a poll is (before or following the result of a show of hands) demanded by the chairman or three (3) Bondholders in person or in proxy.

Every Bondholder shall have one vote for each Bond held and any fractional interests shall be disregarded. Voting, whether on a show of hands or on a poll, shall be taken in such manner as the chairman of the meeting shall direct.

Unless a poll be so demanded, a declaration by the chairman that a decision has been carried on a show of hands shall be entered into the minute book which shall be conclusive evidence of the decision without need for the proof



of the number or proportion of the votes recorded in favour of or against the decision.

- 14.12 Any vote to be taken at a meeting (except for election of a chairman as herein contemplated) shall only be decided on by a Bondholders' Decision, that is, a resolution passed by Bondholders during a Bondholders Meeting holding not less than seventy-five per centum (75%) in nominal value of the Bonds then outstanding.
- 14.13 A Bondholders' Decision passed at any meeting shall be binding on all Bondholders whether or not present at the meeting and whether or not voting and each of them shall be bound to give effect to it accordingly.
- 14.14 Minutes shall be made of the proceedings of every meeting, including every Bondholders' Decision and, if signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the proceedings of such meetings.
- 14.15 Save for the above, the rules as generally applicable to meetings of the Bondholders called by the Issuer in terms of the Prospectus shall mutatis mutandis apply to meetings of the Bondholders under this Clause 14.

15 Remuneration of Security Trustee

- 15.1 Throughout the duration of the Trust, the Issuer shall pay to the Security Trustee in respect of its services as trustee, remuneration as may be agreed between the parties from time to time. The Issuer shall in addition pay all reasonable costs, charges and expenses which the Security Trustee shall properly incur in connection with the execution of the trust hereof, the exercise of the powers and discretions hereby vested in it, the enforcement of the Security Interest. The said remuneration shall continue notwithstanding that a provisional administrator shall have been appointed or that the trust hereof shall be in course of administration by or under the direction of the court.
- 15.2 The Security Trustee may pay itself out of the Secured Property all sums owing to it in respect of remuneration costs, charges, expenses or interest or by virtue of any indemnity from the Issuer to which it is entitled hereunder or by law or

 

by virtue of any release or indemnity granted to it and all such sums as aforesaid shall be paid in priority to the claims of the Beneficiaries and shall constitute an additional charge upon the property charged with the Security Interest. For purposes of this clause, the Security Trustee may receive funds from the Issuer at any time, to be placed under its control and to be held upon trust until required to settle sums owing to the Security Trustee.

16 Other Business Relationships and Disclosures.

16.1 Subject to any mandatory applicable law, neither the Security Trustee nor any of its shareholders, directors, officers, members of the same group of companies as the Security Trustee or any associates, affiliates, agents or delegates shall by reason of its office of Security Trustee or by reason of its fiduciary position, as the case may be, be in any way precluded from entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or a Security Provider or any person or body corporate associated with the Issuer or a Security Provider including without prejudice to the generality of this provision any contract, transaction or arrangement for the provision of professional services; any lease agreement or any other contract, transaction or arrangement as aforesaid with the Issuer or a Security Provider or any person or body corporate associated with the Issuer or a Security Provider, from accepting or holding any other trusteeship or holding security which secures any other securities issued by the Issuer or a Security Provider or any such person or body corporate including a person or body corporate associated with the Issuer or a Security Provider or any such person or body and shall be entitled to retain and shall not be in any way liable to account for any profit made or fees earned or remuneration or other benefit received thereby or in connection therewith.

16.2 For all intents and purposes at law it is being declared that:

- (a) the Security Trustee leases its offices situated at The Bastions, Office Nos 2, Triq Emvin Cremona, Floriana from the Issuer;
- (b) Finco Treasury Management Limited (C17017) a company which is, inter alia, licensed in terms of the Investment Services Act (Chapter 370 of the Laws of Malta) and which forms part of the group of companies



of which the Security Trustee forms part, has been appointed by the Issuer as one of the financial intermediaries for the issue of the Bonds.

17 Collateral Account/s

Costs and fees in respect of the Collateral Account/s shall be borne by the Issuer. Interest, if any, whether positive or negative on the Bond Issue Proceeds held in a Collateral Account until their release in accordance with the Prospectus and/or the Tranche 1 Final Terms and/or this Trust Instrument shall be for the benefit or charge of the Issuer as the case may be.

18 Acknowledgement of Security

The execution of this Trust Instrument by the Security Trustee and the publication thereof by means of a reference thereto in the Prospectus and/or the Tranche 1 Final Terms shall constitute notice to each of the Beneficiaries.

19 Resignation or Removal of Security Trustee

- 19.1 Without prejudice to the provisions of Article 20(2)(a) of the Act, the Security Trustee may resign as security trustee by giving not less than three (3) months' notice in writing to the Issuer without assigning any reason whatsoever.
- 19.2 Without prejudice to the provisions of Article 20 of the Act and Clause 18.3 below, the Bondholders may, following a Bondholders' Decision, remove the Security Trustee by giving at least one (1) months' notice.
- 19.3 The Issuer undertakes that, in the event of the Security Trustee giving notice in terms of Clause 19.1 it will procure a new trustee to be appointed, who shall be duly licensed and authorised to act as trustee in terms of the Act or any laws or regulations in force at the time of such appointment.

The retirement or removal of the Security Trustee shall not become effective until such time as a successor trustee (duly licenced in terms of the Act or any other applicable law) ("Successor Trustee") is appointed and the Security Interest is transferred to the Successor Trustee. The costs of the transfer of the Security Interest shall be borne by the Issuer except in the case where the



Security Trustee resigns for capricious and frivolous reasons. Once a Successor Trustee is appointed, the Security Trustee shall, at the Issuer's cost, make available to the Successor Trustee such documents and records and provide such assistance as the Successor Trustee may reasonably request for the purpose of performing its functions as the security trustee of the Security Interest for the benefit of the Beneficiaries.

- 19.4 Upon appointment of the Successor Trustee all references contained in the Trust Instrument to the Security Trustee shall be deemed to refer to the Successor Trustee.

20 Termination

The Security Trustee shall only be discharged from all liabilities and obligations which it has under this Trust Instrument upon:

- (a) the redemption on maturity of the principal amount of the Bonds as set out in the Prospectus and the Tranche 1 Final Terms and payment of all interests thereunder and the release and cancellation of the remaining Security Interest; or
- (b) the resignation of the Security Trustee in terms of Clause 19.1, provided that a Successor Trustee has been appointed and the Security Interest has been transferred thereto; or
- (c) the removal of the Security Trustee in terms of Clause 19.2, provided that a Successor Trustee has been appointed and the Security Interest has been transferred thereto;

PROVIDED that this shall be without prejudice to the right to reimbursement of all expenses incurred by, and payment of remuneration due to, the Security Trustee as provided for in this Trust Instrument or any underlying agreement for the period during which it will have acted as Security Trustee.

  

21 Exclusion of Implied Duties

The Security Trustee shall not have or incur any obligation, duty or responsibility to the Issuer or any Security Provider or to any of the Beneficiaries, as the case may be, except those expressly specified in this Trust Instrument, the Prospectus and/or the Tranche 1 Final Terms, and in any mandatory provision of law, to the effect that the Security Trustee has such a duty or responsibility.

22 Limitation of Liability and Indemnity

22.1 The Security Trustee (which for the purposes of this Clause shall include each director, officer, employee or delegate thereof) shall not be liable to the Issuer, any Security Provider or any of the Beneficiaries, as the case may be, for any loss or expense attributable to any action taken or omitted to be taken by the Security Trustee, or any person appointed by the Security Trustee under or in connection with this Trust Instrument or the Bonds, the Prospectus, the Tranche 1 Final Terms or the Deeds of Hypothec unless the loss or expense is shown to have been caused by the fraud, gross negligence or wilful misconduct of the Security Trustee or the person appointed by the Security Trustee; and the Issuer and/or each Security Provider and/or Beneficiaries shall not make any claims against the Security Trustee or against any person appointed by the Security Trustee in respect of such loss or expense unless the loss or expense is shown to have been caused by fraud, gross negligence or wilful misconduct.

22.2 The Security Trustee (which for the purposes of this Clause shall include each director, officer, employee or delegate thereof) shall be indemnified, jointly and severally, by the Issuer and each Security Provider, and in default of the Issuer and each Security Provider, the Security Trustee shall be indemnified out of the Trust Property:

- (a) against any liability incurred by it in defending any proceedings in connection with its duties as Security Trustee, in which judgement is given in its favour or in which it is acquitted; and
- (b) against all claims, liabilities, costs, damages and expenses (including legal fees) to which it may be or become subject by reason of their activities as Security Trustee so long as the said activity or circumstance

does not involve fraud or wilful misconduct or gross negligence on the part of the Security Trustee.

- 22.3 The Issuer and each Security Provider shall jointly and severally indemnify the Security Trustee against all taxes (whether existing today or in the future), duties, (including Duty on Documents in terms of the Duty on Documents and Transfers Act, Chapter 364 of the Laws of Malta, imposts, fees, paid by it in respect of any action taken by, or on behalf of, the Security Trustee to hold the Security Interest and/or to enforce the Issuer's and/or any of the Security Provider's obligations under this Trust Instrument and/or any Deed of Hypothec and/or the Prospectus and/or the Tranche 1 Final Terms and/or the Bonds.

23 Declaration and Undertaking

- 23.1 The Security Trustee hereby declares that it has received a copy of the Prospectus and the Tranche 1 Final Terms as filed by the Issuer with the Listing Authority on the 1st June 2022, which are being attached hereto as Schedules 1 and 2.
- 23.2 The Issuer hereby declares that the above-mentioned copy of the Prospectus and the Tranche 1 Final Terms has been filed with the Listing Authority for final approval. In the event that there are any changes to the above-mentioned copy of the Prospectus or the Tranche 1 Final Terms, the Issuer undertakes and binds itself to inform the Security Trustee immediately.

24 Applicable Law and Jurisdiction

- 24.1 This Trust Instrument shall be governed, interpreted and construed in accordance with Maltese law.
- 24.2 The construction, interpretation and effect of the Trust Instrument shall be subject to the exclusive jurisdiction of the courts of Malta. The Issuer, the Security Trustee, the Security Providers and the Bondholders irrevocably agree that any suit, action or proceedings arising out of or in connection with the construction, interpretation or effect of this Trust Instrument shall be subject to the exclusive jurisdiction of the Courts of Malta.



Signed,



Daniela Zammit

For and on behalf of
Malta Properties Company p.l.c
[Issuer]



Daniela Zammit

For and on behalf of
MCB Property Company Limited
[Security Provider 1]



Daniela Zammit

For and on behalf of
ZTN Property Company Limited
[Security Provider 2]



Arthur Galea Salomone & James Bannister

For and on behalf of
Finco Trust Services Limited
[Security Trustee]