

MIDI p.l.c.  
a public limited company incorporated under the laws of Malta,  
company registration number C 15836

Issue of:  
**€50,000,000 4% Secured Bonds 2026**  
**ISIN: MT0000421223**

## SUMMARY NOTE

Dated 28 June 2016

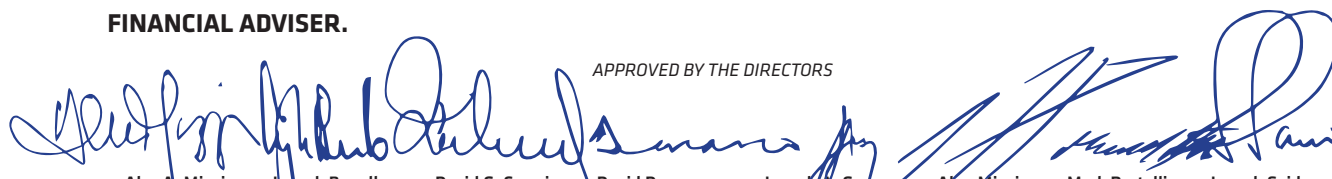
*This document is a Summary Note issued pursuant to the provisions of Chapter 4 of the Listing Rules of the Listing Authority and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended. This Summary Note should be read in conjunction with the Registration Document containing information about the Issuer dated 28 June 2016 and the Securities Note dated 28 June 2016.*

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

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

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

APPROVED BY THE DIRECTORS



Alec A. Mizzi	Joseph Bonello	David G. Curmi	David Demarco	Joseph A. Gasan	Alan Mizzi	Mark Portelli	Joseph Said
Manager & Registrar		Legal Advisers		Security Trustee		Sponsor	

**BOV**  
Bank of Valletta

**MAMO TCV**  
ADVOCATES

**CSB** GROUP

**CHARTS**  
WEALTH MANAGEMENT • CORPORATE BROKING

## IMPORTANT INFORMATION

This Summary Note constitutes part of a prospectus and contains information in relation to the Issuer, MIDI p.l.c., its business and the securities being issued in terms of the Prospectus. This document includes information given in compliance with: (a) the Companies Act (Cap. 386 of the laws of Malta) and 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 subsequently amended; and (b) the rules and regulations applicable to the admission of securities on the Official List of the Malta Stock Exchange.

No broker, dealer, salesman or other person has been authorised by the Issuer or its Directors to issue any advertisement or to give any information or to make any representations in connection with the Issuer other than those contained in the Prospectus and in the documents referred to herein, and if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, its Directors, or advisers.

The Directors of the Issuer confirm that where information included in the Prospectus has been sourced from a third party, such information has been accurately reproduced, and as far as the Directors of the Issuer are aware and are 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 laws and regulations of any relevant jurisdiction. Prospective applicants for any securities that may be issued by the Issuer should inform themselves as to the legal requirements of applying for any such securities and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile.

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. None of the advisers accept any responsibility 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.

The contents of the Issuer's website or any website directly or indirectly linked to the Issuer's website do not form part of this document. Accordingly no reliance ought to be made by any investor on any information or other data contained in such websites as the basis for a decision to invest in any financial instruments and securities issued by the Issuer.

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 Bond Issue, you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta).

A copy of this document has been submitted to the Listing Authority and the Malta Stock Exchange, and has been duly filed with the Registrar of Companies. Application has been made to the Listing Authority for the approval of the Prospectus and for the admission of the Issuer's Bonds on a regulated market. Application has also been made to the Malta Stock Exchange, for the Bonds to be admitted to the Official List of the Malta Stock Exchange.

This document and all agreements, acceptances and contracts resulting therefrom shall be governed by and construed in accordance with the laws of Malta, and any person acquiring any bonds pursuant to the Prospectus shall submit to the jurisdiction of the Maltese courts, without limiting in any manner the right of the Issuer to bring any action, suit or proceeding, in any other competent jurisdiction, arising out of or in connection with any purchase of Bonds, or agreement, acceptance or contract resulting herefrom, or the prospectus as a whole. 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 Summary Note is prepared in accordance with the requirements of the Commission Regulation. Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1–E.7). This summary contains all the Elements required to be included in a summary for this type of security and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

## DEFINITIONS

In this Summary Note the following words and expressions shall bear the following meanings except where the context otherwise requires:

<b>Application/s</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Issuer or to any of the other Authorised Financial Intermediaries;
<b>Application Form</b>	the forms of application for the subscription for the Bonds;
<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex II of the Securities Note;
<b>Bond(s) or Secured Bond(s)</b>	the four per cent (4%) secured bonds due 27 July 2026 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of fifty million euro (€50,000,000);
<b>Bonds 2016/18</b>	the EUR Bonds 2016/18 and GBP Bonds 2016/18;
<b>Bond Conditions</b>	the terms and conditions applicable to the Bonds a summary of which is set out in section E.3 of this Summary Note;
<b>Bond Exchange Programme</b>	the bond exchange programme a summary of which is set out in Element E.3 of this Summary Note;
<b>Bondholder</b>	a holder of the Bonds;
<b>Bond Issue</b>	the issue of the Bonds;
<b>Bond Issue Price or Issue Price</b>	the price of €100 per Bond;
<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>Commission Regulation</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended;
<b>Companies Act</b>	the Companies Act (Cap. 386 of the laws of Malta);
<b>Company; Issuer or MIDI</b>	MIDI p.l.c., a company registered in Malta with registration number C 15836;
<b>CSD</b>	the Central Securities Depository of the Malta Stock Exchange, having its address at Malta Stock Exchange, Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
<b>Current Shareholders</b>	shareholders of the Issuer as at the Cut-Off Date;

<b>Cut-Off Date</b>	close of business on 24 June 2016 (trading session of 22 June 2016);
<b>Emphyteutical Deed</b>	the public deed in the records of Notary Vincent Miceli of 15 June 2000 whereby the GOM, acting through the Land Department granted the Company the Emphyteutical Grant;
<b>Emphyteutical Grant</b>	the temporary emphyteutical concession of the Emphyteutical Land for a period of ninety nine years commencing from 15 June 2000 made by the GOM to the Company by virtue of the Emphyteutical Deed;
<b>Emphyteutical Land</b>	the immovable property comprising Tigné Point and Manoel Island forming the subject-matter of the Emphyteutical Grant;
<b>EUR Bonds 2016/18</b>	the €31,702,900 7% bonds 2016-2018 (ISIN: MT0000421207) issued by the Issuer pursuant to a prospectus dated 5 December 2008;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Existing Holders</b>	existing holders of the Bonds 2016/18 as held on the Cut-Off Date;
<b>GBP Bonds 2016/18</b>	the £7,214,300 7% bonds 2016-2018 (ISIN: MT0000421215) issued by the Issuer pursuant to a prospectus dated 5 December 2008;
<b>GOM</b>	the Government of Malta;
<b>Group or MIDI Group</b>	the Issuer and the subsidiary companies of the Issuer and the term “Group Company” shall be construed accordingly;
<b>Initial Security Interest</b>	has the meaning set out in Element C.8 of this Summary Note
<b>Interest Payment Date</b>	27 July of each year, between 2017 and the year in which the Bonds are redeemed (both years included), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day;
<b>Issue Date</b>	expected on 3 August 2016;
<b>Listing Authority</b>	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
<b>Listing Rules</b>	the listing rules issued by the Listing Authority;
<b>Malta Stock Exchange or MSE</b>	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;
<b>Manoel Island</b>	the divided portion of land at Manoel Island, limits of Gzira, comprised within the Emphyteutical Land as shown bordered in red on the plan Land Drawing letter ‘L’ letter ‘D’ one hundred and seventy four letter ‘A’ bar ninety nine (LD174A/99) attached to the Emphyteutical Deed;
<b>MFSA</b>	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);

<b>Offer or Bond Offer</b>	the invitation to subscribe for Bonds contained in the Prospectus;
<b>Official List</b>	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
<b>Preferred Applicants</b>	Existing Holders and Current Shareholders as at the Cut-Off Date, excluding their spouses and dependents;
<b>Preferred Applicants Offer Period</b>	the period between the 1 July 2016 and 18 July 2016 during which the Bonds are on offer to Preferred Applicants;
<b>Public Offer Period</b>	the period between the 4 July 2016 and 20 July 2016 (or such earlier date as may be determined by the Issuer) during which the Bonds are on offer to the general public;
<b>Prospectus</b>	collectively this Summary Note, the Registration Document and the Securities Note, all dated 28 June 2016, as such documents may be amended, updated, replaced and supplemented from time to time;
<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 subsequently amended;
<b>Redemption Date</b>	27 July 2026;
<b>Redemption Value</b>	the nominal value of each Bond;
<b>Registration Document</b>	the registration document issued by the Issuer dated 28 June 2016, forming part of the Prospectus;
<b>Securities Note</b>	the securities note issued by the Issuer dated 28 June 2016, forming part of the Prospectus;
<b>Security Interest</b>	the Initial Security Interest as may be varied or reduced from time to time in terms of clauses 8 and 9 of the Trust Instrument and any other security which may be held in trust for the Bondholders as beneficiaries under the terms of the Trust Instrument, including any undertaking, guarantee, mandate, pledge, title, transfer, grant, privilege or hypothec or the placing of property in possession or control of the Security Trustee with rights of retention and sale;
<b>Security Trustee</b>	CSB Trustees & Fiduciaries Limited having company registration number C 40390 and its registered office at Vincenti Buildings, 28/19 Strait Street, Valletta VLT 1432, Malta, licensed by the MFSA to act as trustee and provide general corporate fiduciary services, or any other duly authorised person as may be appointed to act as security trustee in terms of the Trust Instrument;
<b>Summary Note</b>	this document in its entirety;
<b>Tigné Point</b>	the divided portion of land at Tigné Point, Sliema, comprised within the Emphyteutical Land as shown bordered in red on the plan Land Drawing letter 'L' letter 'D' one hundred and seventy five letter 'A' bar ninety nine (LD175A/99) attached to the Emphyteutical Deed;
<b>Trust Instrument</b>	the agreement signed between the Issuer and the Security Trustee dated 24 June 2016.

## SECTION A – INTRODUCTION AND WARNINGS

A.1	<p>This Summary Note forms part of the Prospectus containing information concerning the Issuer and the Bonds. This summary is intended to briefly convey the essential characteristics of, and risks associated with, the Issuer and the Bonds. You should carefully take into consideration the following criteria for evaluation of this summary:</p> <ul style="list-style-type: none"> <li>• The summary should be read as merely an introduction to the Prospectus;</li> <li>• Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole;</li> <li>• Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and</li> <li>• Civil liability attaches to the Issuer which has tabled this summary as part of the Prospectus but only if the summary is shown to be misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.</li> </ul>
A.2	<p>The Issuer and the Directors consent to the use of this Prospectus (and accept responsibility for the information contained therein) with respect to any subsequent resale or final placement of Bonds by any Authorised Financial Intermediaries, in circumstances where there is an offer of securities to the public which requires the publication of a prospectus in terms of the Prospectus Directive, provided this is limited only:</p> <ol style="list-style-type: none"> <li>to any resale or final placement of Bonds taking place in Malta; and</li> <li>to any resale or final placement of Bonds taking place within the period of 60 days from the date of the Prospectus.</li> </ol> <p><b>In the event of a resale or final placement of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale or final placement at the time such is made.</b></p> <p>Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of the Prospectus will be made available through a company announcement which will also be made available on the Issuer's website: <a href="http://www.midimalta.com">www.midimalta.com</a></p>

## SECTION B – THE ISSUER

B.1	The legal and commercial name of the Issuer is MIDI p.l.c. (registration number C 15836).
B.2	The Issuer is incorporated and domiciled in Malta. It is a public limited liability company duly registered in terms of the Companies Act. It operates under the Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta.
B.4b	At the time of publication of this Summary Note, the Issuer considers that generally the Group will be subject to the normal business risks associated with the development and disposal of immovable property in Malta and does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of its business and that of the Group, at least with respect to the current financial year.

	The Tigné Point development faces competition from other high end mixed-use projects in Malta that offer a mix of residential units, offices and/or retail space. Following the launch of approximately half of the apartments from the Q2 phase in March 2016, the Company is satisfied with the level of interest and demand for high-end residential property at Tigné Point.																		
	With respect to revenue generated by the Company from the rental of commercial properties at Tigné Point, namely the retail and catering establishments situated at Pjazza Tigné and the two (2) foreshore restaurants located within the T12 Clubhouse at Tigné Point, which are at present fully occupied, management is primarily involved in the upkeep of said properties in order to retain current tenants and attract prospective clients at better rates in the eventuality of expiring lease agreements.																		
<b>B.5</b>	The Issuer is the parent company of the MIDI Group. The subsidiary companies of the MIDI Group comprise: Tigné Contracting Limited (C 28438), Tigné Point Marketing Limited (C 30073), T14 Investments Limited (C 63982) and Solutions & Infrastructure Services Limited (C 38866) ("SIS"). Furthermore, T14 Investments Limited holds a 50% shareholding in Mid Knight Holdings Limited (C 65838).																		
<b>B.9</b>	Not applicable: The Prospectus does not contain any profit forecasts or estimates.																		
<b>B.10</b>	Not applicable: The audit reports on the audited historical financial statements of the Issuer, described in Element B.12 below, do not contain qualifications.																		
<b>B.12</b>	<p>The historical financial information for the three financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 as audited by PricewaterhouseCoopers is set out in the annual statutory financial statements of the Issuer. The audited financial statements are available at the Issuer's registered office.</p> <p>There has been no material adverse change in the prospects of the Issuer since the date of the latest published audited financial statements. There were no significant changes to the financial or trading position of the Issuer since 31 December 2015, being the end of the financial year to which the last audited financial statements of the Issuer relate.</p> <p>Extracts of the above-mentioned historical financial information are set out below:</p>																		
	<table> <tr> <th><b>MIDI p.l.c. Income Statement for the year ended 31 December</b></th><th><b>2013 €'000</b></th><th><b>2014 €'000</b></th><th><b>2015 €'000</b></th></tr> <tr> <td>Revenue</td><td>7,797</td><td>13,311</td><td>41,043</td></tr> <tr> <td>Operating profit/(loss)</td><td>1,186</td><td>(393)</td><td>13,123</td></tr> <tr> <td>(Loss)/profit before tax</td><td>(1,461)</td><td>(2,152)</td><td>9,919</td></tr> </table>			<b>MIDI p.l.c. Income Statement for the year ended 31 December</b>	<b>2013 €'000</b>	<b>2014 €'000</b>	<b>2015 €'000</b>	Revenue	7,797	13,311	41,043	Operating profit/(loss)	1,186	(393)	13,123	(Loss)/profit before tax	(1,461)	(2,152)	9,919
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(Loss)/profit before tax	(1,461)	(2,152)	9,919																

<b>MIDI p.l.c. Balance Sheet as at 31 December</b>		<b>2013 €'000</b>	<b>2014 €'000</b>	<b>2015 €'000</b>
<b>ASSETS</b>				
Non-current assets		34,552	47,437	57,832
Current assets		144,368	144,232	129,630
<b>Total assets</b>		<b>178,920</b>	<b>191,669</b>	<b>187,462</b>
<b>EQUITY</b>				
Capital and reserves		62,394	60,428	71,248
<b>LIABILITIES</b>				
Non-current liabilities		76,258	71,477	71,841
Current liabilities		40,268	59,764	44,373
		116,526	131,241	116,214
<b>Total equity and liabilities</b>		<b>178,920</b>	<b>191,669</b>	<b>187,462</b>
Revenue increased in 2015 from €13.3 million (in 2014) to €41.0 million, primarily reflecting contracts signed for the sale of 38 Q1 apartments and delivery thereof to their respective owners. After accounting for an increase in fair value of investment property of €4.9 million (2014: nil) and an impairment charge on goodwill (in relation to the acquisition of SIS) of €0.4 million (2014: nil), the Issuer recorded a profit after tax of €9.9 million as compared to a loss of €2.2 million in 2014.				
<b>B.13</b>	Not applicable: no recent events particular to the Issuer are to a material extent relevant to the evaluation of the Issuer's solvency.			
<b>B.14</b>	The Issuer is the parent company of the Group. It is not dependent upon other entities within the Group.			
<b>B.15</b>	The principal activity of the Company is the development and disposal of immovable property situated in Malta at Tigné Point, Sliema and Manoel Island, Limits of Gzira. MIDI operates principally in the high-end segment of the property market in Malta.			
<b>B.16</b>	To the extent known to the Issuer, no shareholder owns or controls, directly or indirectly, the Issuer.			
<b>B.17</b>	Not applicable: The Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Secured Bonds issued by the Issuer.			

## SECTION C – SECURITIES

<b>C.1</b>	<p>The Issuer is issuing bonds for an aggregate principal amount of €50,000,000, having a nominal value of €100 per Bond, subject to a minimum subscription of €2,000 and integral multiples of €100 thereafter. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.</p> <p>On admission to trading, the Bonds will have ISIN number MT0000421223. The Bonds shall bear interest at the rate of 4% per annum and shall be repayable in full upon maturity unless they are previously re-purchased and cancelled.</p>
<b>C.2</b>	The Bonds are denominated in euro (€).



C.5	The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.
C.8	<p>There are no special rights attached to the Bonds other than the right of the Bondholders to: the payment of capital and interest; the benefit of the Security Interest through the Security Trustee; attend, participate in and vote at meetings of Bondholders; and enjoy all such other rights attached to the Bonds emanating from the Prospectus.</p> <p>The Bonds shall constitute the general, direct, unconditional and secured obligations of the Issuer. They shall at all times rank <i>pari passu</i> without any priority or preference among themselves. They shall rank subsequent to any other prior ranking indebtedness of the Company, if any. In accordance with the provisions of the Trust Instrument, the Bonds shall be secured by the Security Interest held by the Security Trustee for the benefit of the Bondholders and in that respect only shall rank in preference to other present and future unsecured obligations of the Issuer, if any.</p> <p>Prior to the issue and allotment of the Bonds, the Bonds shall be secured by the Initial Security Interest. The <b>Initial Security Interest</b> shall consist of the following:</p> <ul style="list-style-type: none"> <li>(i) the special hypothec to be constituted by the Issuer in favour of the Security Trustee by virtue of a deed of hypothec for the amount of fifty million euro (€50,000,000), and interest and costs thereon over immovable property of the Issuer comprising commercial premises (€25.5 million), car parking spaces (€19.7 million), storage rooms (€1.9 million) and properties earmarked for development (€0.6 million).</li> <li>(ii) the pledge of 11,699,999 shares in T14 Investments Limited (C 63982), having a value of €11.7 million, to be constituted by the Company in favour of the Security Trustee by virtue of the pledge agreement for the principal amount of the Bonds or any amount outstanding and any interest thereon.</li> </ul> <p>The Initial Security Interest which consists of the pledge of 11,699,999 shares in T14 Investments Limited will be first ranking with respect to the said shares.</p> <p>Following the publication of a number of deeds of postponement, waiver, reduction and/or cancellation of general hypothecs and/or special hypothecs, and following the publication of the relative deed of hypothec, the Initial Security Interest over the immovable property indicated above shall <b>rank</b> after the following: (a) the security interest which the GOM retained in its capacity as the holder of the <i>directum dominium</i> over the Emphyteutical Land, as security for the payment of ground rent which security interest follows the transfer of land; and (b) any security interest which may arise by operation of law. The Initial Security Interest over the immovable property will also rank after the general hypothecs granted by the Issuer in favour of purchasers of property on the deeds of sale, over all the Issuer's property present and future in warranty of peaceful possession.</p> <p>Moreover, security interests granted by the Company to secure facilities made available by HSBC Bank Malta p.l.c. to SIS ("<b>SIS Banking Facilities</b>") and the obligations of the Company in terms of a cross currency interest rate swap instrument entered into between Bank of Valletta p.l.c. and the Company ("<b>SWAP Instrument</b>") shall also rank prior to the Initial Security Interest over the immovable property until such time as: (i) the amount of <i>circa</i> €1,500,000, shall be transferred by the Security Trustee for and upon the release of the security interest, registered in favour of HSBC Bank Malta p.l.c., granted by the Company to secure the SIS Banking Facilities; and (ii) the amount of <i>circa</i> €2,200,000 shall be transferred by the Security Trustee for and upon the cancellation of the security interest, registered in favour of Bank of Valletta p.l.c., securing the obligations of the Company in terms of the SWAP Instrument.</p> <p>The rights of the Bondholders may in certain circumstances be limited by the discretion of the Security Trustee, particularly in relation to the "Events of Default" described in Element E.3 and the variation or reduction of the Security Interest.</p>

<b>C.9</b>	<p>The Bonds shall bear interest from and including 27 July 2016 at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 27 July 2017 (covering the period 27 July 2016 to 26 July 2017), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 4%. Redemption shall take place on 27 July 2026.</p> <p>The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.</p>
<b>C.10</b>	Not applicable: there is no derivative component in the interest payments on the Bonds.
<b>C.11</b>	<p>The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 28 June 2016.</p> <p>Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.</p> <p>The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 03 August 2016, and trading is expected to commence on 04 August 2016.</p>

## SECTION D – RISKS

<b>D.2</b>	<p><b>The Issuer is subject to a number of risks which could have an adverse affect on its business and the business of the Group, the value of its assets and results of operations. These risks include but are not limited to those risks which are discussed below:</b></p> <ol style="list-style-type: none"> <li>1. There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Issuer's control, and which could adversely affect the economic performance and value of the Issuer's real estate properties under development.</li> <li>2. The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget.</li> <li>3. The real estate market in Malta is very competitive in nature. An increase in supply and/or a reduction in demand in the property segments in which the Issuer operates may cause sales of units to sell at prices which are lower than are being anticipated by the Issuer or that sales of such units are in fact slower than is being anticipated. The occurrence of any of these events will have a significant adverse impact on the Issuer's business and financial condition.</li> <li>4. The Issuer relies upon third-party service providers for the construction and completion of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Issuer's expectations and in accordance with their contractual obligations.</li> <li>5. Prospective purchasers may default on their obligations with the Issuer.</li> <li>6. The successful completion of development at Tigné Point and the prospective development of Manoel Island may be impacted by the Issuer's relationship with GOM, in terms of obligations falling upon both parties in terms of the Emphyteutical Deed.</li> <li>7. The Issuer may be exposed to interest rate risk.</li> <li>8. The Issuer's growth is in part attributable to the efforts and abilities of the members of its management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Issuer might not be able to replace them within the short term, which could have a material adverse effect on the Issuer's business, financial condition and results of operations.</li> <li>9. The Issuer may not be able to obtain the capital it requires for development on commercially reasonable terms.</li> <li>10. The Issuer's business may be adversely impacted by delays or refusals in obtaining planning permissions. Any future development is subject to any planning policies that might apply from time to time.</li> </ol>
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	<p>11. Failure by the Issuer to substantially complete the entire development by 31 March 2023 will result in penalties (article 8.1.4 of the Emphyteutical Deed). Should the delay persist for more than three years the GOM shall have the right to rescind the Emphyteutical Deed and article 21 regarding dissolution of the Emphyteutical Deed shall apply. GOM shall also have the right to dissolve the Emphyteutical Deed should the Issuer fail to make three annual payment of groundrent or owes by way of groundrent a sum equal in amount to three yearly payments (article 21.1.1 of the Emphyteutical Deed).</p> <p>12. The Issuer is susceptible to adverse conditions in the commercial rental market.</p> <p>13. The Issuer is dependent on tenants fulfilling their obligations.</p> <p>14. The Issuer is subject to termination of lease agreements.</p> <p>15. The Issuer may be subject to increases in operating and other expenses.</p> <p>16. No assurance can be given that the Issuer's current insurance coverage would be sufficient to cover all potential losses.</p>
D.3	An investment in the Bonds involves certain risks including, but not limited to those described below:
	<p>1. There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to re-sell his Bonds at or above the Bond Issue Price or at all. A public trading market depends on a number of factors over which the Issuer has no control.</p>
	<p>2. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.</p>
	<p>3. The Bonds are based on applicable laws and regulations in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of this Prospectus.</p>
	<p>4. The Bond Conditions contain provisions for calling meetings of Bondholders in the event that the Issuer wishes to amend any of the Bond Conditions. These provisions permit defined majorities to bind all Bondholders.</p>
	<p>5. Moreover, an investor in the Bonds will bear certain risks relating to the Security Interest according to the ranking of the relative Security Interest.</p>
	<p>(i) There are in place security interests protecting third party interests; in respect of the special hypothec (forming part of the Initial Security Interest) enjoyed by the Bonds, third party interests have been registered which will rank in priority to Bondholders against the assets of the Issuer for so long as such security interests remain in effect, as further described in Element C.8 above. For instance, since the GOM's privilege for payment of ground rent on the Emphyteutical Land ranks before the hypothecs granted as Initial Security Interest, in the event that there are insufficient funds to pay secured creditors, the GOM will be paid ahead of the Bondholders to the extent of any outstanding ground rent payable.</p>
	<p>(ii) By acquiring the Bonds the Bondholder is considered to be bound by the terms of the Trust Instrument as if he had been a party to it. The Trust Instrument contains a number of provisions, which the investors ought to be aware of prior to acquiring the Bonds and, therefore, investors ought to be familiar with the provisions of the Trust Instrument.</p>

## SECTION E – OFFER

### E.2b

The proceeds from the Bond Issue, net of expenses, are expected to amount to *circa* €49,000,000. However, the value of Bonds acquired by Existing Holders by virtue of the Bond Exchange Programme will not be paid in cash. The net proceeds will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of up to *circa* €40,832,900 of the net proceeds, less the value of the Bonds acquired through the Bond Exchange Programme, shall be used for the purpose of redeeming any Bonds 2016/18 remaining in issue as at 15 December 2016, being the first early date of redemption of the Bonds 2016/18. As at the date of the Prospectus the value of Bonds 2016/18 in issue stands at *circa* €40,832,900 (being the aggregate of €31,702,900 EUR Bonds 2016/18 and £7,214,300 (equivalent to *circa* €9,130,000) GBP Bonds 2016/18);

- (ii) the amount of *circa* €1,500,000 shall be used to obtain the release of the security interest provided by the Company to secure the SIS Banking Facilities;
  - (iii) the amount of *circa* €2,200,000 shall be advanced to Bank of Valletta p.l.c. as cash collateral in order for the aforementioned bank to cancel the security interest securing the obligations of the Company in terms of the SWAP Instrument. Upon termination of the SWAP Instrument, any residual amount from the aforesaid €2,200,000 will be used for general corporate funding purposes of the Group and/or to further reduce the corporate indebtedness of the Group;
  - (iv) the amount of €4,500,000 shall be used to fund various infrastructural and restoration works at Tigné Point which are deemed essential for closing off the Tigné Point project.
- In the event that the Bond Issue is not fully subscribed, the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified in (i) and (ii) above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.
- The net proceeds from the issue of the Bonds shall be held by the Security Trustee pending the fulfillment by the Issuer of the following conditions:
- (i) the publication of the deed/s pertaining to the postponements, waivers, reductions or cancellations of the general hypothecs and/or special hypothecs described in Annex III to the Securities Note and identified therein as pending postponement, waiver, reduction or cancellation, as applicable;
  - (ii) the publication of the deed of hypothec forming part of the Initial Security Interest;
  - (iii) the execution of the pledge agreement forming part of the Initial Security Interest; and
  - (iv) the admission of the Bonds to the Official List of the MSE.

### E.3

The following is a synopsis of the general terms and conditions applicable to the Bonds.

**A Bondholder is deemed to have invested in the Bonds only after having received, read and understood the contents of the Bond Conditions, the Prospectus and the Trust Instrument and therefore only after having full knowledge of the information contained in the Bond Conditions, the Prospectus and the Trust Instrument and is accordingly deemed to have accepted all the terms and conditions set out in the Bond Conditions, the Prospectus and the Trust Instrument.**

The Bonds are open for subscription to Existing Holders and Current Shareholders during the Preferred Applicants Period, and the general public during the Public Offer Period.

#### **Bond Exchange Programme**

Existing Holders of EUR Bonds 2016/18 applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of EUR Bonds 2016/18 at par value, subject to a minimum holding of €2,000 in Bonds. Accordingly, any Existing Holder whose holding in EUR Bonds 2016/18 is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A'.

Existing Holders of GBP Bonds 2016/18 applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of GBP Bonds 2016/18. For such purpose, the par value of each holding in GBP Bonds 2016/18 shall be converted to the equivalent value in euro at the exchange rate of €1: £0.834, rounded up to the nearest €100. In determining the aforesaid exchange rate, the Issuer was guided by the reference exchange rate published by the European Central Bank on 27 June 2016 at 15:30 hours<sup>1</sup>. Subscriptions shall be subject to a minimum holding of €2,000 in Bonds. Accordingly, any Existing Holder whose holding in GBP Bonds 2016/18 is less than the equivalent amount of €2,000 shall be required to pay the difference in Euro together with the submission of their Application Form 'B'.

Holders of EUR Bonds 2016/18 and GBP Bonds 2016/18 shall use Application Forms 'A' and 'B' respectively, to be mailed directly by the Issuer and shall be required to submit same to Authorised Financial Intermediaries together with cleared funds, if applicable (as described below), during the Preferred Applicants Offer Period.

By virtue of the submission of the duly completed and signed Application Form, Existing Holders shall indicate their agreement to settle the consideration for the Bonds by surrendering in the Issuer's favour for cancellation all or part of the Bonds 2016/18 together with the payment of such additional amount in cash as may be required, and such Application Form shall be deemed:

	<p>(i) to confirm that all or part (as the case may be) of the said Bonds 2016/18 as indicated in the Application Form are to be transferred in the Issuer's favour for cancellation; and</p> <p>(ii) as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.</p> <p>Any Existing Holder wishing to surrender and cancel all or part of their Bonds 2016/18 in exchange of the Bonds shall only be entitled to do so during the Preferred Applicants Offer Period.</p>
	<p><b>Allocation Policy</b></p> <p>The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:</p> <p>i. An aggregate amount of Bonds equivalent to the amount of Bonds 2016/18 (<i>circa</i> €40,832,900) shall be allocated to Existing Holders applying for Bonds by way of the Bond Exchange Programme, subject to a minimum amount of €2,000 and in multiples of €100.</p> <p>ii. An aggregate amount of €2,000,000 has been reserved for subscription by Current Shareholders and shall be allocated in accordance with the allocation policy as determined by the Issuer and Registrar;</p>
	<p>iii. Following the allocation referred to in paragraphs (i) and (ii) hereof, the remaining Bonds shall be allocated to:</p> <p>(a) Existing Holders having applied for Bonds in excess of their respective holding in the Bonds 2016/18;</p> <p>(b) Current Shareholders with respect to such unsatisfied excess amount that may result from an oversubscription in the reserved portion of €2,000,000; and</p> <p>(c) Applications submitted by the general public,</p> <p>without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar.</p> <p>The Issuer will announce the allocation policy for the allotment of the Bonds through a company announcement within five (5) Business Days of the closing of the Public Offer Period.</p>
	<p><b>General</b></p> <p>Each bond forms part of a duly authorised issue of 4% Secured Bonds due 2026 having a nominal value of €100 each of the Issuer for an aggregate principal amount of €50,000,000.</p>
	<p><b>Form, Denomination, Title and Pricing</b></p> <p>The Bonds will be issued without interest coupons in denominations of integral multiples of €100 provided that on subscription they will be issued for a minimum of €2,000. On subscription, the Bonds are being offered at par, that is at €100 per Bond.</p> <p>The Bonds will be issued in dematerialised form and shall accordingly be evidenced by a book-entry in the register of Bondholders held by the CSD of the Malta Stock Exchange or as may be stipulated by the MSE Bye-Laws from time to time. A person in whose name a Bond shall be registered shall (to the fullest extent permitted by law) be treated at all times and for all purposes as the absolute owner of such Bond regardless of any notice of ownership or trust.</p>
	<p><b>Status and Security Interest</b></p> <p>The status of the Bonds and the Security Interest is described in Element C.8 of this Summary Note.</p> <p><b>Interest</b></p> <p>Details of interest payable on the Bonds is provided in Element C.9 of this Summary Note.</p>
	<p><b>Payments</b></p> <p>Payment of the principal amount (with interest accrued to the due date for redemption) as well as payment of any instalment of interest of the Bonds will be made in euro to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the due date for redemption or fifteen (15) days prior to the Interest Payment Date (as the case may be) by direct credit to an account which is denominated in euro and held with any licensed bank in Malta as specified by the Bondholder. The Issuer shall not be responsible for any charges, loss or delay in transmission. Such payment shall be effected within seven (7) days of the due date for redemption or the Interest Payment Date (as the case may be).</p>

	<p><b>Redemption and Purchase</b></p> <p>Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the due date for redemption) on 27 July 2026 (the “<b>Redemption Date</b>”). All Bonds purchased by the Issuer during the term of the Bonds will be cancelled forthwith and may not be reissued or resold.</p>
	<p><b>Events of Default</b></p> <p>The Security Trustee at its discretion may, and if so requested by a resolution passed by Bondholders holding not less than seventy-five per centum (75%) in nominal value of the Bonds then outstanding shall, give notice to the Issuer that the Bonds are, and they shall accordingly immediately due and repayable, at their principal amount together with accrued interest, if any of the following events (“Events of Default”) shall occur:</p>
	<p>(i) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee; or</p>
	<p>(ii) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Bond Conditions or in the Trust Instrument and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee; or</p>
	<p>(iii) any default occurs and continues for ninety (90) days under any contract or document relating to specified relevant indebtedness of the Issuer in excess of €5,000,000 or its equivalent at any time; or</p>
	<p>(iv) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of €5,000,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or</p>
	<p>(v) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or</p>
	<p>(vi) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or</p>
	<p>(vii) a provisional administrator is appointed of the whole or any part of the property of the Issuer or the Issuer ceases or threatens to cease to carry on its business or a substantial part thereof; or</p>
	<p>(viii) 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 are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government;</p>
	<p>provided that in the case of paragraphs (ii), (iii), (iv), (vii) and (viii) the Security Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.</p>
	<p><b>Transferability of the Bonds</b></p> <p>The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in multiples of €100 in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any exchange or registration of transfer or transmission except for the expenses of delivery by regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Bondholder. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.</p>
	<p><b>Resolutions and Meetings of Bondholders</b></p> <p>The Issuer may, through the Security Trustee, from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which, in terms of the Prospectus, require the approval of a meeting of Bondholders and to effect any change to the applicable Bond Conditions, including any change to a material term of issuance of the Bonds or the Prospectus, or to effect a change to the Trust Instrument. The procedure to be followed is laid out in the Securities Note.</p>

	<p>Moreover, the Security Trustee must convene a meeting of the Bondholders upon a requisition in writing signed by a Bondholder or Bondholders holding not less than twenty per cent (20%) in nominal amount of the beneficial interest in the Bonds for the time being outstanding and upon receiving such indemnity against the costs of convening and holding such meeting as it may reasonably require. Finally, the Security Trustee at any time, prior to exercising any power or discretion under the Trust Instrument, may call a meeting of Bondholders.</p> <p><b>Further Issues</b></p> <p>The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds, debentures or any other debt securities either having the same terms and conditions as the Bonds in all respects (except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Bonds or otherwise upon such terms and conditions as the Issuer may determine. Any further debt securities so issued may rank <i>pari passu</i> in all respects with the Bonds but shall not rank ahead of the Bonds.</p> <p><b>Governing Law and Jurisdiction</b></p> <p>The Bonds are governed by and shall be construed in accordance with Maltese law. Any legal action, suit or proceeding against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholders shall, upon and by submitting an Application, acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid</p>																																	
E.4	<p>Bank of Valletta p.l.c. holds, directly and indirectly through its 50% shareholding in MSV Life p.l.c., a substantial shareholding (that is, in excess of 10%) in the Issuer and is also acting as Manager and Registrar. Lombard Bank Malta p.l.c. is a shareholder of the Issuer. Charts Investment Management Service Limited is acting as Sponsor and Mediterranean Bank plc is a sister company of the Sponsor. Each of the aforementioned entities is included in the list of Authorised Financial Intermediaries.</p> <p>Each of the aforementioned entities has in place a ‘Conflict of Interest Policy’ and procedures and controls designed to identify, prevent or manage conflicts of interest. Where a conflict of interest is considered to arise, the subject entity is obliged by law to manage such conflict in the best interest of Bondholders, in line with the said internal policy, procedures and controls. Consequently, before proceeding to subscribing to any Bonds, a prospective investor shall be informed of the said conflict of interest.</p> <p>Save for the above and any fees payable in connection with the Bond Issue to Charts Investment Management Service Limited as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, so far as the Issuer is aware, no person involved in the Offer has any other interest that is material to the Offer.</p>																																	
E.7	<p>Professional fees, costs related to publicity, advertising, printing, listing and registration, selling commission, as well as sponsor, manager and registrar fees and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €1,000,000 and shall be borne by the Issuer.</p>																																	
	<p><b>Expected Timetable</b></p> <table><tr><td>1</td><td>Application Forms mailed to Preferred Applicants</td><td>30 June 2016</td></tr><tr><td>2</td><td>Opening of Preferred Applicants Offer Period</td><td>01 July 2016</td></tr><tr><td>3</td><td>Application Forms available to the general public</td><td>04 July 2016</td></tr><tr><td>4</td><td>Closing of Preferred Applicants Offer Period</td><td>18 July 2016</td></tr><tr><td>5</td><td>Opening of Subscription Lists</td><td>18 July 2016</td></tr><tr><td>6</td><td>Closing of Subscription Lists</td><td>20 July 2016</td></tr><tr><td>7</td><td>Commencement of interest</td><td>27 July 2016</td></tr><tr><td>8</td><td>Announcement of basis of acceptance</td><td>27 July 2016</td></tr><tr><td>9</td><td>Refunds of unallocated monies</td><td>03 August 2016</td></tr><tr><td>10</td><td>Admission to listing on the MSE and dispatch of allotment advices</td><td>03 August 2016</td></tr><tr><td>11</td><td>Commencement of trading on the MSE</td><td>04 August 2016</td></tr></table> <p>The Issuer reserves the right to close Subscriptions Lists before 20 July 2016 in the event of over-subscription, in which case the events set out in steps 8 to 9 above shall be brought forward, although the number of working days between the respective events shall not also be altered.</p>	1	Application Forms mailed to Preferred Applicants	30 June 2016	2	Opening of Preferred Applicants Offer Period	01 July 2016	3	Application Forms available to the general public	04 July 2016	4	Closing of Preferred Applicants Offer Period	18 July 2016	5	Opening of Subscription Lists	18 July 2016	6	Closing of Subscription Lists	20 July 2016	7	Commencement of interest	27 July 2016	8	Announcement of basis of acceptance	27 July 2016	9	Refunds of unallocated monies	03 August 2016	10	Admission to listing on the MSE and dispatch of allotment advices	03 August 2016	11	Commencement of trading on the MSE	04 August 2016
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MIDI p.l.c.  
a public limited company incorporated under the laws of Malta,  
company registration number C 15836

Issue of:  
**€50,000,000 4% Secured Bonds 2026**  
**ISIN: MT0000421223**

# REGISTRATION DOCUMENT

Dated 28 June 2016

*This document is a Registration Document issued pursuant to the requirements of Rule 4.13 of the Listing Rules of the Listing Authority and 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 subsequently amended. This Registration Document should be read in conjunction with the most updated Securities Note issued from time to time containing information about the securities to which it relates.*

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

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

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

APPROVED BY THE DIRECTORS



Alec A. Mizzi	Joseph Bonello	David G. Curmi	David Demarco	Joseph A. Gasan	Alan Mizzi	Mark Portelli	Joseph Said
Manager & Registrar		Legal Advisers		Security Trustee		Sponsor	

**BOV**  
Bank of Valletta

**MAMO TCV**  
ADVOCATES

**CSB** GROUP

**CHARTS**  
WEALTH MANAGEMENT • CORPORATE BROKING

Registration Document

## IMPORTANT INFORMATION

This Registration Document contains information on the Issuer, MIDI p.l.c., in accordance with the requirements of the Listing Rules of the Listing Authority, the Companies Act (Cap. 386 of the laws of Malta) and 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 subsequently amended.

No broker, dealer, salesman or other person has been authorised by the Issuer or its Directors to issue any advertisement or to give any information or to make any representations in connection with the issue and sale of securities of the Issuer other than those contained in the Prospectus and in the documents referred to therein, and if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or its Directors or advisers.

The Prospectus does not constitute, and may not be used for purposes of, an offer or invitation to subscribe for securities issued by the Issuer by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of the Prospectus in certain jurisdictions may be restricted and, accordingly, persons into whose possession it is received are required to inform themselves about, and to observe, such restrictions.

The Prospectus and the offering, sale or delivery of any securities may not be taken as an implication: (i) that the information contained in the Prospectus is accurate and complete subsequent to its date of issue; or (ii) that there has been no material adverse change in the financial position of the Issuer since such date; or (iii) that any other information supplied in connection with the Prospectus is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

It is the responsibility of any persons in possession of the Prospectus and any persons wishing to apply for any securities issued by the Issuer to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective investors for any securities that may be issued by the Issuer should inform themselves as to the legal requirements of so applying for any such securities and of any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile.

Save for the public offering in the Republic of Malta, no action has been or will be taken by the Issuer that would permit a public offering of the Bonds described in the Securities Note forming part of the Prospectus or the distribution of the Prospectus (or any part thereof) or any offering material in any country or jurisdiction where action for that purpose is required.

In relation to each member state of the European Economic Area (other than Malta) which has implemented Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading or which, pending such implementation, applies Article 3.2 of said Directive, the securities can only be offered to **“qualified investors”** (as defined in said Directive), as well as in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of said Directive.

The securities of the Issuer have not been nor will they be registered under the United States Securities Act, 1933 as amended, or under any federal or state securities law and may not be offered, sold or otherwise transferred, directly or indirectly, in the United States of America, its territories or possessions, or any area subject to its jurisdiction (the “U.S.”) or to or for the benefit of, directly or indirectly, any U.S. person (as defined in Regulation “S” of the said Act). Furthermore the Issuer will not be registered under the United States Investment Company Act, 1940 as amended and investors will not be entitled to the benefits set out therein.

All the advisers to the Issuer named in this Registration Document under the heading “*Persons Responsible, Advisers, Statutory Auditors and Security Trustee*” in section 3 of this Registration Document have acted and are acting exclusively for the Issuer in relation to this public offer and have no contractual, fiduciary or other obligation towards any other person and will, accordingly, not be responsible to any investor or any other person whomsoever in relation to the transactions proposed in the Prospectus.

The contents of the Issuer’s website or any website directly or indirectly linked to the Issuer’s website do not form part of the Prospectus. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such websites as the basis for a decision to invest in the Bonds.

A prospective investor should always seek independent financial advice before deciding to invest in any financial instruments. A prospective investor should be aware of the potential risks in investing in the securities of an issuer and should make the decision to invest only after careful consideration and consultation with his or her own independent legal advisers, accountants and/or other financial advisers as to legal, tax, investment or any other related matters concerning the Bonds and the Prospectus.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. Prospective investors should carefully consider all the information contained in the Prospectus as a whole and should consult their own independent financial and other professional advisers.

**Statements made in this Registration Document are, except where otherwise stated, based on the law and practice currently in force in Malta and are subject to changes therein.**

A copy of this document has been submitted to the Listing Authority in satisfaction of the Listing Rules, to the Malta Stock Exchange in satisfaction of the Malta Stock Exchange Bye-Laws and has been duly filed with the Registrar of Companies in accordance with the Companies Act.

**The Listing Authority accepts no responsibility for the contents of the Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus.**

## **Forward-looking Statements**

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer’s strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe” or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer’s control. Important factors that could cause actual results to differ materially from the expectations of the Directors include those risks identified under section 2 of this Registration Document and elsewhere in the Prospectus.

If any of the risks described herein were to materialise, they could have a serious adverse effect on the Issuer’s financial results, trading prospects and the ability of the Issuer to fulfil its obligations under the securities to be issued in terms of the Prospectus. Accordingly, the Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the professed future results or expectations will be achieved.



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## 1. DEFINITIONS

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

<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex II of the Securities Note;
<b>Bonds or Secured Bonds</b>	the four per cent (4%) secured bonds due 2026 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of fifty million euro (€50,000,000);
<b>Bonds 2016/18</b>	the EUR Bonds 2016/18 and GBP Bonds 2016/18;
<b>Bondholder</b>	a holder of Bonds;
<b>Companies Act</b>	the Companies Act (Cap. 386 of the laws of Malta);
<b>Company; Issuer; or MIDI</b>	MIDI p.l.c., a company registered in Malta with registration number C 15836;
<b>Directors or Board</b>	the directors of the Company whose names are set out in section 3.1 of this Registration Document;
<b>Emphyteutical Deed</b>	the public deed in the records of Notary Vincent Miceli of the fifteenth day of June of the year two thousand (15/6/2000) whereby the GOM, acting through the Land Department granted the Company the Emphyteutical Grant;
<b>Emphyteutical Grant</b>	the temporary emphyteutical concession of the Emphyteutical Land for a period of ninety nine years commencing from 15 June 2000 made by GOM to the Company by virtue of the Emphyteutical Deed;
<b>Emphyteutical Land</b>	the immovable property comprising Tigné Point and Manoel Island forming the subject-matter of the Emphyteutical Grant;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>EUR Bonds 2016/18</b>	the €31,702,900 7% bonds 2016-2018 (ISIN: MT0000421207) issued by the Issuer pursuant to a prospectus dated 5 December 2008;
<b>GBP Bonds 2016/18</b>	the £7,214,300 7% bonds 2016-2018 (ISIN: MT0000421215) issued by the Issuer pursuant to a prospectus dated 5 December 2008;
<b>GOM</b>	the Government of Malta;
<b>Group or MIDI Group</b>	the Issuer and the subsidiary companies of the Issuer and the term “Group Company” shall be construed accordingly;

<b>Listing Authority</b>	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta);
<b>Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Manoel Island</b>	the divided portion of land at Manoel Island, limits of Gzira, comprised within the Emphyteutical Land as shown bordered in red on the plan Land Drawing letter 'L' letter 'D' one hundred and seventy four letter 'A' bar ninety nine (LD174A/99) attached to the Emphyteutical Deed;
<b>Memorandum and Articles of Association or M&amp;As</b>	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
<b>MFSA</b>	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
<b>Project</b>	the Issuer's project comprising the development of Tigné Point and Manoel Island and the operation of certain activities and businesses therein;
<b>Prospectus</b>	collectively the Summary Note, this Registration Document and the Securities Note, all dated 28 June 2016, as such documents may be amended, updated, replaced and supplemented from time to time;
<b>Redemption Date</b>	27 July 2026;
<b>Registration Document</b>	this document in its entirety;
<b>Securities Note</b>	the securities note issued by the Issuer dated 28 June 2016, forming part of the Prospectus;
<b>Security Trustee</b>	CSB Trustees & Fiduciaries Limited having company registration number C 40390 and its registered office at Vincenti Buildings, 28/19 Strait Street, Valletta VLT 1432, Malta, licensed by the MFSA to act as trustee and provide general corporate fiduciary services, or any other duly authorised person as may be appointed to act as security trustee in terms of the Trust Instrument;
<b>Sponsor</b>	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, an authorised financial intermediary licensed by the MFSA and a member of the MSE;
<b>Summary Note</b>	the summary note issued by the Issuer dated 28 June 2016, forming part of the Prospectus;

<b>Tigné Point</b>	the divided portion of land at Tigné Point, Sliema, comprised within the Emphyteutical Land as shown bordered in red on the plan Land Drawing letter 'L' letter 'D' one hundred and seventy five letter 'A' bar ninety nine (LD175A/99) attached to the Emphyteutical Deed;
<b>Trust Instrument</b>	the agreement signed between the Issuer and the Security Trustee dated 24 June 2016 as better described in Section 9.6 of the Securities Note.

## 2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH THE BONDS ISSUED BY THE ISSUER (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

### 2.1 Risks relating to the Property Development Business of the Issuer

*Material risks relating to real estate development may affect the economic performance and value of the properties under development*

There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Issuer's control, and which could adversely affect the economic performance and value of the Issuer's real estate properties under development. Such factors include:

- changes in general economic conditions in Malta;
- general industry trends, including the cyclical nature of the real estate market;
- changes in local market conditions, such as an oversupply of similar properties, a reduction in demand for real estate or change of local preferences and tastes;
- delays or refusals in obtaining all planning, building, and other required permits and authorisations;



- shortages and/or price increases in raw materials or other construction inputs, such as, among others, cement, steel, energy and other utilities, leading to cost overruns;
- possible structural and environmental problems;
- acts of nature that may damage the properties or delay their development; and
- increased competition in the market segment in which the Issuer is undertaking the real estate development may lead to an over supply of commercial or residential properties in such markets, which could lead to a lowering of prices and a corresponding reduction in revenue of the Issuer.

Any of the factors described above could have a material adverse effect on the Issuer's business, its financial condition and prospects, which may include an increase in projected costs and times for completion of property developments.

*The Issuer is subject to market and economic conditions generally*

The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates and property prices. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Issuer's planning during development, this shall have an adverse impact on the financial condition of the Issuer and its ability to meet its obligations under the Bonds.

*The property market is a very competitive market that can influence sales of units of the Issuer*

The real estate market in Malta is very competitive in nature. An increase in supply and/or a reduction in demand in the property segments in which the Issuer operates, may cause sales of units to sell at prices which are lower than are being anticipated by the Issuer or that sales of such units are in fact slower than is being anticipated. The occurrence of any of these events will have a significant adverse impact on the Issuer's business and financial condition.

*The Issuer depends on third parties in connection with its business, giving rise to counter-party risks*

The Issuer relies upon third-party service providers such as architects, project managers, building contractors, subcontractors and suppliers for the construction and completion of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Issuer's expectations and in accordance with their contractual obligations. If these risks were to materialise, the resulting development cost over runs or delays in completion could have an adverse impact on the Issuer's business, and its financial condition, results of operations and prospects.

Prospective purchasers may default on their obligations with the Issuer. Such parties may fail to perform or default on their obligations to the Company due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Company's control.

The successful completion of development at Tigné Point and the prospective development of Manoel Island may be impacted by the Issuer's relationship with the GOM, in terms of obligations falling upon both parties in terms of the Emphyteutical Deed.

*The Issuer may be exposed to interest rate risk*

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Issuer may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows due to having bank borrowings bearing a variable interest rate, and as a result of any future borrowings that are made under bank credit facilities set at variable interest rates.

***The Issuer's management team and other key personnel have been and remain material to its growth***

The Issuer's growth is in part attributable to the efforts and abilities of the members of its management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Issuer might not be able to replace them within the short term, which could have a material adverse effect on the Issuer's business, financial condition and results of operations.

***The Issuer may not be able to obtain the capital it requires for development on commercially reasonable terms***

The Issuer's ability to complete the property development at Tigné Point and execute its development plans for Manoel Island is dependent upon, amongst other things, its ability to generate sufficient funds internally and to access continued financing at acceptable terms and conditions. The Issuer's inability to access sufficient capital for its operations may have a material adverse effect on its financial condition, results of operations and prospects.

***The Issuer's business may be adversely impacted by delays or refusals in obtaining planning permissions***

The risk of delays or refusals in obtaining the necessary planning permissions is a risk commonly associated with property development projects. Following the publication of the Emphyteutical Deed, the Company applied for a number of Full Development Permits in respect of its developments at both Tigné Point and Manoel Island. Any future development of Tigné Point is subject to any planning policies that might apply from time to time for that locality. As regards Manoel Island, the outline development permit which was included in the Emphyteutical Deed, is incorporated by reference in the North Harbour Local Plan approved in 2006 by the Malta Environment and Planning Authority ("MEPA"). Delays or refusals in the issuance of development permits for the remaining areas earmarked for construction at Tigné Point and the development of Manoel Island would have an adverse effect on the business, financial condition and profitability of the Issuer.

***Emphyteutical Deed Obligations***

The entire development must be substantially completed by 31 March 2023 (article 8.1.4 of the Emphyteutical Deed). Failure of the Issuer to do so will result in penalties as described in the said article 8.1.4, and should the delay persist for more than three years, the GOM shall have the right to rescind the Emphyteutical Deed and article 21 regarding dissolution of the Emphyteutical Deed shall apply. The GOM shall also have the right to dissolve the Emphyteutical Deed should the Issuer fail to make three annual payment of groundrent or owes by way of groundrent a sum equal in amount to three yearly payments (article 21.1.1 of the Emphyteutical Deed).

**2.2 Risks relating to the Commercial Rental Business of the Issuer**

***The Issuer is susceptible to adverse market conditions***

The health of the commercial rental market may be affected by a number of factors such as national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, the availability of financing and yields of alternative investments. An increase in the supply of commercial retail and office space could impact negatively upon capital values and income streams of the Issuer's properties.

***The Issuer is dependent on tenants fulfilling their obligations***

The Issuer is dependent on tenants fulfilling their obligations under their lease agreements. The business, revenue and projected profits of the Issuer would be negatively impacted if tenants fail to honour their respective lease obligations.

### ***The Issuer is subject to termination of lease agreements***

The Issuer is subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease. In cases of early termination by tenants prior to the expiration of the lease term, there is a risk of loss of rental income if the tenant is not replaced in a timely manner.

### ***The Issuer may be subject to increases in operating and other expenses***

At present, all operating expenses incurred by the Issuer are fully recharged to the tenants occupying the Issuer's properties. Nonetheless, in future, the Issuer's operating and other expenses could increase without a corresponding increase in revenue. The factors which could materially increase operating and other expenses include:

- unforeseen increases in the costs of maintaining the property; and
- material increases in operating costs that may not be fully recoverable from tenants.

***No assurance can be given that the Issuer's current insurance coverage would be sufficient to cover all potential losses***

The Issuer maintains insurance at levels determined by the Issuer to be appropriate in the light of the cost of cover and the risk profiles of the business in which the Issuer operates. With respect to losses for which the Issuer is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Issuer may not be able to recover the full amount from the insurer. No assurance can be given that the Issuer's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

## **3. PERSONS RESPONSIBLE, ADVISERS, STATUTORY AUDITORS AND SECURITY TRUSTEE**

### **3.1 Persons Responsible**

The Directors are the persons responsible for the information contained in this Registration Document. 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 Registration 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.

The current Directors of the Issuer are:

<b>Name and ID No. of Director</b>	<b>Function</b>
Dr Alec A. Mizzi ID 511256 M	Chairman and Non-Executive Director
Mr Joseph Bonello ID 267352 M	Non-Executive Director
Mr David G. Curmi ID 477759 M	Non-Executive Director
Mr David Demarco ID 18862 M	Non-Executive Director
Mr Joseph A. Gasan ID 311050 M	Non-Executive Director

Mr Alan Mizzi ID 150263 M	Non-Executive Director
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Mr Mark Portelli ID 94965 M	Non-Executive Director
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Mr Joseph Said ID 746249 M	Non-Executive Director
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The address of the Directors is the same as that of the Issuer. All the Directors are of Maltese nationality.

### 3.2 Advisers to the Issuer

#### ***Legal Advisers***

Mamo TCV Advocates  
Palazzo Pietro Stiges  
103, Strait Street  
Valletta VLT 1436  
Malta

#### ***Sponsor***

Charts Investment Management Service Limited  
Valletta Waterfront, Vault 17  
Pinto Wharf  
Floriana FRN 1913  
Malta

#### ***Manager & Registrar***

Bank of Valletta p.l.c.  
BOV Centre  
Cannon Road  
St. Venera SVR 9030  
Malta

### 3.3 Statutory Auditors and Financial Advisers

PricewaterhouseCoopers  
78, Mill Street  
Qormi QRM 3101  
Malta

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2013 to 2015 have been audited by PricewaterhouseCoopers.

PricewaterhouseCoopers is a firm of Certified Public Accountants holding a practicing certificate to act as auditors in terms of the Accountancy Professions Act, 1979 (Cap. 281 of the laws of Malta).

### 3.4 Security Trustee

Registered office:  
CSB Trustees & Fiduciaries Limited  
Vincenti Buildings  
28/19, Strait Street  
Valletta VLT 1432  
Malta

Correspondence address:  
CSB Trustees & Fiduciaries Limited  
The Penthouse, Tower Business Centre  
Tower Street  
Swatar BKR 4013  
Malta

## 4. INFORMATION ABOUT THE ISSUER

### 4.1 Introduction

Full legal and commercial name:	MIDI p.l.c.
Registered address:	North Shore, Manoel Island, limits of Gzira GZR 3016, Malta
Place of registration, incorporation and domicile:	Malta
Registration number:	C 15836
Date of registration:	31 January 1994
Legal form:	A public limited liability company duly registered in terms of the Companies Act
Legislation under which Issuer operates:	The Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta
Telephone number:	+356 20655500
E-mail address:	info@midimalta.com
Website:	<a href="http://www.midimalta.com/">http://www.midimalta.com/</a>

### 4.2 Principal Activities and Markets

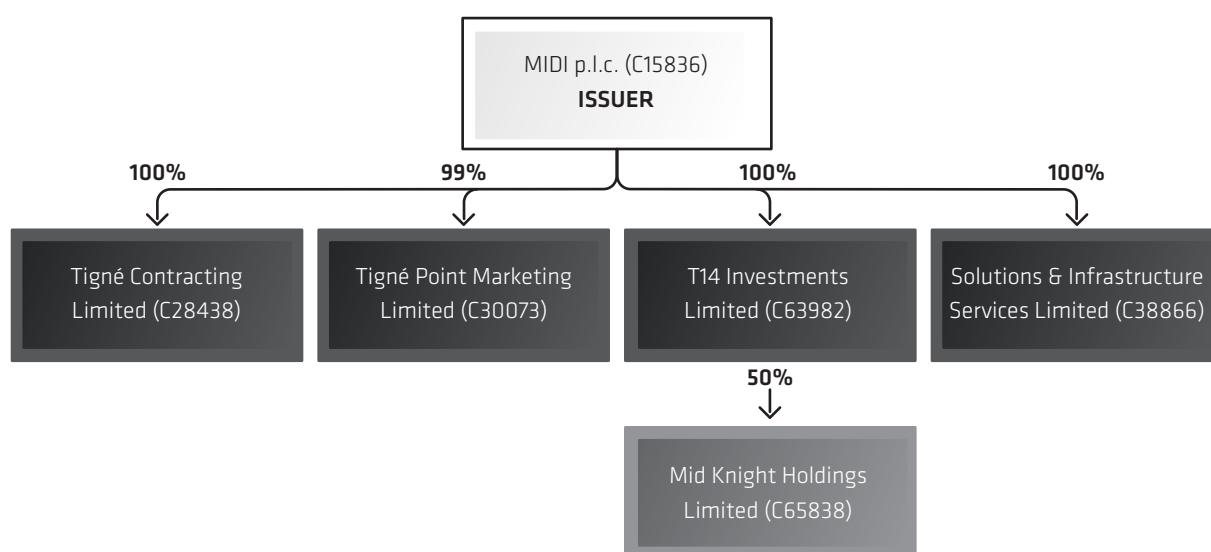
The principal activity of the Company is the development and disposal of immovable property situated in Malta at Tigné Point, Sliema and Manoel Island, Limits of Gzira. MIDI operates principally in the high-end segment of the property market in Malta.

In June 2000, the Company acquired land comprising Tigné Point and Manoel Island from the GOM by title of temporary emphyteusis for a period of 99 years as from 15 June 2000. Construction works commenced in late 2000. Under the same Emphyteutical Deed, the Issuer also acquired from the Malta Maritime Authority, for a period of 99 years, the right to develop and operate a yacht marina on a defined area facing the south shore of Manoel Island in Ta'Xbiex Creek, Limits of Gzira. A summary of the Emphyteutical Deed is provided in Annex I of this Registration Document.

### 4.3 Organisational Structure

The Issuer has a number of subsidiary and associate companies through which it carries on some aspects of its operations.

The diagram below illustrates the current composition of the Group.



### **Tigné Contracting Limited**

Tigné Contracting Limited (“**TCL**”) was established in Malta on 10 July 2001 as a private limited liability company. TCL serves as the Group’s main contractor to execute the construction and development of Tigné Point and Manoel Island. As such, the majority of contracts with third party contractors are entered into through this company.

### **Tigné Point Marketing Limited**

Tigné Point Marketing Limited (“**TPML**”) was established in Malta on 7 August 2002 as a private limited liability company. TPML handles all marketing (including advertising and PR campaigns) and sales activities of the Group. The company has a specialised selling and marketing team, and is the main point of contact with MIDI’s customers.

### **T14 Investments Limited & Mid Knight Holdings Limited**

T14 Investments Limited (“**T14L**”) was established in Malta on 21 February 2014 as a private limited liability company. During 2014, T14L entered into a joint venture through Mid Knight Holdings Limited to develop and manage a business centre (known as the T14 site) located at Tigné Point. T14L has an equity investment of €2 million in Mid Knight Holdings Limited and loans receivable from the same company of €6 million and €3.7 million, repayable in 2027 and 2029 respectively.

### **Solutions and Infrastructure Services Limited**

Solutions and Infrastructure Services Limited (“**SIS**”) was established in Malta on 5 June 2006 as a private limited liability company. The company was initially set up as a joint venture between MIDI and Siemens S.p.A. On 14 September 2015, MIDI acquired the 50% shareholding of Siemens S.p.A. in SIS for the consideration of €1. As part of the acquisition agreement, Siemens S.p.A. waived a shareholder’s loan due by SIS of €350,000, and following a restructuring exercise agreed to by the contracting parties, Siemens S.p.A. made an informal capital contribution to SIS of €1,742,000.

The principal operations of SIS include the management of the public car park facilities owned by Tigné Mall p.l.c. and the Company, as well as the operation of an HVAC centralised system. The latter operation consists of the provision of heating and cooling to various residential and commercial components at Tigné Point.

Apart from HVAC, other building technologies such as fire detection, access control and CCTV services are also provided by SIS at Tigné Point. To a limited extent, SIS is involved in the provision of information and communications technology related services.



## 5. BUSINESS OVERVIEW

### 5.1 Tigné Point

#### 5.1.1 Site Plan



#### 5.1.2 Completed Project Phases

Tigné Point is a residential, commercial and leisure development located on the north-eastern coast of Malta, approximately one kilometre north of Malta's capital Valletta. Development of Tigné Point commenced in December 2000 and comprises high-end residential units having a wide selection of layouts, including penthouses, duplexes and split levels. Furthermore, the development offers a number of cafes, restaurants, a shopping mall (The Point), retail outlets and extensive public spaces.

A summary of completed project phases at Tigné Point, as at the date of this Registration Document, is provided hereunder:

- T1 comprises the property known as the Clock Tower which was built by the Issuer and transferred to the GOM together with 24 underlying car park spaces in terms of schedule 20 of the Emphyteutical Deed. Furthermore, the T1 site also includes an additional 132 car park spaces owned by the Issuer and which form part of the Tigné Point public car park.
- The Point shopping mall (T2) was launched on 20 March 2010 together with a multi-storey public car park and certain outlets on Pjazza Tigné. On 2 May 2013, the Issuer disposed of its shareholding in Tigné Mall p.l.c. (the owner and operator of The Point shopping mall) for a net cash consideration of €20.9 million.
- T4 to T9 Tigné South apartments were launched on the market in 2002. All 200 apartments have been sold.

- Block T10 (comprising 59 units) and 22 apartments overlooking Pjazza Tigné were released to the market in 2008 and 2011 respectively. All apartments have been sold.
- Pjazza Tigné (T11) was developed by the Issuer and is considered to be the property of the GOM as it constitutes a public area in terms of the Emphyteutical Deed. The underlying car park is owned by the Issuer and occupies 4 basement levels consisting of 435 car park spaces.
- Surrounding Pjazza Tigné, the Issuer developed 3 buildings internally known as T4P, T7P and T9P which consist of 11 commercial units (office, retail and catering) and 22 apartments. Whilst the Issuer has transferred the said apartments to third parties, it retained ownership of the commercial units which are currently rented out.
- During the course of 2009, the Clubhouse (T12) was completed and commissioned in June of the same year. It comprises 2 catering outlets and ancillary facilities, a Health & Leisure facility, and facilities including an external pool, pool deck and other related amenities available to residents of Tigné Point.
- The restoration of Fort Tigné (T13) was completed in 2010. Management plans to lease the property for commercial use once works on the public access surrounding the Fort are completed.
- In January 2012, the Malta Environment and Planning Authority issued the full development permits for the phases at Tigné North, which include the Q1, Q2, T14 and the "Q" Car Park underlying the aforesaid three blocks ("Tigné North"). The "Q" Car Park consists of a number of car spaces, lock-up garages, storage rooms, motorcycle bays and plant rooms. Whilst the majority of the units contained therein are intended to be sold together with the Q1 and Q2 apartments, the Issuer has retained ownership of a total of 62 car park spaces located on the second basement level. In terms of an agreement between the Issuer and Mid Knight Holdings Limited, the said car spaces are intended to be leased. One of the plant rooms referred to above is leased out to SIS whilst another is subject to a promise of sale agreement between the Issuer and Mid Knight Holdings Limited.
- The T14 site is located in the Tigné North phase of the Tigné Point project and is described in further detail in section 5.2 below.

In addition to the above, development of the Q1 block was practically complete by the end of 2015. The Q1 block comprises a footprint of 640m<sup>2</sup> and a gross floor area measuring approximately 9,044m<sup>2</sup>. Development on this project commenced in 2013 and includes 39 apartments as follows:

#### Q1 Block - Tigné Point Residential

	No. of Units	%
2-bedroom unit	12	31
3-bedroom unit	24	61
3-bedroom penthouse	3	8
	<b>39</b>	<b>100</b>

Demand for these apartments was very positive and all units were sold as at the date of this Registration Document. Direct development costs (that is, construction costs and professional fees) to develop and deliver the apartments in a finished and complete state (other than the penthouses which were delivered in shell form) amounted to *circa* €16 million. An amount of €10 million was funded through bank borrowings and the remaining balance from internal sources and sales proceeds. As at the date of this Registration Document, the said bank borrowings have been fully repaid. Total gross revenue from the sale of the Q1 apartments amounts to *circa* €41 million.



### 5.1.3 Current Project Phases

#### Q2 Block – Residential and Commercial

The Q2 block is uniquely positioned within close proximity to the water's edge and shall, when completed, comprise 60 residential apartments distributed on 13 floors. The block, which forms part of the North Phase of the Tigné Point project, has a footprint of *circa* 906m<sup>2</sup> and a gross floor area measuring approximately 11,829m<sup>2</sup>. The Q2 block also includes commercial units at ground level, having a total rentable area of *circa* 367m<sup>2</sup>. Development on this site commenced in 2014 and is expected to be completed in the first quarter of 2018.

The configuration of units in the Q2 block is as follows:

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#### Q2 Block - Tigné Point Residential and Commercial

	No. of Units	%
1-bedroom unit	24	40
2-bedroom unit	8	13
3-bedroom unit	16	27
3-bedroom unit (with the possibility of a 4th bedroom)	8	13
4-bedroom unit	2	3
3-bedroom penthouse	1	2
4-bedroom penthouse	1	2
	<b>60</b>	<b>100</b>

The overall direct development cost relating to Q2, for delivery in a complete state (other than the commercial space and penthouses), is estimated at *circa* €21 million. The Group has obtained a bank loan facility of €13 million to finance the expenditure on the superstructure. The remaining balance of costs is expected to be funded from sales revenue and other internal cash resources. Civil works on the project are close to completion, and mechanical & electrical works and finishes have commenced.

The Group launched 32 apartments on the market in March 2016 and initial interest from estate agents and potential investors has been positive, with promise of sale agreements for 27 apartments already entered into. The remaining apartments are expected to be offered in 2017. The Group expects to generate gross revenue from sales of Q2 apartments in excess of €60 million.

### 5.1.4 Future Development

#### T15, T16 and T20 Sites

The T15, T16 and T20 sites form part of the Tigné North phase, being the last sites for development at the Tigné Point project. The sites have an aggregate footprint of 5,774m<sup>2</sup>. An application for the issuance of full development permits for these sites was filed with MEPA in 2010. The application provided for a low density

development of approximately 1,520m<sup>2</sup>, consisting of a number of retail outlets and two restaurants over the T15 site, a piazza on the T16 site and another restaurant on the T20 site surrounded by a landscaped area. Whilst the substructures for the T15 and T16 sites have already been completed, and include a total of 39 car parking spaces, in the planning application referred to above, the substructures for the T20 site were earmarked to include a total of 163 car parking spaces.

In view of evolving market conditions, the Company had resolved not to pursue the aforementioned application, the processing of which was placed in a suspended state by the relevant authorities. As part of the Company's ongoing efforts to ensure that its developments reflect market requirements as well as stakeholder interests and expectations, the Company will be reviewing its planning applications for the T15, T16 and T20 sites, taking account of current planning policies for the location.

### **5.1.5 Commercial Leases**

#### **Piazza Tigné**

MIDI owns a total of eleven (11) commercial units having a total rentable area of *circa* 2,200m<sup>2</sup>, and which units abut onto Piazza Tigné. One (1) unit is rented out on commercial terms to Tigné Point Marketing Limited, which is engaged in sales and marketing, and is a fully owned subsidiary of the Company. Another unit, measuring approximately 65m<sup>2</sup>, is presently occupied by an entity offering condominium related services to those residential units for which the Company is still acting as the administrator. The remaining nine (9) commercial units are leased to third parties for a minimum rental duration of 15 years, with an option to terminate such lease every 5 years.

#### **T12 Clubhouse**

The T12 Clubhouse comprises a number of different elements, which broadly consist of: (i) two catering outlets measuring approximately 1,029m<sup>2</sup> (inclusive of external areas); (ii) an area of 2,414m<sup>2</sup> located on two underground levels, which property is earmarked for a health & leisure facility; and (iii) facilities consisting of an external pool, pool deck and other related amenities and which are available to residents of Tigné Point. This part of the T12 Clubhouse does not generate any revenue for the Company.

The abovementioned catering outlets were leased to a related party in 2009 for a period of 20 years. As to the areas earmarked for the health & leisure facility, the Company is currently undertaking an exercise to identify a potential tenant for the premises.

#### **Fort Tigné**

With restoration works complete on Fort Tigné, additional works are required in the areas intended for public access which surround Fort Tigné. Once complete, it will enable pedestrians to gain access to the Belvedere route, commencing at Tigné Seafront and reaching Qui-si-sana via Fort Tigné, and will therefore significantly enhance the attractiveness and viability of the Fort as a commercial and catering establishment. Fort Tigné has a rentable area (inclusive of external areas) of approximately 5,000m<sup>2</sup>.

The Company is seeking to lease Fort Tigné. The prospective tenant would be responsible for the finishing works necessary for the intended use.

#### **Q2 Outlets**

The ground floor area of the Q2 block, measuring approximately 800m<sup>2</sup>, has been identified as a site for commercial outlets. The Company currently has plans for 3 units earmarked for use as retail and office outlets. Access to the proposed outlets will be through the pedestrian passage from Qui-si-sana leading to Piazza Tigné.

## 5.2 T14 Block - Commercial

In 2014, the Issuer sold the T14 site, having a footprint area of 2,074m<sup>2</sup> and located on the north side of Tigné Point, for a consideration of €11.7 million to Mid Knight Holdings Limited, a joint venture company between T14 Investments Limited (a wholly owned subsidiary of the Issuer) and Benny Holdings Limited. Mid Knight Holdings Limited will be developing and operating on the acquired site a business centre having a rentable area of 13,500m<sup>2</sup>. The structure, together with the common area finishes, is expected to be completed during the fourth quarter of 2016. The finishes of the internal rentable areas of the offices are scheduled for completion by the third quarter of 2017.

It is estimated that the cost of construction will amount to €25 million and will be funded as to €13 million through a bank facility, and from sale proceeds described hereinabove and the balance from revenue sources of the company.

Enjoying views both of the sea and the Pjazza, the office block will be divided into two wings each having 8 floors above ground floor and will be connected by an atrium bridge. It is planned that the ground floor area will be leased to third parties for the operation of catering outlets. To provide better access to the property, a number of car parking spaces at basement level will be reserved for use by office tenants on a 24/7 basis.

In July 2015, Mid Knight Holdings Limited entered into a promise of sale agreement to sell, together with an undertaking to carrying finishing works pertaining to the fourth floor of both wings of T14 to a third party for an aggregate cash consideration of €6.85 million.

## 5.3 Solutions & Infrastructure Services Limited

Solutions & Infrastructure Services Limited (“SIS”) is principally engaged in the management of a public car park and the operation of an HVAC centralised system. The public car park currently consists of *circa* 900 car park spaces, of which 673 spaces are owned by the Company and located substantially underneath the footprint of Pjazza Tigné, whilst the remaining 227 spaces are situated below The Point shopping mall and are owned by Tigné Mall p.l.c. Both the Company as well as Tigné Mall p.l.c. engaged the services of SIS to operate the public car park. Revenues generated from this car park, net of management fees due to SIS, are apportioned between the Company and Tigné Mall p.l.c. on a pro rata basis according to the number of car park spaces owned by each entity.

The operation of the HVAC centralised system consists of the provision of heating and cooling to various residential and commercial units at Tigné Point. Additional offerings of SIS include other building technologies such as fire detection, access control and CCTV services, and limited ICT related services.

The development currently underway at Tigné Point necessitates an additional investment in the HVAC system in the region of €2,000,000 in order to cater for the envisaged increase in demand. The additional investment in the HVAC system will also result in a more efficient operation. The said works were awarded to Siemens with whom an agreement was reached for a credit of €1,000,000 to be provided in connection with the aforementioned additional investment. The remaining balance will be financed from internal funds of the company.

## 5.4 Manoel Island

Manoel Island is located on the north-eastern coast of Malta, approximately one kilometre north-west of Valletta. The island flanks one side of the Valletta peninsula and borders Sliema creek to the North and Lazzaretto creek to the South. The island’s main features include Fort Manoel, an 18th century fortification built by the Knights of St John, and the Lazaretto, built in 1643, initially used as a quarantine centre and later as a hospital and Military base.

Manoel Island is envisaged as a mixed-use development with low lying residential, commercial and recreational environment. Large tracts of the island, in particular around the fort, will be a green area comprising the provision of public footpaths for the enjoyment of the public and of residents alike. These large green areas will be integrated with other open spaces, including the ditch of the Fort, and with the foreshore around the island, that will be enhanced and made accessible to all.

In October 2015, the Issuer appointed an international consultancy firm to prepare a concept brief on the Manoel Island project. The principal objective of this exercise was to establish a vision for the Manoel Island development and to derive a 'Highest and Best Use Analysis' for the property. Research was conducted in four (4) European countries amongst high net worth individuals and focused on their respective interest in investing in property, particularly in the central Mediterranean region. In addition, the consultancy firm studied the projected supply and quality of property coming to market in the next eight years (to 2023) in order to identify possible local gaps in the property market.

Through a selection process, the Issuer thereafter engaged with five (5) internationally renowned master planners for each to present either a preliminary conceptual design for the development of Manoel Island based on the aforementioned brief or to indicate how they would approach the preparation of a masterplan for the project. The submissions were received in April 2016, which reflect a mix of high-end residential units, a wide variety of commercial property (retail, hospitality and catering), a casino and leisure facilities.

The submissions are currently being considered by the Issuer in conjunction with the international consultancy firm with an aim of engaging one of the firms to prepare a masterplan for the project, which will subsequently form the basis of an application to the Planning Authority. The Planning Authority is expected to process the said application on the basis of policy NHGT16 of the North Harbour Local Plan which provides that "Full Development Applications that significantly change the mix and scale of uses within the Manoel Island development as approved in the Outline Development Permit will only be considered subject to the preparation by MEPA, of supplementary planning guidance that takes account of the overall land use of this Local Plan". The Local Plan also states that a "cautious policy approach will be taken to future amendments to the Manoel Island Project beyond the existing committed levels of development as approved in the Outline Development Permit".

Following the finalisation of the masterplan, the Issuer intends to proceed with a professional investor search, with the aim of identifying a strategic partner with whom to undertake the Manoel Island project. The Company has already received interest in the said project, with discussions having been held with a number of interested investors. Nonetheless the Company remains committed to its current strategy of seeking the finalisation of the masterplan and the subsequent professional investor search.

## 6. VALUATION OF GROUP PROPERTIES

As at the date of this Prospectus, the Group held a property portfolio valued at €137.2 million. The properties have been valued by an independent valuer and a copy of his condensed valuation report is included in Annex II of this Registration Document. The list of properties owned by the Group is presented hereunder:

### MIDI p.l.c.

#### Property Portfolio

#### Valuation as at 13 June 2016

	€'000
<b>Commercial premises:</b>	
Q2 Block - ground floor	3,237
T4P, T7P and T9P Blocks - 11 outlets	11,885
T12 Clubhouse - 2 catering outlets, health & leisure facility and car parking spaces	6,518
Fort Tigné	3,876
	<hr/> 25,516
<b>Car parking spaces:</b>	
T11 Section, T8/T9/T10 Section (level -4) - 519 spaces	12,975
T1 Section - 132 spaces	3,300
'Q' car park (level -2) - 62 spaces	1,550
Car park behind T2 Section - 35 spaces	875
T15/T16 Section - 39 spaces	975
	<hr/> 19,675
<b>Storage rooms:</b>	
Total area of <i>circa</i> 3,216m <sup>2</sup>	<hr/> 1,929
<b>Property currently being developed:</b>	
Q2 Block residential apartments	<hr/> 48,996
<b>Properties earmarked for development:</b>	
T15 site	458
T20 site	636
Manoel Island	40,000
	<hr/> 41,094
<b>Total</b>	<hr/> <b>137,210</b>

The Issuer's property at Manoel Island is stated in the above valuation on an 'at least' basis of €40 million, which approximates its carrying amount in the Company's financial statements. As stated in section 5.4 above, the Company is in the course of drawing up a detailed strategy and master plan for the development of the site. It has also been engaged in discussions with third parties who have expressed an interest in the project. In view of these developments the Directors believe that it would be premature, and not in the best interest of the Company's shareholders, to include in this Prospectus an estimate of the current open market value of the said site.

## 7. FINANCIAL INFORMATION

The historical financial information about the Issuer is included in the audited consolidated financial statements for the financial years ended 31 December 2013 to 2015. The said statements have been published and are available for inspection as per section 18 below.

Set out below are highlights taken from the abovementioned financial statements of the Issuer:

### MIDI p.l.c. Income Statement for the year ended 31 December

	2013 Actual €'000	2014 Actual €'000	2015 Actual €'000
Development & sale of property	6,430	11,837	38,784
Property rental & management activities	1,367	1,474	2,259
<b>Revenue</b>	<b>7,797</b>	<b>13,311</b>	<b>41,043</b>
Cost of sales	(6,705)	(12,116)	(31,123)
<b>Gross profit</b>	<b>1,092</b>	<b>1,195</b>	<b>9,920</b>
Other net operating costs	(1,641)	(1,532)	(1,451)
<b>EBITDA</b>	<b>(549)</b>	<b>(337)</b>	<b>8,469</b>
Depreciation	(51)	(56)	(197)
Movement in fair value of investment property	1,786	-	4,851
<b>Operating profit/(loss)</b>	<b>1,186</b>	<b>(393)</b>	<b>13,123</b>
Net finance costs	(2,753)	(2,813)	(3,204)
Share of loss of joint venture	-	(5)	(14)
Impairment charge on goodwill	-	-	(448)
<b>(Loss)/profit before tax</b>	<b>(1,567)</b>	<b>(3,211)</b>	<b>9,457</b>
Taxation	143	1,059	462
<b>(Loss)/profit for the year from continuing operations</b>	<b>(1,424)</b>	<b>(2,152)</b>	<b>9,919</b>
Loss for the year from discontinued operations	(37)	-	-
<b>(Loss)//profit for the year</b>	<b>(1,461)</b>	<b>(2,152)</b>	<b>9,919</b>
<b>Other comprehensive income</b>			
Revaluation surplus, net of deferred tax	-	-	902
Cash flow hedges, net of deferred tax	(233)	137	(18)
Gains from changes in fair value of available-for-sale financial assets	10	49	16
<b>Total comprehensive income (expense) for the year net of tax</b>	<b>(1,684)</b>	<b>(1,966)</b>	<b>10,819</b>

**MIDI p.l.c. Balance Sheet  
as at 31 December**

	<b>2013 Actual €'000</b>	<b>2014 Actual €'000</b>	<b>2015 Actual €'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	921	902	21,208
Investment property	32,162	32,162	21,728
Investment in joint ventures	-	1,995	1,981
Available-for-sale financial assets	661	710	726
Trade and other receivables	608	1,417	1,945
Loans receivable from joint ventures	-	10,051	9,701
Term placements with banks	200	200	200
Deferred tax assets	-	-	343
	<u>34,552</u>	<u>47,437</u>	<u>57,832</u>
<b>Current assets</b>			
Inventories - development project	127,288	129,489	115,130
Trade and other receivables	5,521	6,510	2,870
Current tax assets	1,185	632	2,788
Term placements with banks	650	2,050	2,050
Cash and cash equivalents	9,724	5,551	6,792
	<u>144,368</u>	<u>144,232</u>	<u>129,630</u>
<b>Total assets</b>	<b><u>178,920</u></b>	<b><u>191,669</u></b>	<b><u>187,462</u></b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Called up share capital	42,832	42,832	42,832
Share premium	15,879	15,879	15,879
Reserves	(214)	(28)	2,033
Retained earnings	3,897	1,745	10,504
	<u>62,394</u>	<u>60,428</u>	<u>71,248</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings and bonds	50,620	47,228	48,268
Other non-current liabilities	25,638	24,249	23,573
	<u>76,258</u>	<u>71,477</u>	<u>71,841</u>
<b>Current liabilities</b>			
Borrowings	707	5,418	1,806
Other current liabilities	39,561	54,346	42,567
	<u>40,268</u>	<u>59,764</u>	<u>44,373</u>
	<b><u>116,526</u></b>	<b><u>131,241</u></b>	<b><u>116,214</u></b>
<b>Total equity and liabilities</b>	<b><u>178,920</u></b>	<b><u>191,669</u></b>	<b><u>187,462</u></b>

**MIDI p.l.c. Cash Flow Statement  
for the year ended 31 December**

	<b>2013 Actual €'000</b>	<b>2014 Actual €'000</b>	<b>2015 Actual €'000</b>
Net cash from operating activities	(4,609)	(3,007)	5,257
Net cash from investing activities	22,788	(38)	(65)
Net cash from financing activities	(11,211)	(1,208)	(3,951)
<b>Net movement in cash and cash equivalents</b>	<b>6,968</b>	<b>(4,253)</b>	<b>1,241</b>
Cash and cash equivalents at beginning of year	2,040	9,008	4,755
<b>Cash and cash equivalents at end of year</b>	<b>9,008</b>	<b>4,755</b>	<b>5,996</b>

In **2013**, revenue from the development and sale of property amounted to €6.4 million (2012: €8.1 million). This decrease in revenue was anticipated due to the fact that the Issuer had a very limited number of apartments available for sale. During 2013, the Issuer commenced construction of the Q1 block (comprising 39 apartments). Within 2 months from launch in October 2013, MIDI entered into promise of sale agreements for 33 apartments. This high demand for Q1 units clearly exceeded MIDI Group's expectations and projections. Since these apartments were delivered during 2015, revenue and profits generated thereof are accounted for in the 2015 audited financial statements.

Following the successful launch of Q1 in 2013, the Issuer initiated planning in the same year for the development of the Q2 block, consisting of *circa* 60 apartments and commercial space at ground level.

On 2 May 2013, the Issuer disposed of its shareholding in Tigné Mall p.l.c. (the operator of The Point Shopping Mall) and as such, the results from this activity are included in the income statement as 'loss for the year from discontinued operations'.

Revenue from property rental and management activities amounted to €1.4 million in 2013 (2012: €1.2 million). Such activities comprise the public car park operation and rental income generated from the retail and catering establishments situated at Tigné Point.

In 2013, the Issuer reported an increase in the fair value of its investment property (consisting of public car parking areas and commercial/retail properties held for rental purposes) of €1.8 million (2012: nil). Overall, the Issuer incurred a loss for the year of €1.5 million compared to a loss of €1.9 million in the prior year.

The movements in the balance sheet as at 31 December 2013, compared to a year earlier, principally related to the disposal in 2013 of 42,400,000 ordinary shares of €0.50 each held in Tigné Mall p.l.c. The said disposal resulted in an aggregate consideration of €21.2 million and generated a cash surplus, net of expenses, of €20.9 million. As a consequence of this transaction, Group assets were reduced by €62.4 million (being total assets of Tigné Mall p.l.c.), and Group liabilities decreased by €41.2 million (being total liabilities of Tigné Mall p.l.c. and primarily comprising bank borrowings). Furthermore, MIDI p.l.c. utilised €10.2 million of cash proceeds to reduce outstanding bank borrowings of the Group.

Investment property as at 31 December 2013 (amounting to €32.1 million) includes *circa* 651 public car parking spaces valued at €15.4 million, located underneath a number of blocks at Tigné Point, and commercial/retail properties held for rental purposes and valued at €16.7 million. The latter properties mainly comprise: (i) 10 commercial properties situated around Pjazza Tigné and at ground level in a number of blocks (7 units are retail outlets, 2 units are restaurants, and 1 property is MIDI's sales office); (ii) 2 restaurants situated in the clubhouse area (T12); (iii) a fitness centre underneath the clubhouse area; and (iv) Tigné Fort, which is fully restored.



Inventories – development project as at 31 December 2013 amounted to €127.3 million (2012: €126.5 million). Inventories comprise the cost of development intended in the main for resale purposes, and includes the purchase cost of acquiring the land (being the cash equivalent value of the contracted price), cost of development works (including design, construction, site security and other related costs), and borrowing costs attributable to the development phases of the project. Construction works during the year ended 31 December 2013 were mainly focused on the Q1 residential block.

As at 31 December 2013, liabilities (other than borrowings and bonds) amounted to €65.2 million (2012: €69.9 million). An amount of €51.4 million is payable to the GOM in accordance with the contracted terms of the Emphyteutical Deed. A material portion of the said balance shall be payable in kind, principally through the performance of restoration works on historical sites forming part of Manoel Island, and through the completion of all public infrastructure works required at Tigné Point and Manoel Island.

In **2014**, revenue from the development and sale of property amounted to €11.8 million (2013: €6.4 million) and mainly related to the sale of the T14 site located at Tigné Point for a consideration of €11.7 million to Mid Knight Holdings Limited, a joint venture company between T14 Investments Limited (a subsidiary of the Issuer) and Benny Holdings Limited. Once developed, Mid Knight Holdings Limited will operate a 13,500m<sup>2</sup> business centre on the acquired site. No profit or loss was recognised on this transaction. It is expected that the business centre will be completed during 2017.

During the same year, works relating to the Q1 block (39 apartments) were underway leading to substantial completion in 2015. Construction on the Q2 block (60 apartments) commenced in July 2014, with delivery of apartments in the Q2 block targeted for 2018.

Revenue generated from the property rental and management operations increased marginally by €0.1 million, from €1.4 million in 2013 to €1.5 million. In 2014, the Group leased out all remaining commercial space at Pjazza Tigné. In addition, the public car park operation registered a year-on-year increase in revenue.

After accounting for net finance costs of €2.8 million (2013: €2.8 million) and tax income of €1.1 million (2013: €0.1 million), the Group registered a net loss for the year of €2.2 million (2013: loss €1.5 million).

The principal movements in the balance sheet as at 31 December 2014 related to the equity investment in Mid Knight Holdings Limited of €2 million and loans receivable from the same company of €6 million (maturing in 2027) and €3.7 million (maturing in 2029). These loans are unsecured and are subject to a fixed interest rate of 5%.

Non-current and current liabilities (other than borrowings and bonds) were higher by €13.4 million in 2014 at €78.6 million (2013: €65.2 million). The amount of €10.0 million from such increase comprises 'payments received on account' and represents the deposit and amounts received from each prospective purchaser on account of the purchase price of residential property pursuant to the signing of the promise of sale agreement, together with other intermediate payments pending the completion of the residential property and ensuing signing of the final deed of sale pertaining thereto.

Revenue from development & sale of property increased in **2015** from €11.8 million (in 2014) to €38.8 million, primarily reflecting contracts signed for the sale of 38 Q1 apartments and delivery thereof to their respective owners. The contract for the sale of the remaining apartment in Q1 is expected to be entered into in 2016. Revenue from property rental & management activities also increased in 2015 by 53% from €1.5 million in 2014 to €2.3 million. The increase is principally due to the generation of the first full year's rental income receivable from retail units at the Pjazza. Furthermore, 2015 revenue includes income generated by SIS pursuant to the acquisition by the Issuer of 50% shareholding in SIS on 14 September 2015. Consequently, the 2015 consolidated financial statements of the Issuer comprise the financial results of SIS for the period 14 September 2015 to 31 December 2015 reflecting the 100% shareholding in the company.

In 2015, the Issuer registered a notable improvement in EBITDA from a loss of €0.3 million in 2014 to a positive €8.5 million. After accounting for an increase in fair value of investment property of €4.9 million (2014: nil) and an impairment charge on goodwill (in relation to the acquisition of SIS) of €0.4 million (2014: nil), the Issuer recorded a profit after tax of €9.9 million as compared to a loss of €2.2 million in 2014.

The movements in the balance sheet as at 31 December 2015 when compared to a year earlier, principally include: (i) the consolidation of SIS, being a wholly owned subsidiary of the Issuer; (ii) movements in inventories, borrowings and creditors in relation to sale of apartments in Q1 block; and (iii) movements in inventories and borrowings relating to the construction of the Q2 block.

The public car park valued at €15.4 million has been re-classified from investment property to property, plant and equipment, as a result of SIS, operators of the car park, becoming a wholly owned subsidiary of the Group in 2015. Furthermore, plant relating to SIS of €3.5 million is included in property, plant and equipment.

Inventories as at 31 December 2015 were lower by €14.4 million (when compared to 31 December 2014) from €129.5 million in 2014 to €115.1 million. The movement reflects the netting of a reduction in inventories as a result of the sale of 38 Q1 apartments and an increase in inventories primarily due to the development of the Q2 block. Movement of €3.6 million in trade and other receivables is principally due to the receivable from SIS which is eliminated on consolidation as from 2015.

Other current liabilities decreased by €15.4 million, principally being deposits and other amounts received from customers during development of Q1 apartments. Such amounts were released in 2015 on execution of sale contracts for 38 Q1 apartments. During the year, the Issuer affected repayments of bank and other borrowings of €13.4 million and withdrew an aggregate amount of €9.3 million from bank borrowings.

## 8. TREND INFORMATION

There has been no material adverse change in the prospects of the Issuer since the date of its latest published audited financial statements.

At the time of publication of this Registration Document, the Issuer considers that generally the Group will be subject to the normal business risks associated with the development and disposal of immovable property in Malta and does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of its business and that of the Group, at least with respect to the current financial year.

The Tigné Point development faces competition from other high end mixed-use projects in Malta that offer a mix of residential units, offices and/or retail space. Following the launch of approximately half of the apartments from the Q2 phase in March 2016, the Company is satisfied with the level of interest and demand for high-end residential property at Tigné Point. This launch followed the previous one held in the last quarter of 2013 for the Q1 apartments, in respect of which promise of sale agreements were entered into for the majority of the said apartments within a few months from launch. Market conditions between the Q1 launch and that of Q2 improved, leading to an uplift over and above the inflationary rate in the selling prices of apartments at Tigné Point.

The Board adopted a strategy whereby a number of apartments from the Q2 phase shall be retained as inventory, to be launched closer to completion date. The Directors believe that there remains significant scope for growth in the high-end market segment. The Directors are also of the opinion that a trend which continues to emerge in this segment of the property market is a preference for high quality accommodation, forming part of a mixed use development which encompasses catering offerings, public spaces and other amenities.

With respect to revenue generated by the Company from the rental of commercial properties at Tigné Point, namely the retail and catering establishments situated at Pjazza Tigné and the two (2) foreshore restaurants located within the T12 Clubhouse at Tigné Point, which are at present fully occupied, management is primarily

involved in the upkeep of said properties in order to retain current tenants and attract prospective clients at better rates in the eventuality of expiring lease agreements. Due to the prime location of the respective outlets and good demand for retail and catering establishments at Tigné Point, management is optimistic that full occupancy can be retained in the foreseeable future. Regarding Fort Tigné and the health & leisure facility within the T12 Clubhouse, management is currently undertaking an exercise to identify potential tenants for the said premises.

The Board is of the opinion that the value pertaining to the Q2 commercial premises on the ground floor will be maximised once all surrounding works would be completed and as such will be launched on the market in due time.

Following the acquisition of the remaining 50% shareholding in SIS, the Group has adopted a strategy that directs existing resources together with additional investment already committed on the principal operations of SIS, namely HVAC related services and the management of the public car park at Tigné Point. With the completion of additional phases of the Tigné Point development, demand is expected to continue to increase for both HVAC related services as well as utilisation of the public car park.

## 9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 9.1 The Board

The Company is currently managed by a Board consisting of eight members entrusted with the overall direction and management of the Company. The Board is composed completely of independent non-executive Directors.

None of the Directors and members of senior management of the Company have been:

- convicted in relation to fraud or fraudulent conduct in the last five years;
- made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- disqualified by a court from acting as director or manager in the last five years.

#### 9.1.1 Curriculum Vitae of Directors

Hereunder is a brief *curriculum vitae* of each of the current Directors:

- (i) **Mr Joseph Bonello** has been active in the private industry for more than 40 years mainly involved in the international procurement and trading of goods and services. He is a graduate of the Chartered Institute of Purchasing and Supply. Mr Bonello holds the office of Chairman of SIS and is a member of the audit committee of the Issuer.
  
- (ii) **Mr David G. Curmi** started his career in the insurance industry thirty years ago during which time he held various senior executive positions with a number of insurance operators in the Maltese market. He was the Managing Director of Citadel Insurance Services Ltd. and Citadel Insurance p.l.c., Director of Medpoint Insurance Brokers Ltd., Director of Mediterranean Survey Bureau Ltd., Director of International Insurance Management Services Ltd., Director of EuroMed Risk Solutions Ltd., President of the Malta Insurance Association, Honorary Secretary of the Malta Chamber of Commerce, Vice President of the Malta Chamber of Commerce and Governor of Finance Malta. At present he holds the post of Chief Executive Officer of MSV Life p.l.c., Chief Executive Officer and Director of Growth Investments Ltd., Director of Mapfre Middlesea p.l.c., Director of Plaza Centres p.l.c., Chairman of the National Development and Social Fund, Chairman of Trade Malta Ltd. and Chairman of L.B. Factors Ltd. Mr Curmi is an Associate of the Chartered Insurance Institute of the United Kingdom and a Chartered Insurer. He is also a regular lecturer on various insurance topics at the University of Malta and at the Malta Insurance Training Centre.

- (iii) **Mr David Demarco** obtained his Bachelor of Accountancy (Hons.) from the University of Malta in 1990 and followed that up with a Masters in Business Administration in 1995. He also holds the ACIB banking diploma issued by the Institute of Financial Services as well as a CPA warrant. Mr Demarco has been in employment with MSV Life p.l.c. since 2010 and occupies the position of Chief Financial Officer overseeing the company's financial management and accounting processes. Prior to joining MSV Life p.l.c., Mr Demarco worked within the banking industry. He was Chief Financial Officer for HSBC Bank Malta p.l.c. during the period 2004 to 2010. Mr David Demarco is also a Director of Tigné Mall p.l.c. and SIS.
- (iv) **Mr Joseph A. Gasan** is the Chairman of Gasan Group Limited, GasanMamo Insurance Limited and several companies constituting the Gasan Group. He is also a director of several companies including the Issuer, Kemmuna Limited, International Automobiles Limited and TumasGasan Holdings Limited. Mr Gasan assumed the running of the family business in 1971 and in the mid-seventies initiated and directed an expansion and diversification programme which resulted in the evolvement of the Gasan Group to its present level of development. Under his Chairmanship, the Gasan Group successfully expanded its portfolio of activities, established leadership of the automotive business, captured a significant share of the insurance market, secured a strong presence in the development of residential and commercial property and maximised business opportunities in the engineering sector. The result has been the creation of a dynamic enterprise with the necessary human and financial resources to continue to seek fresh opportunities.
- (v) **Dr Alec A. Mizzi** graduated as Doctor of Laws from the University of Malta in 1979 and Master of Laws from the University of London in 1980, in which year he joined Alf Mizzi & Sons Group. He has been Managing Director of Alf Mizzi & Sons (Marketing) Ltd. since 1986 and was appointed CEO of Alf. Mizzi & Sons Group in 1993. He is non-executive director of a number of Alf. Mizzi & Sons subsidiary and associated companies, including Intercomp Ltd., Consolidated Biscuit Co Ltd., Macpherson Mediterranean Ltd., Homemate Ltd, Kitchen Concepts Ltd, Inspirations Ltd., Supermarkets (1960) Ltd., Retail International Ltd, Mellieha Bay Hotel Ltd, Kemmuna Ltd, as well as various overseas subsidiaries. Apart from being a Director of the Issuer since 1994, he has been appointed Chairman in 2015. He held the post of Chairman of Tigné Mall p.l.c. between 2005 and 2014, and of SIS between 2006 and 2012. Dr Mizzi has also been appointed by GOM as non-executive Chairman of Malta Enterprise Corporation (2006 - 2008) and Malta Industrial Parks Ltd (2005 - 2008), as well as Director of Water Services Corp, Malta External Trade Corp (METCO), Malta Venture Capital p.l.c. and Grand Harbour Rehabilitation Project. He has also served as Director of HSBC Fund Management Ltd, and is a Director of, amongst others, EC Global Ltd.
- (vi) **Mr Alan Mizzi** a chartered accountant by profession since 1986 and joined Alf. Mizzi & Sons Ltd a year later. He currently holds the office of Chief Financial Officer thereof. Mr Mizzi also holds the role of managing director of certain operations within the Alf. Mizzi & Sons group of companies. As from 23 September 2015, Mr Mizzi was also appointed as a non-executive director of Plaza Centres plc.
- (vii) **Mr Mark Portelli** graduated from the University of Manchester in 1986 where he obtained a BA (Hons) in Economics and is a Member of the Institute of Chartered Accountants in England and Wales. He has been in employment with The Virtu Steamship Co. Limited since 1990 and serves as a director on a number of companies, including Banif Bank (Malta) p.l.c. and Manoel Island Yacht Yard Limited, in which he has a beneficial interest.
- (viii) **Mr Joseph Said** joined Barclays Bank in 1968 (later operating as Mid Med Bank) where he served for seventeen years in virtually all areas of the bank. In 1986 Mr Said was elected Fellow of the Chartered Institute of Bankers (UK). In 1985 he took up a post in the private sector during which period he became involved in a number of new ventures and initiatives. In 1992 he was appointed by the GOM to serve as a director of Malta Shipbuilding Company Limited. Mr Said currently serves as a director on a number of companies and is also a member on the Board of Trustees of a private college. In 1998, he joined Lombard Bank Malta p.l.c. as Chief Executive Officer and is also a Director of the said bank. Between 2008 and 2013 Mr Said served as Chairman of Heritage Malta. Furthermore, Mr Said is Chairman of Maltapost p.l.c.

### 9.1.2 Directors' Service Contracts and Remuneration

None of the Directors have a definitive service contract with the Company. In terms of the Memorandum and Articles of Association, the maximum aggregate remuneration of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Company in general meeting.

At the 2015 Annual General Meeting, held on 18 June 2015, the shareholders of the Company resolved to set a maximum annual aggregate remuneration for the Directors, which was capped at €50,000. Total Directors' remuneration for the financial year ended 31 December 2015 amounted to €48,910.

### 9.1.3 Loans to Directors

As at the date of the Prospectus, there are no loans outstanding by the Company to any of its Directors, or any guarantees issued for their benefit by the Company.

## 9.2 Supervisory Board

The Board delegates some of its responsibilities to the Supervisory Board, which is composed of Dr Alec A. Mizzi (Chairman), Mr Luke Coppini (CEO), Mr David G. Curmi, Mr Joseph A. Gasan and as from May 2016 also includes Mr Jesmond Micallef (CFO). The objective of the Supervisory Board is to take, or to establish the basis on which, all decisions within the Company are taken, other than decisions on those matters specifically reserved for the Board of Directors or the other committees. The Supervisory Board is also entrusted to act as an interface between the Senior Management of the Company and the Board of Directors.

Some of the more important functions carried out by the Supervisory Board include *inter alia*, reporting on strategic matters to the Board of Directors and the consideration of all new business opportunities, including joint ventures with third parties on existing or new projects.

### 9.3 Project Management Advisory Committee

In view of the inherent operations of the Company as a property developer, the Supervisory Board set-up a sub-committee in the form of an advisory committee to assist it with project management related matters pertaining to the Tigné Point development. In furtherance of such an advisory role, the Project Management Advisory Committee's ("PMAC") involvement extends to the three main stages of project management: (i) the preparatory stages of the development; (ii) the performance stage when construction works are undertaken on site; and (iii) the handover stage when following completion, the end product is either transferred to a third party purchaser or alternatively sought to be implemented by the Company as part of its overall operations. The PMAC is composed of Mr David Demarco (Chairman), Mr Alan Mizzi, members of the Company's Senior Management Team and a number of other consultants.

## 9.4 Management

In terms of the Memorandum and Articles of Association, the Directors may from time to time appoint any person to the office of Chief Executive of the Company for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The Chief Executive may be asked to attend Board meetings or General Meetings of the Company provided that he shall have no right to vote thereat. If the person appointed to the office of Chief Executive is a director of the Company he shall be designated as Managing Director. In such case, such person shall have the right to attend and vote at Board Meetings *qua* director of the Company. The Directors may entrust to and confer upon a Chief Executive or Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Directors have appointed Mr Luke Coppini as Chief Executive Officer ("CEO") of the Company.

#### 9.4.1 Senior Management of the Company

The Senior Management team of the Company consists of:

- (i) **Mr Luke Coppini** (Chief Executive Officer) – joined the Company in September 2008. He holds an accountancy warrant having graduated with the Association of Chartered Certified Accountants in 1991 and appointed as Fellow in 1997. Prior to being appointed CEO in September 2012, Mr Coppini was responsible for the Finance, Administration, IT and Human Resource functions at the Company. Before joining the Company, Mr Coppini held a number of key management positions within the local automotive, beverage, textile and building industries.
- (ii) **Mr Jesmond Micallef** (Chief Financial Officer) – was first employed at MIDI between 2002 and 2009 in the role of Management Accountant. He then rejoined MIDI in 2011 as Chief Accountant taking up the post of Chief Financial Officer in 2013. He is an Associate Member of the Chartered Institute of Management Accountants (CIMA) and also holds the designation of Chartered Global Management Accountant (CGMA). He also holds an MSc in Management Accounting, Internal Auditing and IT Systems obtained from ESC Lille. Mr Micallef has held management positions within a number of companies in the beverage, construction, educational and information technology industries.
- (iii) **Dr Darren Azzopardi** (Company Secretary) – graduated Doctor of Laws from the University of Malta in 2010. He joined the Company in 2007 and has held various roles within the organisation. Since January 2011, he has acted as secretary to the Company's Board of Directors, as well as secretary to the Company's Supervisory Board. In September 2012 he was appointed as Company Secretary, a role which he holds to date. Dr Azzopardi also performs a number of administrative and legal functions within the Company.
- (iv) **Mr James Vassallo** (Sales and Marketing Manager) – joined in June 2002 and his main responsibilities include sales, marketing, PR functions and all launch, pricing and sales strategies. He is also involved in design planning support, client, media and estate agency relationship management and the supervision of Tigné Point Marketing Ltd. Mr Vassallo has fifteen years of management experience in the real estate, hospitality and leisure fields. He has established a wide network of industry and media contacts both locally and overseas.
- (v) **Mr Ivan Piccinino** (Senior Project Manager) – graduated as an architect and civil engineer from the University of Malta in 1995. His first working experience in the construction industry was as a structural engineer at the Malta Hilton and Portomaso project in St Julians which lasted eight years. He joined the Company in 2003 and was appointed Senior Project Manager of the Company in 2011, a position which he retains to the present day.

#### 9.4.2 Remuneration of Senior Management

The terms and conditions of employment of senior management are specified in their respective indefinite contracts of employment. The Company's policy is such that none of the Company's senior management is entitled to any share options and/or profit sharing arrangements. The total amount of remuneration paid to senior management during the financial year ended 31 December 2015 amounted to €428,340.

#### 9.5 Conflict of Interest

A number of Directors are also directors of other members of the Group, including Mid Knight Holdings Limited (a joint venture company). The Chief Executive Officer sits as a director on the board of some of the subsidiary, associated and joint venture companies of the Company. Conflicts of interest could potentially arise in relation to transactions involving the Issuer, other companies within the Group as well as with joint venture and associated companies. Except as otherwise provided for in this Registration Document, the Company is not aware of any further private interest or duties unrelated to the Group which may or are likely to place the Directors or Chief Executive Officer in conflict with any interest in, or duties towards the Company.

Conflicts of interest affecting board members may arise from time to time with regards to:

- (i) Contracts for goods and services, including the provision of construction services, civil and mechanical and engineering works which have been/may be entered into between MIDI p.l.c., Tigné Contracting Limited, Solutions & Infrastructure Services Limited, Mid Knight Holdings Limited and companies related to board members;
- (ii) Financing and insurance related services which have been/may be provided to MIDI p.l.c. by companies related to board members;
- (iii) Activities, including retail projects, carried on by MIDI p.l.c., which may compete with similar activities carried on, in the close proximity of the project by companies related to board members;
- (iv) Purchases of apartments by directors or by companies related to board members; and
- (v) Rental Agreements by directors or by companies related to board members.

All contracts for goods and services, including the provision of construction services, civil and mechanical and engineering works, and any other purchases are based upon the principle of competitive bidding. The CEO negotiates with suppliers in order to ensure that the best quality goods and services are procured by MIDI at the least possible price. With regard to construction services, the Supervisory Board is responsible, with assistance from the Project Management Advisory Committee, to supervise the tendering process. In particular, the Supervisory Board is responsible for assisting and directing the CEO in negotiations with contractors, suppliers and service providers and is responsible for the award of tenders not exceeding the value of €2,000,000. Any tenders exceeding such a value are awarded by the Board.

By virtue of the Memorandum and Articles of Association of the Company, the Directors are obliged to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with that of the Company. The Board member concerned shall not take part in the assessment by the Board as to whether a conflict of interest exists. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has material interest in accordance with the Memorandum and Articles of Association.

Article 91(5) of the Memorandum and Articles of Association states that if any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, then such question shall be referred to the auditors and their ruling shall be final and conclusive, except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Group.

## **10. BOARD PRACTICES**

### **10.1 The Issuer's Audit Committee**

The Audit Committee, set up in terms of the Principles laid out in the Listing Rules, is appointed by the Board and is directly responsible and accountable to the Board. The Audit Committee's primary purpose is to protect the interests of the Company's shareholders, and assist the directors in conducting their role effectively so that the Company's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The Audit Committee is composed of three Non-Executive Directors. Mr Joseph Said acts as Chairman of the Committee. The other two (2) members of the committee are Mr Mark Portelli and Mr Joseph Bonello. Mr Mark

Portelli is considered to be an independent member taking into account the relevant criteria specified in the Listing Rules, who the Board also considers to be competent in accounting in terms of the Listing Rules.

The Board has set formal terms of reference of the Audit Committee that establish its composition, role and function. The Board reserves the right to change these terms of reference from time to time.

When the Audit Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on the action needed to address the issue or make improvements.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Group.

The main role and responsibilities of the Audit Committee are:

- (i) to review procedures and assess the effectiveness of the internal control systems, including financial reporting;
- (ii) to assist the Board in monitoring the integrity of the financial statements, the internal control structures, the financial reporting processes and financial policies of the Company;
- (iii) to maintain communications on such matters between the Board, management, the independent auditors and the internal auditors;
- (iv) to review the Company's internal financial control system and, unless addressed by a separate risk committee or the Board itself, risk management systems;
- (v) to monitor and review the effectiveness of the Company's internal audit function on a regular basis;
- (vi) to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor following appointment by the shareholders in general meeting;
- (vii) to monitor and review the external audit functions, including the external auditor's independence, objectivity and effectiveness;
- (viii) to develop and implement policy on the engagement of the external auditor to supply non-audit services;
- (ix) to establish internal procedures and to monitor these on a regular basis;
- (x) to establish and maintain access between the internal and external auditors of the Company and to ensure that this is open and constructive;
- (xi) to review and challenge where necessary, the actions and judgments of management, in relation to the interim and annual financial statements before submission to the Board, focusing particularly on:
  - (a) critical accounting policies and practices and any changes in them;
  - (b) decisions requiring a major element of judgment;
  - (c) the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
  - (d) the clarity of disclosures and compliance with International Financial Reporting Standards;
  - (e) significant adjustments resulting from the audit;
  - (f) compliance with stock exchange and other legal requirements;
  - (g) reviewing the Company's statement on Corporate Governance prior to endorsement by the Board;



- (xii) to gain an understanding of whether significant internal control recommendations made by internal and external auditors have been implemented by management;
- (xiii) to review the organisation of the internal audit function of the Company, including its plans, activities, staffing and organisational structure;
- (xiv) to monitor the statutory audit of the annual and consolidated accounts;
- (xv) to discuss Company policies with respect to risk assessment and risk management, review contingent liabilities and risks that maybe material to the Company;
- (xvi) to vet and approve related party transactions; and
- (xvii) to consider other matters that are within the general scope of the Committee that are referred to it by the Board of Directors.

The Audit Committee is required to meet a minimum of four (4) times a year.

When the Audit Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on the action needed to address the issue or make improvements.

The Audit Committee oversees the Internal Audit process which independent appraisal function was established within the Group to carry out business process risk based audits aimed at ensuring adequate controls and efficient business processes. Such a process is undertaken by Ernst & Young, with representatives of the firm attending the meetings of the Audit Committee and thereby reporting directly to the Audit Committee.

## 10.2 Corporate Governance

The Issuer supports the Code of Principles of Good Corporate Governance (the “**Code**”) forming part of the Listing Rules and is confident that the adoption of the Code has resulted in positive effects accruing to it.

The Board deems that, as at the date of this Registration Document, the Issuer is fully compliant with the requirements of the Code, except for the instances detailed hereunder:

### ***Principle 3: Executive Directors***

The Board is composed entirely of independent Non-Executive Directors. Though the provisions of main principle 3 suggest that the board should be composed of executive and non-executive directors, including independent non-executives, the focus of the supporting principles is on the importance of having non-executive directors as opposed to having executive directors. With the role played by the Supervisory Board as an interface between the Board of Directors and the Company's Senior Management, the Board is satisfied that the strategy of the Board is adequately implemented. Furthermore, the CEO, CFO as well as the Company Secretary attend / are invited to attend (as applicable) all meetings of the Board of Directors.

### ***Principle 4: Code Provision 4.2.7 - Succession policy for the future composition of the Board***

According to the Company's Memorandum and Articles of Association, the appointment of Directors to serve on the Board of Directors is a matter which is entirely reserved to the shareholders of the Company, who are afforded the power to nominate and elect a new Board of Directors on an annual basis. Thus, the Board does not consider it practical to develop a succession policy for the future composition of the Board. However, all newly appointed Directors are given a thorough induction course in the operations, activities and procedures of the Company by Senior Management to be able to carry out the function of a Director in an effective manner.

### **Principle 7: Evaluation of Board's Performance**

In the context of the nature of the Company's operations and the stage of its operations together with the composition and roles of the Board, the Board does not consider that such a formal evaluation of performance is necessary. Nonetheless a review of the strengths and weaknesses of each Director is taken into consideration when reviewing the composition of the Board's committees.

### **Principle 8B: Nominations Committee**

The Board does not consider the setting up of a Nominations Committee as appropriate given that the appointment of Directors to the Board is a matter which is reserved entirely to the Group's shareholders in terms of the Memorandum and Articles of Association of the Company.

In accordance with the Company's Memorandum and Articles of Association, pursuant to a call for nominations for election to the office of Director, by notice in at least two (2) daily newspapers, all shareholders are entitled to submit nominations for such an election and have at least fourteen (14) days to submit such nominations to the Company.

### **Principle 9: Relations with Shareholders and with the Market (Code Provision 9.3)**

There are no procedures disclosed in the Company's Memorandum or Articles as recommended in Code Provision 9.3, to resolve conflicts between minority shareholders and controlling shareholders.

In order to afford protection to minority shareholders, the Chairman and Company Secretary ensure that sufficient contact is maintained with shareholders to understand issues and concerns. The office of the Company Secretary maintains regular communication with investors and provides individual shareholders with the opportunity to raise matters at any time throughout the year, ask questions at the annual general meeting or to submit written questions in advance. Furthermore, as provided by the Companies Act, minority shareholders may convene extraordinary general meetings.

## **11. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

As at the date of this Registration Document, shareholders with 5% or more of the share capital of the Company comprised the following:

<b>Name</b>	<b>Shareholding</b>
Alf. Mizzi & Sons Ltd	14.21%
MSV Life p.l.c.	12.55%
Gasam Enterprises Limited	11.09%
Bank of Valletta p.l.c.	8.91%
FINCO Treasury Management Ltd – clients' accounts	5.42%
Vassallo Builders Group Limited	5.06%
Rizzo Farrugia & Co (Stockbrokers) Ltd – clients' accounts	5.06%

All companies forming part of the respective groups of companies of which Alf. Mizzi & Sons Limited, Bank of Valletta p.l.c., Gasam Enterprises Limited, Gatt Investments Limited, MSV Life p.l.c., Polidano Brothers Limited, Vassallo Builders Group Limited, Lombard Bank Malta p.l.c. form part, and First Gemini p.l.c., are considered by the Directors to be related parties by virtue of the shareholding of the aforementioned companies in MIDI p.l.c. All

entities owned, controlled or significantly influenced by the Company's ultimate shareholders, together with the Directors, close members of their families and all entities owned, controlled or significantly influenced by these individuals, are the principal related parties of the Group.

Further information on related party transactions is included in the audited consolidated financial statements of the Issuer for the year ended 31 December 2015, which is available for inspection as per section 18 below.

The Company is not aware of any other arrangements, the operation of which may, at a subsequent date, result in a change in control of the Company.

## **12. HISTORICAL FINANCIAL INFORMATION**

The financial information about the Issuer is included in the audited consolidated financial statements for the financial years ended 31 December 2013 to 2015. The said statements have been published and are available at the Issuer's registered office.

There were no significant changes to the financial or trading position of the Issuer or the Group since the end of the financial period to which the last audited financial statements relate.

## **13. LITIGATION**

Neither the Company nor any member of the Group is or has been engaged in nor, so far as the Company or any member of the Group is aware, has pending or threatened, any governmental, legal or arbitration proceedings which may have, or have had during the twelve (12) months preceding the date of this Prospectus, a significant effect on the Company's or the Group's financial position or profitability.

## **14. ADDITIONAL INFORMATION**

### **14.1 Share Capital**

As at the date of this Prospectus, the authorised share capital of the Issuer is ninety million euro (€90,000,000) divided into four hundred and fifty million (450,000,000) ordinary shares having a nominal value of twenty euro cents (€0.20) each.

The issued share capital of the Issuer is forty-two million, eight hundred and thirty-one thousand, nine hundred and eighty four euro and forty euro cents (€42,831,984.40) divided into two hundred and fourteen million, one hundred and fifty-nine thousand, nine hundred and twenty-two (214,159,922) ordinary shares having a nominal value of twenty euro cents (€0.20) each which are all held by the public and listed on the Malta Stock Exchange. The ordinary shares rank *pari passu* amongst each other for all purposes irrespective of any premium paid thereon. Each ordinary share is entitled to one vote.

### **14.2 Memorandum and Articles of Association**

#### **14.2.1 Objects**

The principal object and purpose of the Company is that of acquiring, developing and disposing of the immovable property or rights over such immovable property consisting of land and buildings at Manoel Island and Tigné Point in Malta; and to establish, promote and invest in the Project and in any other enterprise or undertaking connected thereto (Clause 3 of the M&As).

#### **14.2.2 Voting Rights in respect of Ordinary Shares**

Each ordinary share shall be entitled to one vote. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in person shall have one (1) vote, and on a poll every member present in person or by proxy shall have one (1) vote for each share of which he is the holder.

On a poll, votes may be given personally or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

No member shall be entitled, in respect of any share in the capital of the Company held by him, to be present or to vote on any question, either in person or by proxy, at any General Meeting, or upon any poll, or to be reckoned in a quorum, or to exercise any other right or privilege conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such share remains unpaid.

#### **14.2.3 Appointment of Directors**

Article 98 of the Company's Memorandum and Articles of Association states that at each Annual General Meeting of the Company, all the directors shall retire from office. A director retiring from office shall retain office until the dissolution of such Meeting and a retiring director shall be eligible for re-election or reappointment (Article 99).

The Directors of the Company shall be elected as provided in Article 102 of the Company's Memorandum and Articles of Association that is a maximum of eight (8) directors shall be elected at each Annual General Meeting (or at an Extraordinary General Meeting convened for the purpose of electing directors). Voting shall take place on the basis that every member shall have one (1) vote in respect of each ordinary share held by him. A member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any two or more candidates. The Chairman of the Meeting shall declare elected those candidates who obtain the greater number of votes on that basis.

#### **14.2.4 Powers of Directors**

The Directors are empowered to act on behalf of the Company and in this respect have the authority to enter into contracts, sue and be sued in representation of the Company. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Companies Act or by the Articles of Association, required to be exercised by the Company in General Meeting, subject, nevertheless, to the provisions of the Articles of Association and of the Companies Act and to such directions, being not inconsistent with any provisions of the Articles of Association and of the Companies Act, as may be given by the Company in General Meeting: provided that no direction given by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such direction had not been given. The general powers conferred upon the Directors by this provision shall not be deemed to be abridged or restricted by any specific power conferred upon the Directors by any other provision of the M&As.

Subject to the provisions of the Articles of Association, the Board of Directors may exercise all the powers of the Company to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue debentures and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## 15. MATERIAL CONTRACTS

The following contracts are deemed by the Issuer to be material:

- (i) The **Emphyteutical Deed**, details of which are given throughout the Prospectus and which is described in detail in Annex I.
- (ii) By virtue of an **instrument of transfer** entered into on 14 September 2015 between the Issuer and Siemens SpA, an Italian company registered in Milan, Italy ("Siemens"), and pursuant to a preliminary agreement (the "Preliminary Agreement") entered into on 30 July 2015 among the Company, Siemens and SIS, the Company acquired Siemens's 50% shareholding (consisting of 2,000,000 ordinary 'A' shares of one euro (€1) each) in SIS for the consideration of one euro (€1). One of the said shares was acquired by Tigné Contracting Limited (C 28438), a subsidiary of MIDI.

The Preliminary Agreement contemplated other transactions which were also executed on 14 September 2015, including:

- (a) the waiver by Siemens of the sum of €350,000 which was due to it by SIS by way of a shareholder's loan; and
- (b) an informal capital contribution made by Siemens to SIS in the amount of €1,742,000 as part of a restructuring exercise agreed between the shareholders and made concurrently with the signing of the instrument of transfer. The contribution was made by means of a public deed in the records of Notary Dr Michael J. Galea.

The development underway at Tigné Point necessitates an additional investment in the HVAC system (a centralised system of heating, ventilation and cooling) in the region of €2,000,000 in order to cater for the envisaged increase in demand. The additional investment in the HVAC system will also result in a more efficient operation. The said works were awarded to Siemens with whom an agreement was reached for a credit of €1,000,000 to be provided in connection with the aforementioned additional investment.

As at 14 September 2015, SIS was projecting a loss in the region of €600,000 for its financial year ending 30 September 2015 and its gross assets amounted to €5.6 million. The Company believes that there is a solid foundation to turn around the financial results of SIS.

The Company also agreed to guarantee loan and overdraft facilities made available by HSBC Bank Malta p.l.c. to SIS, which guarantee is secured *inter alia* by items 12 and 13 of Annex III to the Securities Note, which will be released as described in section 9.5 and 9.6.2.2 of the Securities Note.

- (iii) A **shareholders' agreement** was signed on 11 July 2014 between T14L, Benny Holdings Limited, MIDI and Mid Knight Holdings Limited. Prior to this, T14L and Benny Holdings Limited set up Mid Knight Holdings Limited, with the two parties each holding fifty per cent (50%) of the issued share capital of this company to fund, develop and subsequently manage and administer the business centre with underlying catering establishments to be developed on the T14 Site (namely the T14 Building) (hereinafter referred to as the "Joint Venture").

Mid Knight Holdings Limited purchased the T14 Site from MIDI by virtue of a deed dated 12 July 2014 in the records of Notary Pierre Attard whereby MIDI sold and transferred to Mid Knight Holdings Limited the temporary *dominium utile* for the period remaining out of the original period of ninety nine (99) years of the Emphyteutical Grant which commenced on the fifteenth day of June of the year two thousand (15/6/2000), of the T14 Site for the total price of eleven million seven hundred thousand euro (€11,700,000), which price is subject to deferred payments as stated in the said deed and under the other terms and conditions contained in the said deed.

MIDI and Benny Holdings Limited agreed that part of the said price due to MIDI for the sale of the T14 Site, which was assigned by MIDI to T14L, is payable by Mid Knight Holdings Limited exclusively to T14L. T14L

is jointly and severally liable with MIDI for the payments due by MIDI to the GOM for premium payments in order to release the T14 Site from the relative hypothec securing the relevant portion from the premium payments. Also, until the T14 Site is released from the said hypothec in favour of the GOM, payments to T14L may be settled by Mid Knight Holdings Limited into an account pledged in favour of Mid Knight Holdings Limited, and the balance of the price due to T14L and/or any security attached thereto may not be assigned. The said deed which is available as a document for inspection as set out in section 18 of this Registration Document.

Save for the above, the Issuer has not entered into any material contracts which are not in the ordinary course of its business and which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

## **16. PROPERTY VALUATION REPORT**

In connection with the issue of the Bonds in accordance with the terms of the Prospectus, the Issuer commissioned Edgar Caruana Montaldo, Architect and Civil Engineer, to issue a property valuation report in relation to each of the properties owned by the Group. The following are the details of said independent valuer:

Name: Edgar Caruana Montaldo  
Business address: 41a, Tal-Herba Street, B'Kara BKR 2322, Malta

Listing Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of publication of the prospectus in question. Accordingly, the property valuation reports referred to herein are dated 13 June 2016.

A copy of the reports dated 13 June 2016 compiled by Architect Edgar Caruana Montaldo in respect of the properties owned by the Group, the aggregate value of which has been stated at *circa* €137.2 million, are available for inspection as set out in section 18 of this Registration Document.

## **17. STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST**

Save for the financial analysis summary and the architect's property valuation reports, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary dated 24 June 2016 has been included in Annex IV of the Securities Note in the form and context in which it appears with the authorisation of Charts Investment Management Service Limited of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

The architect's property valuation reports dated 13 June 2016 are being made available in the form and context in which they appear with the authorisation of Architect Edgar Caruana Montaldo of 41a, Tal-Herba Street, B'Kara BKR 2322, Malta, who has given and has not withdrawn his consent to said reports being made available for inspection as set out in the following section 18 of this Registration Document. A condensed property valuation report has been included in Annex II of this Registration Document.

Neither of the foregoing experts have any beneficial interest in the Issuer. The Issuer confirms that the financial analysis summary and the architect's condensed property valuation report have been accurately reproduced and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

## 18. DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document, the following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at North Shore, Manoel Island, Limits of Gzira GZR 3016, during office hours:

- (a) Memorandum and Articles of Association;
- (b) Audited consolidated financial statements for the financial years ended 31 December 2013 to 2015;
- (c) The letter of confirmation drawn up by PricewaterhouseCoopers dated 24 June 2016;
- (d) The independent architect's property valuation reports dated 13 June 2016;
- (e) Financial analysis summary prepared by Charts Investment Management Service Limited dated 24 June 2016;
- (f) The Emphyteutical Deed;
- (g) Searches of privileges and hypothecs carried out up to 6 May 2016;
- (h) Copy of the deed dated 12 July 2014 in the records of Notary Pierre Attard, entered into between the Issuer, Mid Knight Holdings Limited, T14 Investments Limited, Tigné Contracting Limited and Benny Holdings Limited; and
- (i) The Trust Instrument,

Items (a), (b) and (e) above are also available for inspection in electronic form on the Issuer's website at [www.midimalta.com](http://www.midimalta.com)

# Annex I

## Summary of the Emphyteutical Deed – Issues Arising Thereunder

### Introduction

As explained above the Company holds the land at Tigné Point Sliema and Manoel Island by title of temporary emphyteusis granted to it by GOM for a period of 99 years which commenced on the 15 June 2000.

The Emphyteutical Deed imposes a number of obligations and restrictions on the Company in favour of GOM, the most salient of which can be generally grouped under the following headings:

- (i) Payment of the annual groundrent (Article 3 of the Emphyteutical Deed);
- (ii) Payment of the premium (price) for the Emphyteutical Grant (Article 4);
- (iii) Obligations relating to the development of the Emphyteutical Land (Article 8);
- (iv) Obligations relating to the restoration of historic sites and buildings on the Emphyteutical Land (Article 9);
- (v) Relocation Obligations (Article 10);
- (vi) Restrictions on the transfer of the Emphyteutical Land or parts thereof (Article 11).

Some of these obligations are secured by charges over the Emphyteutical Land.

For certain specific purposes such as the allocation of the premium, development of the Emphyteutical Land and the release of charges, the Emphyteutical Deed divides the Emphyteutical Land into a number of “Phase Areas” (Schedule 15).

### **Tigné Point is divided into 7 Phase Areas:**

Tigné Sports Phase Area  
Tigné South Phase Area  
Tigné Pjazza Phase Area  
Tigné North Three and Fort Phase Area  
Tigné North Two Phase Area  
Tigné North One Phase Area  
Tigné Tower Phase Area

### **Manoel Island is divided into 8 Phase Areas:**

Marina South Phase Area  
Marina Central Phase Area  
Lazzaretto Phase Area  
Fort Manoel Phase Area  
Manoel Sports Club Phase Area  
Marina Lido Phase Area  
Marina Mall Phase Area  
Marina North Phase Area



The following is a summary of the most salient parts of the Emphyteutical Deed. It may not be deemed to be exhaustive.

## **Title**

The contract of emphyteusis is contemplated in the Maltese Civil Code (Chapter 16 of the Laws of Malta) and is regulated by articles 1494 to 1524 of the Civil Code.

Article 1494 defines emphyteusis as “a contract whereby one of the contracting parties grants to the other, in perpetuity or for a time, a tenement for a stated yearly rent or ground-rent which the latter binds himself to pay to the former, either in money or in kind, as an acknowledgment of the tenure.” The grantor is sometimes referred to as “the direct owner” and the grantee as “the emphyteuta”. Some of the relevant articles of the Civil Code are mandatory provisions while others are not and can be contracted out of.

The rights of the emphyteuta over the tenement, sometimes referred to as the *dominium utile*, and the rights of the direct owner, sometimes referred to as the *dominium directum*, are real rights/immovable property in terms of the Code (article 310).

Therefore, subject to any restrictions contained in the Emphyteutical Deed, the Company can develop the Land, sell its emphyteutical rights over the Land and secure any obligation it enters into by creating a charge on the *dominium utile*. The Company can also transfer the Land or parts thereof by title of sub-emphyteusis or for instance by title of lease. In simple terms, a temporary emphyteusis can be described as a “half-way house” between ownership and lease.

The Land is held under temporary emphyteusis which means that when the 99 year period expires, the Land with any buildings, constructions and other improvements reverts back to GOM as the direct owner (article 20). However, the Emphyteutical Deed grants any person who acquires a residential unit the right to convert the temporary emphyteusis into a perpetual emphyteusis in consideration of a nominal payment (article 2). This right is not available in respect of non-residential units.

## **Groundrent**

The total annual groundrent which is payable in terms of the Emphyteutical Deed (article 3) amounts to €1,118,100 (Lm480,000) until 31 March 2025, €1,956,673 (Lm840,000) from the 1 April 2025 until 31 March 2050 and €2,236,198 (Lm960,000) from 1 April 2050 onwards.

The annual groundrent is in respect of the entire Emphyteutical Land. In case of transfers of Phase Areas or other parts of the Emphyteutical Land including units or blocks of buildings built on the Emphyteutical Land, the groundrent is to be divided as stated in Schedule 21. The division of groundrent as provided in the Emphyteutical Deed is necessary for the purposes of recognition of the transferee by GOM and of defining the liability of the transferee for ground rent.

In the case of the Transfer (see Restrictions on Transfers below) of an entire Phase Area, the groundrent for each Phase Area is specified (paragraph (a) of clause 5 of Schedule 21).

Schedule 21 (clause 5 paragraph (b)) also provides for the division of groundrent in respect of other Transfers, such as transfers of units or blocks of buildings, by reference to the area of Floorspace (defined in article 3.3 of the Emphyteutical Deed essentially as the utilisable internal floorspace) as follows:

1. €4.31 (Lm1.85) per 1 square metre of Floorspace for the period commencing on the date of the Emphyteutical Deed and ending on 31 March 2025;
2. €7.55 (Lm3.24) per 1 square metre of Floorspace for the period commencing on the 1 April 2025 and ending on 31 March 2050;
3. €8.62 (Lm3.70) per 1 square metre of Floorspace for the period commencing on the 1 April 2050 and ending on the date of expiration of the duration of the Emphyteutical Deed.

The Company has already utilised these provisions to apportion the groundrent with respect to *inter alia* apartments, garages and store-rooms ("Units") in Tigné Point. In terms of the said deeds, the GOM agreed that when a Unit is transferred to a Transferee (as defined in Clause Eight (8) of Schedule Twenty One (21) of the Emphyteutical Deed) the special privilege registered in favour of GOM pursuant to the Emphyteutical Deed, to the extent only that the special privilege was registered to secure the payment of the groundrent, shall continue to attach to such Unit only for the apportioned groundrent as agreed by the GOM and the Company on the said deed, it being understood that the effects thereof for each Unit shall be suspended until such time when the Transfer of a Unit is made to a Transferee and shall come into effect immediately and without the need of any further formality in relation to a Unit when such Unit is Transferred.

## Premium

The total premium payable by the Company to GOM in terms of the Emphyteutical Deed (article 4) is / was €92,173,305 (Lm39,570,000) made up of 4 components:

- (i) €12,974,610 (Lm5,570,000) payable in instalments (up to the year 2006) without interest as stated in Schedule 7 (article 4.1.1). This has been paid;
- (ii) €46,587,468 (Lm20,000,000) payable in instalments (from the year 2010 up to 2023) without interest as stated in Schedule 7. GOM was given an option, exercisable up to 31 March 2006, to subscribe for 10,000,000 Preference Ordinary Shares "A" in the Company in full and final settlement of such premium (article 4.1.2). This option was not exercised, and therefore this component remains payable in line with the Emphyteutical Deed;
- (iii) €20,964,361 (Lm9,000,000) payable by the carrying out of (a) the infrastructural works in terms of article 8 of the Emphyteutical Deed which include the drainage, water, electricity and telecommunications distribution systems (it is not clear whether "infrastructural works" in clause 4.3 of Emphyteutical Deed includes also the Public Areas as defined in clause 8.2); and (b) the reclamation works at Manoel Island specified in article 10.1 of the Emphyteutical Deed (article 4.1.3);
- (iv) €11,646,867 (Lm5,000,000) payable by carrying out of the restoration works in terms of article 9 except those mentioned in article 13.4 (the restoration works on the external fortifications of Fort Manoel) the costs of which shall be set-off against the €1,164,686 (Lm500,000) casino concession fee.

Schedule 9 attributes the premium to each separate Phase Area. This attribution has been made principally for the purposes of enforcement and the progressive release of the privilege by GOM.

## Development Obligations

The Company is to develop the Emphyteutical Land in accordance with the outline development permit attached as Schedule 14 to the Emphyteutical Deed or such other planning permits which may be issued, but no part of the Emphyteutical Land can be used for industrial purposes except for light industries in connection with yachting services and industrial art, crafts and handicrafts (article 7).

The phasing of the development is also specified in the Emphyteutical Deed (article 8). The time limits generally depend on and start to run from the issue of full and final development permits. With respect to the first phase, there are time limits for the filing of applications for permits, for commencement of works following the issue of permits and for substantial completion of the phase. The first phase was a choice between (i) a combination of the Tigné South and Tigné Sports Phases including the Qui-Si-Sana to Tigné Front Trunk Road and (ii) the Marina South Phase, including the new bridge, dredging works and breakwater at Manoel Island. The Company chose the former.

There is more flexibility with respect to the other phases - the Emphyteutical Deed (article 8.1.3) simply obliges the Company to substantially complete the phase within a specified time period (Schedule 17) from the commencement of development (but it is up to the Company to decide when to commence development). Excavations, site preparations and construction up to planned surface street level are not deemed to be commencement of development (and thus the time-limits in Schedule 17 do not start to run) except where part of the Emphyteutical Land is transferred to third parties.

**The time periods for substantial completion of the Manoel Island Phase Areas are the following:**

Marina South Phase Area	6 years
Marina Central Phase Area	6 years
Lazzaretto Phase Area	6 years
Manoel Sports Club Phase Area	4 years
Marina Lido Phase Area	4 years
Marina Mall Phase Area	3 years
Marina North Phase Area	3 years

**The time periods for substantial completion of the Tigné Point Phase Areas are the following:**

Tigné Sports Phase Area	3 years
Tigné South Phase Area	5 years
Tigné Pjazza Phase Area	3 years
Tigné North Three and Fort Phase Area	3 years
Tigné North Two Phase Area	3 years
Tigné North One Phase Area	3 years
Tigné Tower Phase Area	5 years

The entire development shall be substantially completed by the 31 March 2023 (article 8.1.4).

In terms of article 8.1.2, the Company was obliged to substantially complete, by not later than four (4) years from the date of issue of the relative Full Development Permit for the entire phase/s (not being one subject to appeal or reconsideration) and any other necessary permits and authorisations, any one (at the Company's option) of the following two (2) phases:

- (i) The Tigné South and Tigné Sports Phases which include the Qui-Si-Sana to Tigné Front trunk road; or
- (ii) The Marina South Phase which includes the new Manoel Island bridge, the dredging works between Manoel Island and Gzira and the Manoel Island breakwater.

The Company had to apply for the relative Full Development Permit and all necessary permits and authorisations referred to above by not later than twelve (12) months from the date of signing of the Emphyteutical Deed.

The Company opted for the Tigné South and Tigné Sports Phase Areas (including the Qui-si-Sana to Tigné Front trunk road) (as the first Phase) and completed the same.

The Company is responsible (see article 8.2) for the construction and installation of the public infrastructure on the Emphyteutical Land including the drainage, water, electricity and telecommunications distribution systems (referred to as "the Public Infrastructure") and for the construction on the Emphyteutical Land of the areas destined for public use including roads, squares, and parks (referred to as "the Public Areas"). The Public Areas are defined in the Emphyteutical Deed by means of Schedule 18 and plans attached, which are based on the Outline Development Permit attached to the Emphyteutical Deed but it is specified that the exact measurement and location of the Public Areas are to be ultimately determined after taking into account changes to the plans. The Public Infrastructure and Public Areas once completed are to be transferred to GOM (article 12). Upon completion of such Public Areas and Public Infrastructure (and even before the transfer thereof to GOM by means of a public deed) the responsibility and control of the same shall 'ipso facto' pass to the GOM (or any authority, corporation, company or person designated by GOM) who shall thereafter be responsible for the maintenance, upkeep, repair, replacement and cleanliness thereof in accordance with normal standards.

The Company is required to dredge an area of the Emphyteutical Land of 4,521 square metres (as specified in the Emphyteutical Deed), and this area will revert to GOM. The Company is also required to reclaim an area of 5,250 square metres (as specified in the Emphyteutical Deed), and this will be added to the Emphyteutical Land granted to the Company. The ground rent due to GOM for the reclaimed Emphyteutical Land will be equal to the ground rent that will be deducted for the dredged Emphyteutical Land, and so there will be no net change to the total amount of ground rent due to GOM.

In case of breach of the time-limits in respect of any Phase Area, GOM is entitled to a penalty of €350 (Lm150) per day for delay in first 6 months, a penalty of €1,165 (Lm500) per day for any subsequent period of delay, and if the delay goes beyond 3 years to rescission of the Emphyteutical Grant for that Phase Area. With respect to the first phase, which is the combined Tigné South and Tigné Sports Phases, GOM has the right to rescind the entire emphyteutical concession if the time limits for the first phase are not complied with (article 21). The Emphyteutical Deed contemplates a 6-month cure period in such case (see Dissolution below).

For the above-mentioned purposes “substantial completion” means (a) as regards Public Infrastructure and Public Areas, when 85% of works involved are completed and (b) as regards Buildings and Units, when 85% thereof are completed in shell form together with the external finishes and apertures. Any Public Infrastructure and Public Areas are to be actually completed within 18 months from the date on which substantial completion was agreed to take place.

For the duration of the Emphyteutical Grant, the Company is also granted the exclusive right to develop and operate a yachting centre on the sea facing the south shore of Manoel Island (article 6). Article 6.4 of the Emphyteutical Deed grants the Company a right of first refusal following the expiry of the 99-year concession. By virtue of a decision dated the 6 October 2008, the Commission for Fair Trading *obiter* commented negatively on this right of first refusal, describing it as anti-competitive.

For the duration of the Emphyteutical Grant, the Company is also granted the right to open and operate a casino.

### **Restoration Obligations**

Article 9 provides for the phasing and the performance of the obligations to restore the heritage sites and buildings.

Restoration works of sites listed in article 2.3, excluding Fort Manoel in respect of which specific time-limits are prescribed in the Emphyteutical Deed, are to be substantially completed (i.e. completion of 85% of the relevant restoration works) together with the relative Phase Area: provided that works necessary to prevent further deterioration of such sites were to commence within 6 months from the date of the Emphyteutical Deed and were to be completed within 2 years from signing of the Emphyteutical Deed. The restoration works are to be actually completed within 1 year from the date on which substantial completion was agreed to take place. It seems that in respect of restoration works listed in the Heritage Studies Report (attached to Schedule 14 of the Emphyteutical Deed) which do not relate to sites listed in clause 2.3, the time-limit applicable thereto would be the general one under clause 8.1.4 (i.e. 31 March 2023).

The main restoration site at Manoel Island is Fort Manoel. The Emphyteutical Deed applies the following time periods in respect of the restoration of Fort Manoel:

- (i) Cleaning of ditch / restoration of parade ground and the structures within the fort must commence not later than 1 year from the date of the relative Full Development Permit, and shall be substantially completed by 5 years from that date.
- (ii) All other restoration works must commence not later than 6 years from the date of the relative Full Development Permit, and shall be substantially completed by 10 years from that date.

The Company had to apply for the relative Full Development Permit and all necessary permits and authorisations referred to above by not later than one (1) year from the date of signing of the Emphyteutical Deed.

Other principal buildings include the Lazzaretto Buildings, Cemetery Chapel, Customs House and Quarantine Cattle-Sheds.

The restoration sites at Tigné Point are Fort Tigné and Tigné Chapel (already completed).

### **Relocation Obligations**

The Emphyteutical Deed (article 10) also imposes on the Company other obligations consisting of the construction, finishing and transfer to GOM, within specified time limits, of certain premises and facilities which will be used by persons and organisations which prior to the signing of the Emphyteutical Deed used certain buildings and facilities on the Emphyteutical Land. The Company is to be compensated for the performance of some of these obligations, which compensation is to be set off against the premium due by the Company to GOM.

In the Manoel Island Phase Areas, these obligations relate to the football pitch and ancillary facilities, the 'bocci' pitch and the Club House.

In the Tigné Point Phase Areas, these obligations relate to 12 residential units and 24 car parking spaces, and specified sports facilities which are all situated in Block T1 and were transferred to GOM in 2005, and a football training pitch and ancillary facilities which were located within the same structure that houses The Point shopping mall.

### **Certificate of Completion of Works**

Article 25 of the Emphyteutical Deed provides that the Company and GOM may give notice in writing to each other informing one another of completion, substantial completion, actual completion or finishing of any works, including infrastructural and restoration works or to the carrying out of any such works up to a certain stage. The Company and GOM shall inform their respective architects to issue a joint certificate in this respect.

Should there be a case of disagreement in connection with the above-mentioned or if the certificate is not issued within 14 days from the date of service of the notice in writing mentioned in article 25 above then the matter shall be settled by arbitration (Schedule 28 of the Emphyteutical Deed).

### **Restrictions on Transfers**

In terms of the Emphyteutical Deed (article 11.1), any Transfer (as defined in Schedule 21) of the Emphyteutical Land or any part thereof or any improvement thereon other than as provided in Clauses 1 to 4 of the said Schedule requires the consent of GOM.

Therefore, while the Company has the right to grant by title of emphyteusis or sub-emphyteusis (which are included in the definition of the word "Transfer" contained in the Emphyteutical Deed) the Emphyteutical Land or any part of it as contemplated in clause 1 to 4 of Schedule 21, it would however require the consent of the GOM in circumstances which are not so contemplated in those clauses.

Clauses 1 to 4 of Schedule 21 of the Emphyteutical Deed allow the Company to transfer any building or unit in a building which is constructed in shell form without the consent of the GOM. The Company can, however, only Transfer undeveloped Emphyteutical Land without the consent of GOM if: (a) the Transfer is a transfer of a whole Phase Area to a Subsidiary as envisaged in clause 2 of Schedule 21 (where Subsidiary is defined as a company or commercial partnership in which at least 60% of the ordinary share capital and voting rights are held by the Company), or (b) the Transfer is a transfer of the Tigné Tower Phase Area to a Simple Majority Subsidiary as envisaged in clauses 3 of Schedule 21 (where Simple Majority Subsidiary is defined as a company or commercial partnership in which the majority of the ordinary share capital and voting rights are held by the Company), or (c) the proposed Transfer is made "consequent to a judicial sale" as contemplated in clause 4 of the Schedule.

The apparent purpose of these provisions is that of preventing pure speculation on undeveloped Emphyteutical Land since the Company was selected and the Emphyteutical Deed contemplates that the Company is to develop the Emphyteutical Land. The exception in respect of the Company's subsidiaries allows some flexibility in case where the Company still retains indirect control of the Emphyteutical Land.

The Emphyteutical Deed (paragraph 6 of Schedule 21) also provides that in case of a Transfer of a Phase Area to a Subsidiary or Simple Majority Subsidiary in terms of clause 2 or 3 of Schedule 21, the said subsidiary shall be responsible with the Company (implying joint and several liability) for the performance and observance of the Development obligations (referred to in article 8) and the Restoration obligations (referred to in article 9) which relate to the particular Phase Area. The Relocation obligations are specifically mentioned in article 10 but they may be said to be indirectly included in article 8 which imposes an obligation to substantially complete the Phase Areas within a specific time limit.

Under article 11.5, transfers of Ordinary Shares in the Company to third parties without the written consent of GOM are prohibited, until substantial completion of the Tigné South and Tigné Sports Phases which include the Qui-Si-Sana to Tigné Front trunk road (the first phase opted for by the Company in terms of article 8.1.2). These Phases have been completed and, therefore, this restriction is no longer applicable.

However, transfers of Ordinary Shares amongst the existing shareholders and/or consequent to a pledge of Ordinary Shares to a Bank or Financial Institution are not caught within this prohibition.

## Security

Some of the obligations outlined above are secured by privileges and hypothecs. Privileges and hypothecs confer upon the secured creditor a right of preference over property of the debtor (article 1996 Civil Code) which, in essence, gives the holder of a privilege or a hypothec prior ranking over unsecured or lower ranking creditors when property of the debtor is forcibly sold for non-payment of debts.

A "privilege is a right of preference which the nature of a debt confers upon a creditor over the other creditors, including hypothecary creditors" (Article 1999 Civil Code). "Special privileges over immovables continue to attach to such immovables whatever transfers to other persons take place" (article 2002(2) Civil Code).

A "hypothec is a right created over the property of a debtor or of a third party, for the benefit of the creditor, as security for the fulfillment of an obligation" (article 2011(1) Civil Code). A hypothec is general or special: it is general when it affects all the property present and future of the debtor; it is special when it affects only one or more particular immovables of the following kind: ... (c) the *dominium directum* over the said immovables given on emphyteusis, and the *dominium utile* over such immovables."

"A special hypothec continues to attach to any immovable charged therewith into whosoever's possession such immovable may pass" (article 2013(1) Civil Code) while "A general hypothec attaches to the property affected thereby only so long as such property does not pass into the hands of a third party" (article 2013(2) Civil Code).

The payment of groundrent is secured by a general hypothec over the Company's property as well as by a special privilege (article 3.4 of the Emphyteutical Deed) in terms of article 2010(a) of the Civil Code which gives the GOM as the direct owner a privilege "over the *dominium utile* of the emphyteutical tenement, for the debt due to him by the emphyteuta in respect of ground-rent and for the performance of the other obligations arising from the emphyteutical contract."

The payment of the outstanding balance of premium is secured by a special privilege (article 4.3 of the Emphyteutical Deed) in terms of article 2010(c) which gives GOM, as the alienor, a special privilege "over the immovable sold or alienated by means of a public Emphyteutical Deed, for the whole or the residue of the price, or for the performance of the covenants stipulated in the Emphyteutical Deed of sale or alienation."

The Emphyteutical Deed, however, also provides in certain circumstances for the postponement of the special

privilege which secures the outstanding premium as well as the release of the emphyteutical property from the effects of the privilege under certain terms and conditions (article 4.3 and schedule 10 of the Emphyteutical Deed).

The Emphyteutical Deed (clause 4.3 and Schedule 10) binds GOM to reduce the value of the privilege and release parts of the Emphyteutical Land from effects of the Privilege upon payment of premium in cash or by carrying out of works or upon the provision by the Company of first class bank guarantees or first ranking hypothecs on property. In more detail, in terms of Schedule 10, GOM has agreed to release Floorspace (defined as utilisable (whether for residential, commercial or other purposes) internal floorspace, excluding common parts, outside areas, verandahs, gardens and yards and includes Floorspace which may be developed and approved in future in accordance with future planning permits or changes thereto) in the Phase Areas from the effects of the privilege on the basis of rates per square meter that are specified in the Emphyteutical Deed. Payments of premium in cash which can be credited to secure the reduction of the privilege on any Phase Area and the release of such Phase Area from the effects thereof are limited in respect of each Phase Area to a maximum amount, thus leaving a balance of the total amount of premium attributed to such Phase Area to be repaid necessarily by the completion of works related to such Phase Area as specified in Schedule 10 (in such a way that the obligation to complete such works remains at all times secured by the privilege without the possibility for the Company of redeeming a Phase Area in full from the effects of the privilege before completing the respective works).

The Company has already utilised these provisions to obtain the release from the privilege (to the extent only that the special privilege was registered to secure the payment of the outstanding balance of the premium) of a number of Units as well as that of Phase Areas.

The following are a few general rules contained in the Emphyteutical Deed which regulate releases of the privilege. With respect to payments of premium in cash, the Company has the option to credit these to any Phase Area subject to maximum amount of cash premiums relative to that Phase Area specified in Schedule 10. The Company can provide first class bank guarantees or first ranking hypothecs on immovable property in lieu of cash payments of premium (but not in respect of premium payable in kind). Although Schedule 10 refers to release of Floorspace, it is expressly stated that upon full payment of premium attributable to a Phase Area, whether by cash payments or works or guarantees etc., the entire Phase Area in question shall be released from the effects of the privilege (including those parts which do not qualify as Floorspace).

By virtue of a numbers of deeds between the GOM and the Company, the parties have agreed to apportion the groundrent with respect to inter alia a number of apartments, garages and store-rooms (hereinafter referred to as "the Units") accordingly as better described in the relevant deeds.

In the above-mentioned deeds, the GOM has given its consent to reduce the Note of Hypothec and Privilege number 9973/2000 and to the reduction to the relative charge registered in the Land Registry as charge number cc1473/2000 registered in its favour and against the Company arising from the Emphyteutical Deed.

By virtue of a number of deeds, the GOM has agreed that the credit mentioned in the said Note of Hypothec and Privilege and Land Registry charge in so far as it refers to the outstanding balance of the premium mentioned therein be reduced. As set out in a deed in the records of Notary Dr Pierre Attard of the 10 May 2016 between the GOM and the Company, the said Note of Hypothec and Privilege and Land Registry charge in so far as they refer to the outstanding balance of the premium remains valid and effective up to the sum of €52,176,215.17.

The GOM has also agreed that when a Unit is transferred to a Transferee (as defined in Clause Eight (8) of Schedule Twenty One (21) of the Emphyteutical Deed) the special privilege mentioned in the said Note of Hypothec and Privilege and Land Registry charge, to the extent only that the special privilege was registered to secure the payment of the groundrent, shall continue to attach to such Unit only for the apportioned groundrent as agreed by the GOM and the Company on the said deed, it being understood that the effects thereof for each Unit shall be suspended until such time when the Transfer of a Unit is made to a Transferee and shall come into effect immediately and without the need of any further formality in relation to a Unit when such Unit is Transferred. The said Note of Hypothec and Privilege and Land Registry charge otherwise remain firm, valid and unimpaired on all the other property mentioned therein.

The GOM has agreed that when a Unit is transferred to a Transferee (as defined in Clause Eight (8) of Schedule Twenty One (21) of the Emphyteutical Deed) the special privilege mentioned in the said Note of Hypothec and Privilege and Land Registry charge, to the extent only that the special privilege was registered to secure the payment of the groundrent, shall continue to attach to such Unit only for the apportioned groundrent as agreed by the GOM and the Company on the said deed, it being understood that the effects thereof for each Unit shall be suspended until such time when the Transfer of a Unit is made to a Transferee and shall come into effect immediately and without the need of any further formality in relation to a Unit when such Unit is Transferred. The said Note of Hypothec and Privilege and Land Registry charge remain otherwise firm, valid and unimpaired on all the other property mentioned therein.

The waivers that have been undertaken to date with the GOM are reflected in the summary of privileges and hypothecs in Annex III of the Securities Note.

## **Financing**

There are a few provisions in the Emphyteutical Deed which can be utilised by a bank or financial institution which provides finance in respect of the Project.

Under clause 4.3 of the Emphyteutical Deed if financing in respect of a Phase Area has been obtained from one or more Banks or Financial institutions, GOM has agreed that it will only execute and exercise its rights under the privilege in respect of that Phase Area up to the value attributed (in Schedule 10) to that Phase Area and not the entire balance of premium (that may be due for all the Phase Areas in the development), and, furthermore, GOM has agreed to postpone (in terms of ranking), in respect of the relevant Phase Area, such amount of the privilege which exceeds the said value attributed to that Phase Area after the privilege or hypothec registered or to be registered by such Bank and/or Financial Institution on such Phase Area (in such a way that the GOM's privilege remains first ranking on the Relevant Phase Area only up to the amount of premium attributed to such Phase Area).

If the said bank or financial institution acquires the Emphyteutical Land as a result of the enforcement of their security rights pursuant to the financing of the development of the Emphyteutical Land, such bank or financial institution will continue to benefit from the abatement of groundrent provision, even though the Emphyteutical Land is transferred. (article 3.2 of the Emphyteutical Deed).

If the emphyteutical concession is dissolved and GOM disposes of the Emphyteutical Land, within ten (10) years from such dissolution then, out of the proceeds of such disposal, any such bank or financial institution is to be paid the cost of any Public Infrastructure and Public Areas constructed on the Emphyteutical Land in connection with the Tigné South and Sports Phase, and the Marina South Phase but, in any case, not more than fifty per cent (50%) of such proceeds or fifty per cent (50%) of the cost of such Public Infrastructure and Public Areas (article 21.2 of the Emphyteutical Deed), whichever is the lower.

Such bank or financial institution which enjoys a duly registered hypothec or duly registered privilege over the Emphyteutical Land or any part of it may notify GOM and if such notice has been given GOM cannot proceed to dissolve the emphyteutical concession before the period of 6 months from the date that such bank or financial institution is served with a copy of the judicial letter sent to the Company for purposes of dissolution. At any time prior to dissolution, such bank or financial institution may notify GOM by judicial letter that it is willing to take over the outstanding obligations with respect to the Emphyteutical Land or any part of it. In such an event the bank or financial institution and the GOM shall, within three (3) months from the date of service of the judicial letter sent by the bank or financial institution, agree on a reasonable period of time for the carrying out of such outstanding obligations, which in any case shall be an extension not longer than the period of time originally granted, failing which the period will be fixed by arbitration.



## **Dissolution**

GOM may dissolve the (entire) emphyteutical concession in the case of certain stipulated defaults by the Company (Article 21). These are:

- (i) failure to pay 3 annual amounts of ground rent or ground rent of an equivalent aggregate amount;
- (ii) failure to commence the first development phase (Tigné South and Tigné Sports Phase Areas) within a certain time, and to substantially complete it within 4 years from the issue of the final Full Development Permit. This obligation has been fulfilled;
- (iii) failure to carry out restoration works at Fort Manoel in the way and within the periods stated in the Emphyteutical Deed.

Before proceeding to dissolve the concession, GOM is obliged to serve notice to the Company, and to allow the Company a period of 6 months within which to rectify the default.

In the event of dissolution of the emphyteutical concession, the Emphyteutical Land and all improvements thereon will revert to GOM without compensation, except for the instances stated in Article 21.

The dissolution of the emphyteutical concession shall be without prejudice to and shall not in any way affect any real rights in respect of the Emphyteutical Land, any part of it or any buildings, works or structures thereon, already acquired by any third party who is acknowledged or entitled to be acknowledged by the GOM. In the event of a dissolution of the emphyteutical concession any groundrents, sub-groundrents, rents or other fees falling due after dissolution which are payable by such third parties to the Company shall become the property of the GOM and shall become payable to the GOM.

Should the emphyteutical concession be dissolved, the Yachting Centre concession shall also be dissolved (Article 21.3). However, in this event, any berthing rights which any third party may have acquired shall not be affected.

# Annex II

## Architect's Condensed Property Valuation Report

## **EDGAR CARUANA MONTALDO B.E.&A.(Hons.), A.&C.E.**

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### **Our Ref: VAL 002/16\_P01\_1**

The Board of Directors

MIDI p.l.c.

MIDI p.l.c. North Shore, Manoel Island

Gzira GZR 3016

Malta

13 June 2016

### **Condensed Property Valuation Report**

Dear Sirs,

In accordance with your instructions, the undersigned has carried out a valuation of immovable property, located at Tigné Point and Manoel Island, forming part of Tigné Point Development and which detailed valuation report, including the undersigned opinion of the value of the property is herewith submitted. The effective date of this valuation is 13 June 2016.

It is understood that the purpose of the valuation is for the inclusion with the Prospectus, to be published in connection with the proposed public bond issue by MIDI p.l.c., in accordance with the Listing Rules of the Listing Authority.

The undersigned declares that he is fully familiar with the property, and has had full access to all plans of the various properties, and the construction cost estimates as is sufficient for the purposes of this valuation. Further information as was considered necessary was obtained from the Directors, or their financial advisors; this information included projections of expected future revenue streams in terms of projected and likely selling prices, cost of land in terms of cash elements, as well as public infrastructure and restoration costs, as defined in the Emphyteutical Grant of 2000, and finally projections of estimated direct development costs, design, management and supervision costs, marketing and selling costs, estate management costs, and financing costs, the preparation of which was subject to review by the company's auditors, PricewaterhouseCoopers.

The valuation has been carried out by the undersigned, as an independent valuer, in accordance with the Kamra tal-Periti Valuation Standards for Accredited Valuers (2012), which are largely based on the TEGOVA (The European Group of Valuers' Associations) Valuation Standards (2009).

The undersigned confirms that there is no conflict of interest in advising you of the opinion of the value of the properties in question, since the undersigned or his associates will not benefit from the valuation instruction other than the valuation fee.

Valuation Standards for Accredited Valuers 2012 by Kamra tal-Periti require that the valuations for the purposes of investment be made on an assessment of a current Market Value and Existing use, when the current and future interests of investors are reliant in whole or in part on the performance of real estate assets. A market value represents the estimated amount for which a property should exchange, on date of the valuation, between a willing buyer and a willing seller in an arms'-length transaction, after proper marketing, wherein the parties have each acted knowledgeably, prudently and without compulsion. Existing use value assumes, in addition, that the valuation is based on the continuation of its existing use, but assuming that the properties are vacant.

The properties being valued are all subject to a Temporary '*utile dominium*' out of an emphyteutical concession by the GOM for 99 years which commenced on 15 of June 2000.

### **Site Location, building description and use**

The properties being valued include for various buildings presently located at Tigné Point, Tigné Seafront, Tigné in Sliema and a detailed report on each of the separate units being valued has been carried out and is available for inspection at the registered office of MIDI p.l.c. The property at Tigné Point has a surface area of approximately 108,420m<sup>2</sup> on which a total gross surface area of the development envisaged is approximately 137,903m<sup>2</sup>, excluding underground car-parking. The boundaries of the property are defined by the sea along the south-western, south-eastern, and north-eastern edges and broadly speaking by the axis formed by Censu Xerri Street, on the north-

western edge. The development on the site in question has been subject to various development permits, all of which are being attached in each separate detailed report. One of the properties being valued includes the Tigné Fort which is a heritage monument and a landmark building that dates back to the late 18th century. The project, namely Tigné Point was conceived as a mixed-use, lifestyle development and is known for its luxurious properties that are located within an esteemed address commanding accessibility and enjoying surrounding facilities and views. The valuation also includes Manoel Island.

### **Tenure**

The Emphyteutical Deed imposes a number of obligations and restrictions on MIDI p.l.c. in favour of the GOM, under the following headings;

- i) Payment of the annual Ground-rent (Article 3 of the Emphyteutical Deed);
- ii) Payment of the Premium (price) for the Emphyteutical Grant (Article 4);
- iii) Obligations relating to the development of the Emphyteutical Land (Article 8);
- iv) Obligations relating to the restoration of the historic sites and buildings on the Emphyteutical Land (Article 9);
- v) Relocations obligations (Article 10);
- vi) Restrictions on the transfer of the Emphyteutical Land and Parts thereof (Article 11).

Some of these obligations are secured by charges over the Emphyteutical Land. The Emphyteutical Deed sets out that the overall project should be complete by 31 March 2023. The Emphyteutical Deed contains restrictions on the transfer of undeveloped land yet it allows without the need of obtaining GOM consent, the transfer of undeveloped land to Subsidiary.

The property is subject to a number of registered privileges and emphyteutical grant conditions, which have been taken to account in the preparation of this valuation report. The details of registered mortgages and privileges and other charges, real rights thereon including details of emphyteutical concessions, easements and other burdens, are referred to in Annex III of the Securities Note.

### **Valuation**

On the basis of the above and according to other matters as outlined in each detailed valuation, the different components of the property have been valued on the basis of the open market value of the property in its existing state (which is equivalent to the present capital value in existing state) at the date of valuation.

#### **Commercial Premises at Q2 Building - T17-West at Tigné Point, Tigné Seafront, Tigné, Sliema**

3 commercial premises that were completed in shell form last year (2015) that in total include an area of *circa* 797m<sup>2</sup>. This premises only is in shell form and is to be complete with finishes in beginning of 2018. Thus it has been valued on existing use value at a total sum of **€3,237,500** (Three Million, Two Hundred Thirty-Seven Thousand and Five Hundred Euro).

#### **Commercial Premises at Blocks T4P, T7P AND T9P at Tigné Point, Tigné Seafront, Tigné, Sliema**

11 in number Retail Units (*circa* 10 years old) located at Pjazza Level presently all complete with finishes and fully functional. One of the units is leased to Tigné Point Marketing Ltd. (a subsidiary company) which lease (current rent of €37,131.50 per annum that increases 3% annually) terminates in 2018. One unit is presently occupied by an entity offering condominium related services. The remaining nine (9) commercial units are leased to third parties for a minimum rental duration of 15 years, with an option to terminate such lease every 5 years. These units are being valued at a total sum of **€11,884,600** (Eleven Million, Eight Hundred and Eighty Four Thousand and Six-Hundred Euro).

#### **Commercial Premises T12 -Clubhouse Area at Tigné Point, Tigné Seafront, Tigné, Sliema**

The properties in question consist mainly of the commercial area known as T12 - Clubhouse that is located at the southern part of Tigné Point Development and is *circa* 11-12 years old. This part of the development comprises mainly of parking spaces, ancillary facilities to Catering outlets, 2 Restaurants and a Fitness Centre all being valued as at their present state which includes all finishes and in a fully functional state with regards to the parking areas and restaurants whereas the Fitness Centre is being valued as it is in its present state, that is in shell form. The abovementioned 2 Restaurants were leased to a related party in 2009 for a period of 20 years. These premises have been valued at a total sum of **€6,517,655** (Six Million, Five-Hundred and Seventeen Thousand, Six Hundred and Fifty-Five Euro).

#### **Commercial Premises T13 - Tigné Fort at Tigné Point, Tigné Seafront, Tigné, Sliema**

The property which dates to the late 18th century and part to the late 19th century being valued is referred to as T13 within Tigné Point Development and it includes for Tigné Fort including surrounding areas. The existing premises is being valued as it is in its present state (Un-converted/un-finished state) taking into consideration its commercial potential thus including permitted commercial uses. These premises have been valued at a total sum of **€3,875,835** (Three Million, Eight Hundred and Seventy Five Thousand, Eight-Hundred and Thirty-Five Euro).

### Car-Park at Tigné Point, Tigné Seafront, Tigné, Sliema

The property being valued is *circa* 5 to 10 years old and it includes for the Basement Levels located beneath various Blocks spread on 4 floors namely Fourth Basement Level (Level -4), Third Basement Level (Level -3), Second Basement Level (Level -2) and the First Basement Level (Level -1). The car parking spaces include all relevant accesses through common parts and ramps and are fully complete and in a functional state.

• Public Car-park	519 car spaces	<b>€12,975,000.00</b>
• T1 Car-Park	132 car spaces	<b>€3,300,000.00</b>
• Q-Carpark	62 car spaces	<b>€1,550,000.00</b>
• Carpark behind T2	35 car spaces	<b>€875,000.00</b>
• T15 Carpark	39 car spaces	<b>€975,000.00</b>

### T15 - T16 - Estimated Market Value of Existing Land with potential for Development - Property at Tigné Point, Tigné Seafront, Tigné, Sliema

The property being valued includes for the potential airspace which could accommodate 1,145m<sup>2</sup> of developable retail area spread on 2 floors. This area, as per Tigné Point Development is referred to as T15-T16. The value of the property in caption has been valued at a total amount of **€458,000** (Four-Hundred and Fifty-Eight Thousand Euro).

### T20- Estimated Market Value of Land with potential for Development - Property at Tigné Point, Tigné Seafront, Tigné, Sliema

The property being valued includes for a large plot of land having an estimated developable airspace that could include c.a. 163 one-car parking spaces and a Restaurant with an internal developable airspace of *circa* 368m<sup>2</sup>. The value of the property in caption has been valued at a total amount of **€636,200** (Six-Hundred and Thirty-Six Thousand and Two Hundred Euro).

### Storage Rooms - Tigné Point, Tigné Seafront, Tigné, Sliema

This valuation includes for all storage areas (*circa* 5 to 10 years old) within Tigné Point Development all located at Garage Levels. From information I was provided the following are total areas of storage rooms per location:

Favray Court	672.97m <sup>2</sup>
Caravaggio Court	610.50m <sup>2</sup>
Pjazza Block	312.98m <sup>2</sup>
Q - Carpark	546.70m <sup>2</sup>
Preti Court	1,072.66m <sup>2</sup>

**Thus a total area of *circa* 3,215.81m<sup>2</sup>**

I estimate the market value of the above mentioned properties at a total of **€1,929,486** (One Million, Nine-Hundred and Twenty-Nine Thousand, Four-Hundred and Eighty-Six Euro).

### Q2 Block - Residential units ( T17-West ), Tigné Point - Property at Tigné Point, Tigné Seafront, Tigné, Sliema

The property being valued has just been completed in shell form and it includes a total of 60 residential units of which 24 are one-bedroom apartments, 8 are two bedroom apartments, 24 are two bedroom apartments, 2 are four bedroom apartments and 2 are three bedroom penthouses. The value of the property in caption has been valued, once complete with all finishes, at a total amount of €61,245,000 (Sixty-One Million, Two-Hundred and Forty-Five Thousand Euro).

The open market value of the property in its existing state at the date of valuation is **€48,996,000** (Forty-Eight Million, Nine-Hundred and Ninety-Six Thousand Euro).

### Manoel Island

Manoel Island dates back to the early quarter of the 18th century and other parts between the mid 17th and mid 19th century has a surface area of approximately 340,000m<sup>2</sup>. The island's main features are Fort Manuel and the Lazaretto (first used as a quarantine centre and later as a hospital and Military Base). The value of the property in caption has been valued as at present at a total amount of 'at least' **€40,000,000** (Forty Million Euro).

On the basis of the above, the estimated market value of all the above-mentioned properties in their existing state at the date of valuation is being valued at a total of **€137,210,276** (One Hundred and Thirty-Seven Million, Two Hundred and Ten Thousand, Two-Hundred and Seventy-Six Euro).

My opinion on the value of the properties in question is based upon the facts and evidence available at the date of the valuation, part of which information was made available at the date of the valuation and relevant inspections by the Directors and their advisors. No detailed area measurements have been undertaken and a

full structural survey of the premises was not carried out. Moreover, I would like to point out that I have not carried out environmental, archaeological or geo-technical surveys of the properties being valued with regards to the undeveloped land but however I have no reason to believe that there are such issues that may impede the envisaged development in relation the valuations in relation to undeveloped land /developable airspace. It has also been assumed that all development have been carried out / will be carried out according to all relevant MEPA permits and other statutory obligations, and where still to be constructed/finished, such works are to be according to high quality standards and first class workmanship by reputable contracting firms.

Valuations are not a prediction of price, nor a guarantee of value, and whilst my valuation is one which I consider both reasonable and defensible, different valuers may properly arrive at different opinions of value. Moreover, the value of property development is susceptible to changes in economical conditions, and may therefore change over relatively short periods. This valuation and reports is submitted without prejudice to the party to whom they are addressed. The undersigned advises that no responsibility is accepted or implied to third parties to whom this report may be disclosed, with or without our consent. In particular, the undersigned advises that no liability is accepted in contract, tort (including negligence, or breach of statutory duty), restitution or otherwise, in respect of any direct loss or profit, any indirect, special or consequential loss whatsoever howsoever caused including, without limitation, loss of profit, loss of business, loss of goodwill, loss of use of money and loss of opportunity.

In accordance with standard practice, neither the whole nor any part of this valuation nor any reference thereto may be included in any published document without the prior written approval of the undersigned for the context in which it may appear.

Yours faithfully,



Edgar Caruana Montaldo  
B.E.& A.(Hons.), A.&C.E. Warrant No. 302





MIDI p.l.c.  
a public limited company incorporated under the laws of Malta,  
company registration number C 15836

Issue of:  
**€50,000,000 4% Secured Bonds 2026**  
**ISIN: MT0000421223**

# SECURITIES NOTE

Dated 28 June 2016

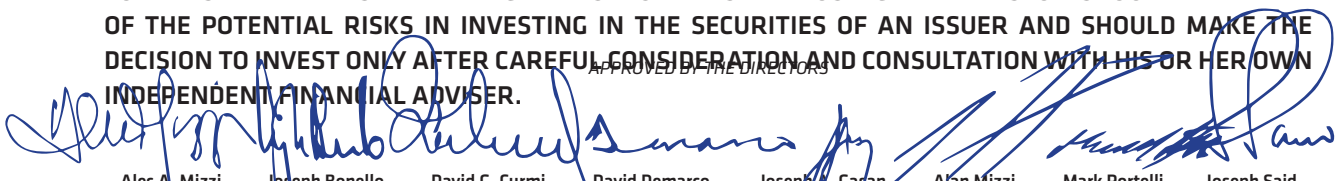
*This document is a Securities Note issued pursuant to the requirements of Rule 4.14 of the Listing Rules of the Listing Authority and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended. This Securities Note should be read in conjunction with the Registration Document containing information about the Issuer dated 28 June 2016.*

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

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

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

APPROVED BY THE DIRECTORS



Alec A. Mizzi	Joseph Bonello	David G. Curmi	David Demarco	Joseph A. Gasan	Afan Mizzi	Mark Portelli	Joseph Said
Manager & Registrar		Legal Advisers		Security Trustee		Sponsor	

## IMPORTANT INFORMATION

This Securities Note, forming part of the Prospectus, contains information on an issue by the Issuer, MIDI p.l.c., of €50,000,000 Secured Bonds due 2026 having a nominal value of €100. The Bonds will be issued at par and bear interest at the rate of 4% per annum payable annually on 27 July of each year, until the Redemption Date. The nominal value of the Bonds will be repayable in full at maturity on the Redemption Date unless otherwise previously repurchased for cancellation.

This Securities Note contains information about the Issuer and the Bonds in accordance with the requirements of the Listing Rules, the Companies Act, and the Commission Regulation.

No broker, dealer, salesman or other person has been authorised by the Issuer or its directors, to issue any advertisement or to give any information or to make any representations in connection with the sale of Bonds of the Issuer other than those contained in the Prospectus and in the documents referred to herein, and if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or its Directors or advisers.

The Prospectus does not constitute, and may not be used for purposes of, an offer or invitation to subscribe for Bonds by any person in any jurisdiction (i) in which such offer or invitation is not authorised or (ii) in which the person making such offer or invitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer or invitation.

The Prospectus and the offering, sale or delivery of any securities may not be taken as an implication: (i) that the information contained in the Prospectus is accurate and complete subsequent to its date of issue; or (ii) that there has been no material adverse change in the financial position of the Issuer since such date; or (iii) that any other information supplied in connection with the Prospectus is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

It is the responsibility of any persons in possession of this document and any persons wishing to apply for any securities issued by the Issuer to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for any securities that may be issued by the Issuer should inform themselves as to the legal requirements of applying for any such securities and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile.

Save for the issue in the Republic of Malta, no action has been or will be taken by the Issuer that would permit a public offering of the Bonds or the distribution of the Prospectus (or any part thereof) or any offering material in any country or jurisdiction where action for that purpose is required. In relation to each member state of the European Economic Area (other than Malta) which has implemented Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as subsequently amended, or which, pending such implementation, applies article 3.2 of said Directive, the Bonds can only be offered to **“Qualified Investors”** (as defined in said Directive) as well as in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of said Directive.

The Bonds have not been nor will they be registered under the United States Securities Act, 1933 as amended, or under any federal or state securities law and may not be offered, sold or otherwise transferred, directly or indirectly, in the United States of America, its territories or possessions, or any area subject to its jurisdiction (the “U.S.”) or to or for the benefit of, directly or indirectly, any U.S. person (as defined in Regulation “S” of the said Act). Furthermore the Issuer will not be registered under the United States Investment Company Act, 1940 as amended and investors will not be entitled to the benefits set out therein.

All the advisers to the Issuer named under the heading **“Advisers to the Issuer”** and **“Statutory Auditors and Financial Advisers”** in sections 4.1 and 4.2 respectively of this Securities Note have acted and are acting exclusively for the Issuer in relation to this issue and have no contractual, fiduciary or other obligation towards any other



person and will accordingly not be responsible to any investor or any other person whomsoever in relation to the transactions proposed in the Prospectus.

The contents of the Issuer's website or any website directly or indirectly linked to the Issuer's website do not form part of the Prospectus. Accordingly no reliance ought to be made by any investor on any information or other data contained in such websites as the basis for a decision to invest in the Bonds.

Prospective investors should carefully consider all the information contained in the prospectus as a whole and should consult their own independent financial and other professional advisers before deciding to make an investment in the Bonds.

**The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity.**

Statements made in the Prospectus are, except where otherwise stated, based on the law and practice currently in force in Malta and are subject to changes therein.

A copy of this document has been submitted to the Listing Authority in satisfaction of the Listing Rules, the Malta Stock Exchange in satisfaction of the Malta Stock Exchange Bye-Laws and has been duly filed with the Registrar of Companies, in accordance with the Companies Act.

## **INFORMATION REGARDING CONSENT BY THE ISSUER AND THE DIRECTORS TO THE USE OF THE PROSPECTUS IN THE EVENT OF ANY RESALE OR FINAL PLACEMENT OF BONDS BY AUTHORISED FINANCIAL INTERMEDIARIES**

The Issuer and the Directors consent to the use of this Prospectus (and accept responsibility for the information contained therein) with respect to any subsequent resale or final placement of Bonds by any Authorised Financial Intermediaries, in circumstances where there is an offer of securities to the public which requires the publication of a prospectus in terms of the Prospectus Directive, provided this is limited only:

- i. to any resale or final placement of Bonds taking place in Malta; and
- ii. to any resale or final placement of Bonds taking place within the period of 60 days from the date of the Prospectus.

Neither the Issuer nor the Directors nor the Sponsor have any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or final placement of Bonds.

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

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

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

**In the event of a resale or final placement of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale or final placement at the time such is made.**

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

**Any Authorised Financial Intermediary using this Prospectus in connection with a resale or final placement of Bonds subsequent to the Bond Issue shall from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale or final placement in accordance with the consent of the Issuer and the Directors and the conditions attached thereto.**

Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: [www.midimalta.com](http://www.midimalta.com)

The consent provided herein shall no longer apply following the lapse of a period of 60 days from the date of the Prospectus.

## **FORWARD LOOKING STATEMENTS**

This Securities Note may contain "forward looking statements" which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that future results or expectations will be achieved.

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## 1. DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document issued by the Issuer on 28 June 2016.

<b>Applicant</b>	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
<b>Application/s</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Issuer or to any of the other Authorised Financial Intermediaries;
<b>Application Form</b>	the forms of application for the subscription for the Bonds, specimens of which are contained in Annex I of this Securities Note;
<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex II of this Securities Note;
<b>Bond(s) or Secured Bond(s)</b>	the four per cent (4%) secured bonds due 27 July 2026 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of fifty million euro (€50,000,000);
<b>Bonds 2016/18</b>	the EUR Bonds 2016/18 and GBP Bonds 2016/18;
<b>Bond Conditions</b>	the terms and conditions applicable to the Bonds set out in section 11 under the heading “Terms and Conditions of the Bonds” of this Securities Note;
<b>Bond Exchange Programme</b>	the bond exchange programme set out in section 8.5 under the heading “Bond Exchange Programme” of this Securities Note;
<b>Bondholder</b>	a holder of the Bonds;
<b>Bond Issue</b>	the issue of the Bonds;
<b>Bond Issue Price or Issue Price</b>	the price of €100 per Bond;
<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>Commission Regulation</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended;
<b>Companies Act</b>	the Companies Act (Cap. 386 of the laws of Malta);
<b>Company; Issuer or MIDI</b>	MIDI p.l.c., a company registered in Malta with registration number C 15836;
<b>CSD</b>	the Central Securities Depository of the Malta Stock Exchange, having its address at Malta Stock Exchange, Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
<b>Current Shareholders</b>	shareholders of the Issuer as at the Cut-Off Date;
<b>Cut-Off Date</b>	close of business on 24 June 2016 (trading session of 22 June 2016);
<b>Emphyteutical Deed</b>	the public deed in the records of Notary Vincent Miceli of 15 June 2000 whereby the GOM, acting through the Land Department granted the Company the Emphyteutical Grant;

<b>Emphyteutical Grant</b>	the temporary emphyteutical concession of the Emphyteutical Land for a period of ninety nine years commencing from 15 June 2000 made by GOM to the Company by virtue of the Emphyteutical Deed;
<b>Emphyteutical Land</b>	the immovable property comprising Tigné Point and Manoel Island forming the subject-matter of the Emphyteutical Grant;
<b>EUR Bonds 2016/18</b>	the €31,702,900 7% bonds 2016-2018 (ISIN: MT0000421207) issued by the Issuer pursuant to a prospectus dated 5 December 2008;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Existing Holders</b>	existing holders of the Bonds 2016/18 as held on the Cut-Off Date;
<b>GBP Bonds 2016/18</b>	the £7,214,300 7% bonds 2016-2018 (ISIN: MT0000421215) issued by the Issuer pursuant to a prospectus dated 5 December 2008;
<b>GOM</b>	the Government of Malta;
<b>Group or MIDI Group</b>	the Issuer and the subsidiary companies of the Issuer and the term “Group Company” shall be construed accordingly;
<b>Initial Security Interest</b>	has the meaning set out in section 9.5 of this Securities Note;
<b>Interest Payment Date</b>	27 July of each year, between 2017 and the year in which the Bonds are redeemed (both years included), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day;
<b>Issue Date</b>	expected on 03 August 2016;
<b>Listing Authority</b>	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
<b>Listing Rules</b>	the listing rules issued by the Listing Authority;
<b>Malta Stock Exchange or MSE</b>	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;
<b>Manoel Island</b>	the divided portion of land at Manoel Island, limits of Gzira, comprised within the Emphyteutical Land as shown bordered in red on the plan Land Drawing letter ‘L’ letter ‘D’ one hundred and seventy four letter ‘A’ bar ninety nine (LD174A/99) attached to the Emphyteutical Deed;
<b>MFSA</b>	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
<b>Offer or Bond Offer</b>	the invitation to subscribe for Bonds contained in the Prospectus;
<b>Official List</b>	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
<b>Preferred Applicants</b>	Existing Holders and Current Shareholders as at the Cut-Off Date, excluding their spouses and dependents;
<b>Preferred Applicants Offer Period</b>	the period between the 01 July 2016 and 18 July 2016 during which the Bonds are on offer to Preferred Applicants;
<b>Public Offer Period</b>	the period between the 04 July 2016 and 20 July 2016 (or such earlier date as may be determined by the Issuer) during which the Bonds are on offer to the general public;
<b>Prospectus</b>	collectively the Summary Note, the Registration Document and this Securities Note, all dated 28 June 2016, as such documents may be amended, updated, replaced and supplemented from time to time;
<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 subsequently amended;

<b>Redemption Date</b>	27 July 2026;
<b>Redemption Value</b>	the nominal value of each Bond;
<b>Registration Document</b>	the registration document issued by the Issuer dated 28 June 2016, forming part of the Prospectus;
<b>Securities Note</b>	this document in its entirety;
<b>Security Interest</b>	the Initial Security Interest as may be varied or reduced from time to time in terms of clauses 8 and 9 of the Trust Instrument and any other security which may be held in trust for the Bondholders as beneficiaries under the terms of the Trust Instrument, including any undertaking, guarantee, mandate, pledge, title, transfer, grant, privilege or hypothec or the placing of property in possession or control of the Security Trustee with rights of retention and sale;
<b>Security Trustee</b>	CSB Trustees & Fiduciaries Limited having company registration number C 40390 and its registered office at Vincenti Buildings, 28/19 Strait Street, Valletta VLT 1432, Malta, licensed by the MFSA to act as trustee and provide general corporate fiduciary services, or any other duly authorised person as may be appointed to act as security trustee in terms of the Trust Instrument;
<b>Summary Note</b>	the summary note issued by the Issuer dated 28 June 2016, forming part of the Prospectus;
<b>Tigné Point</b>	the divided portion of land at Tigné Point, Sliema, comprised within the Emphtheutical Land as shown bordered in red on the plan Land Drawing letter 'L' letter 'D' one hundred and seventy five letter 'A' bar ninety nine (LD175A/99) attached to the Emphyteutical Deed;
<b>Trust Instrument</b>	the agreement signed between the Issuer and the Security Trustee dated 24 June 2016 as better described in section 9.6 of this Securities Note.

## 2. RISK FACTORS

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

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

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

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

## 2.1 Risks relating to the Bonds

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

### *Trading and Liquidity*

There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to re-sell his Bonds at or above the Bond Issue Price or at all. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on a number of factors including the presence in the market place of willing buyers and sellers of the Issuer's Bonds at any given time, which presence is dependent upon the individual decisions of investors over which the Issuer has no control. Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Bonds. These factors include the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds and the level, direction and volatility of market interest rates generally. No prediction can be made about the effect which any future public offerings of the Issuer's securities or any takeover or merger activity involving the Issuer will have on the market price of the Bonds prevailing from time to time.

### *Interest Rate Risk*

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

### *Changes in Laws and Regulations*

The Bonds are based on the requirements of the Listing Rules of the Listing Authority, the Companies Act and the Commission Regulation in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of this Prospectus.

### *Amendments to the Bond Conditions*

The Bond Conditions contain provisions in section 11.9 of this Securities Note for calling meetings of Bondholders in the event that the Issuer wishes to amend any of the Bond Conditions. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

## 2.2 Risks relating to the Security Interest

An investor in the Bonds will bear certain risks relating to the Security Interest according to the ranking of the relative Security Interest.

- i. Security interests protecting third party interests are identified in section 9.5 of this Securities Note; in respect of the special hypothec (forming part of the Initial Security Interest) enjoyed by the Bonds, third party interests have been registered which will rank in priority to Bondholders against the assets of the Issuer for so long as such security interests remain in effect, as explained further in sections 9.4 and 9.5 of this Securities Note.
- ii. By acquiring the Bonds, the Bondholder is considered to be bound by the terms of the Trust Instrument as if he had been a party to it. The Trust Instrument contains a number of provisions, which the investors ought to be aware of prior to acquiring the Bonds and, therefore, investors ought to read the description of the Trust Instrument contained in section 9.6 before acquiring the Bonds. For instance, in terms of the Trust Instrument:
  - a. The Security Trustee is not liable 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, unless the loss or expense is shown to have been caused by the gross negligence or misconduct of the Security Trustee or the person so appointed;
  - b. The Security Trustee is not bound to take any such steps or proceedings or 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;

- c. the Security Trustee is not bound to declare the Bonds to have become immediately due and repayable in the case of an Event of Default, described in section 11.7 of this Securities Note, under the Bonds Conditions found in this Securities Note, unless requested to do so by a resolution passed by Bondholders holding not less than seventy-five per cent (75%) in nominal value of the Bonds then outstanding at a meeting of the Bondholders;
- d. the Bondholders are entitled to require the Security Trustee to convene a meeting of the participation of Bondholders; and
- e. the Security Trustee is entitled to accept reductions in and/or variations to the Security Interest.

### 3. PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer and the Bonds. All of the Directors, whose names appear under the heading "Persons Responsible" in section 3.1 of the Registration Document, accept responsibility for the information contained herein.

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. ADVISERS TO THE ISSUER, AUDITORS AND SECURITY TRUSTEE

#### 4.1 Advisers to the Issuer

##### **Legal Advisers**

Mamo TCV Advocates  
Palazzo Pietro Stiges  
103, Strait Street  
Valletta. VLT 1436  
Malta

##### **Sponsor**

Charts Investment Management Service Limited  
Valletta Waterfront, Vault 17  
Pinto Wharf  
Floriana FRN 1913  
Malta

##### **Manager and Registrar**

Bank of Valletta p.l.c.  
BOV Centre  
Cannon Road  
St. Venera SVR 9030  
Malta

## 4.2 Statutory Auditors and Financial Advisers

PricewaterhouseCoopers  
78, Mill Street  
Qormi QRM 3101  
Malta

## 4.3 Security Trustee

Registered office:  
Vincenti Buildings  
28/19 Strait Street  
Valletta VLT 1432  
Malta

Correspondence address:  
CSB Trustees & Fiduciaries Limited  
The Penthouse, Tower Business Centre  
Tower Street  
Swatar BKR 4013  
Malta

# 5. ESSENTIAL INFORMATION

## 5.1 Interest of Natural and Legal Persons involved in the Offer

Bank of Valletta p.l.c. holds, directly and indirectly through its 50% shareholding in MSV Life p.l.c., a substantial shareholding (that is, in excess of 10%) in the Issuer and is also acting as Manager and Registrar. Lombard Bank Malta p.l.c. is a shareholder of the Issuer. Charts Investment Management Service Limited is acting as Sponsor and Mediterranean Bank plc is a sister company of the Sponsor. Each of the aforementioned entities is included in the list of Authorised Financial Intermediaries.

Each of the aforementioned entities has in place a 'Conflict of Interest Policy' and procedures and controls designed to identify, prevent or manage conflicts of interest. Where a conflict of interest is considered to arise, the subject entity is obliged by law to manage such conflict in the best interest of prospective investors, in line with the said internal policy, procedures and controls. Consequently, before proceeding to subscribing to any Bonds, a prospective investor shall be informed of the said conflict of interest.

Save for the above and any fees payable in connection with the Bond Issue to Charts Investment Management Service Limited as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, so far as the Issuer is aware, no person involved in the Offer has any other interest that is material to the Offer.

## 5.2 Reasons for the Offer and Use of Proceeds

The proceeds from the Bond Issue, net of expenses, are expected to amount to *circa* €49,000,000. However, the value of Bonds acquired by Existing Holders by virtue of the Bond Exchange Programme detailed in section 8.5 of this Securities Note will not be paid in cash. The net proceeds will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of up to *circa* €40,832,900 of the net proceeds, less the value of the Bonds acquired through the Bond Exchange Programme, shall be used for the purpose of redeeming any Bonds 2016/18 remaining in issue as at 15 December 2016, being the first early date of redemption of the Bonds 2016/18. As at the date of the Prospectus the value of Bonds 2016/18 in issue stands at *circa* €40,832,900 (being the aggregate of

€31,702,900 EUR Bonds 2016/18 and £7,214,300 (equivalent to *circa* €9,130,000) GBP Bonds 2016/18). The amount of the principal still outstanding on the Bonds 2016/18 and any interest payable thereon will be dealt with as detailed in section 9.6.2.2, paragraph (i) of this Securities Note;

- (ii) the amount of *circa* €1,500,000 shall be used to obtain the release of the security interest provided by the Company to secure loan and overdraft facilities made available by HSBC Bank Malta p.l.c. to Solutions and Infrastructure Services Limited ("**SIS**"), a wholly owned subsidiary of the Issuer ("**SIS Banking Facilities**");
- (iii) the amount of *circa* €2,200,000 shall be advanced to Bank of Valletta p.l.c. as cash collateral in order for the aforementioned bank to cancel the security interest securing the obligations of the Company in terms of the euro/sterling cross currency interest rate swap instrument ("**SWAP Instrument**"). Upon termination of the SWAP Instrument, any residual amount from the aforesaid €2,200,000 will be used for general corporate funding purposes of the Group and/or to further reduce the corporate indebtedness of the Group;
- (iv) the amount of €4,500,000 shall be used to fund various infrastructural and restoration works at Tigné Point which are deemed essential for closing off the Tigné Point project.

In the event that the Bond Issue is not fully subscribed, the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified in (i) and (ii) above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

All proceeds from the Bond Issue shall be held by the Security Trustee pending the fulfilment of the conditions indicated in section 9.6.2.1 of this Securities Note and in the event that any of the said conditions is not satisfied:

- (i) the Security Trustee shall return Bond proceeds received back to Applicants; and
- (ii) no Bonds 2016/18 shall be transferred in the Issuer's name in consideration for the issue of Bonds in terms of the Bond Exchange Programme detailed in section 8.5 of this Securities Note, and as such Existing Holders shall retain title of their respective holding of Bonds 2016/18.

Furthermore, following the satisfaction of the conditions set out in section 9.6.2.1 of this Securities Note, certain amounts shall be held by the Security Trustee and dealt with as specified in section 9.6.2.2 (paragraphs (ii) and (iii) respectively) of this Securities Note.

### 5.3 Expenses

Professional fees, costs related to publicity, advertising, printing, listing and registration, selling commission, as well as sponsor, manager and registrar fees and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €1,000,000 and shall be borne by the Issuer.

## 6. OFFER STATISTICS

<b>Issuer:</b>	MIDI p.l.c., a company registered in Malta with registration number C 15836;
<b>Issue:</b>	4% Secured Bonds due 2026;
<b>ISIN:</b>	MT0000421223;
<b>Amount:</b>	Fifty million euro (€50,000,000);
<b>Form:</b>	The Bonds will be issued in fully certificated and registered form, without interest coupons. If and for as long as the Bonds are admitted to listing on the Malta Stock Exchange, certificates will not be delivered to Bondholders in respect of the Bonds as each Bondholder will be registered in dematerialised form by an appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD or as may be stipulated by the MSE Bye-Laws from time to time;
<b>Denomination:</b>	euro (€);
<b>Minimum amount per subscription:</b>	Minimum of two thousand euro (€2,000) and integral multiples of one hundred euro (€100);
<b>Redemption Date:</b>	27 July 2026;
<b>Issue Price:</b>	At par (€100 for each Bond);
<b>Status of the Bonds:</b>	The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and secured obligations of the Issuer. They shall at all times rank <i>pari passu</i> without priority or preference among themselves. They shall rank subsequent to any other prior ranking indebtedness of the Company, if any, as detailed in sections 9.4 and 9.5 of this Securities Note;
<b>Listing:</b>	The Listing Authority has approved the Bonds for admissibility to listing. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
<b>Closing date for Applications:</b>	18 July 2016 in the case of Preferred Applicants and 20 July 2016 (or such earlier date as may be determined by the Issuer in the event of over-subscription) in the case of the general public;
<b>Preferred Applicants' Offer Period</b>	the period between the 01 July 2016 and 18 July 2016 during which the Bonds are on offer to Preferred Applicants;
<b>Public Offer Period:</b>	The period between 04 July 2016 and 20 July 2016 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which the Bonds are on offer to the general public;
<b>Interest:</b>	4% per annum for each of the Bonds;
<b>Yield:</b>	The gross yield calculated on the basis of the Interest, the Issue Price and the Redemption Value of the Bonds at maturity is 4% for each of the Bonds;

<b>Interest Payment Date(s):</b>	Annually on 27 July as from 27 July 2017 (the first interest payment date);
<b>Redemption Value:</b>	At par (€100 for each Bond);
<b>Manager / Registrar:</b>	Bank of Valletta p.l.c.;
<b>Sponsor:</b>	Charts Investment Management Service Limited;
<b>Security Trustee:</b>	CSB Trustees & Fiduciaries Limited;
<b>Notices:</b>	Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his/her registered address and posted;
<b>Governing Law:</b>	The Bonds are governed by and shall be construed in accordance with Maltese law;
<b>Jurisdiction:</b>	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts.

## 7. EXPECTED TIMETABLE

1	Application Forms mailed to Preferred Applicants	30 June 2016
2	Opening of Preferred Applicants Offer Period	01 July 2016
3	Application Forms available to the general public	04 July 2016
4	Closing of Preferred Applicants Offer Period	18 July 2016
5	Opening of Subscription Lists	18 July 2016
6	Closing of Subscription Lists	20 July 2016
7	Commencement of interest	27 July 2016
8	Announcement of basis of acceptance	27 July 2016
9	Refunds of unallocated monies	03 August 2016
10	Admission to listing on the MSE and dispatch of allotment advices	03 August 2016
11	Commencement of trading on the MSE	04 August 2016

The Issuer reserves the right to close Subscriptions Lists before 20 July 2016 in the event of over-subscription, in which case the events set out in steps 8 to 9 above shall be brought forward, although the number of working days between the respective events shall not also be altered.

## 8. DETAILS OF THE OFFER AND ADMISSION TO TRADING

### 8.1 The Bond Issue

The Issuer is issuing 4% Secured Bonds due 2026 for an aggregate principal amount of €50,000,000. The Bonds, having a nominal value of €100 each, will be issued at par and shall bear interest at the rate of 4% per annum payable annually in arrears on 27 July of each year, the first such payment to be made on 27 July 2017. The Bonds, unless previously purchased and cancelled, will be redeemed on 27 July 2026.

The Bond Issue is not underwritten. In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and effect cancellation of the Bonds 2016/18 held by Existing Holders electing to acquire Bonds through the Bond Exchange Programme (as better described in section 8.5 of this Securities Note).

### 8.2 Distribution and Offer Period

The Bonds are open for subscription to all categories of investors, which may be broadly split as follows:

- (i) The Issuer has reserved an aggregate amount of Bonds equivalent to the amount of Bonds 2016/18 of *circa* €40,832,900, subject to any cash top-up as applicable (any Existing Holder whose holding in Bonds 2016/18 is less than the equivalent amount of €2,000 is required to pay the difference up to the minimum subscription amount of €2,000), for subscription by Existing Holders through the Bond Exchange Programme during the Preferred Applicants Offer Period;
- (ii) The Issuer has reserved an aggregate amount of Bonds amounting to €2,000,000 for subscription by Current Shareholders during the Preferred Applicants Offer Period;
- (iii) The remaining balance of *circa* €7,167,100 in Bonds shall be made available for subscription by: (a) Existing Holders in respect of any number of additional Bonds applied for, other than through the Bond Exchange Programme, exceeding in value the nominal amount of EUR Bonds 2016/18 and/or the equivalent euro value of the nominal amount of GBP Bonds 2016/18 held by them as at the Cut-Off Date, during the Preferred Applicants Offer Period; and (b) the general public during the Public Offer Period.

In the event that the aggregate amount of *circa* €42,832,900 reserved for the Preferred Applicants (detailed in clauses (i) and (ii) above) is not fully taken up, such unutilised portion/s shall also become available for allocation to subscribers in terms of clause (iii) above.

In the event that subscriptions exceed the reserved portion referred to in clause (ii) above of €2,000,000, the unsatisfied excess amounts of such Applications will automatically participate in the amount of Bonds available in clause (iii) above.

The minimum subscription of Bonds must be €2,000 and any subscription thereafter must be in multiples of €100. Applications for subscription to the Bonds may be made through any of the Authorised Financial Intermediaries listed in Annex II of this Securities Note.

### 8.3 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

- i. An aggregate amount of Bonds equivalent to the amount of Bonds 2016/18 (*circa* €40,832,900) shall be allocated to Existing Holders applying for Bonds by way of the Bond Exchange Programme, subject to a minimum amount of €2,000 and in multiples of €100.

- ii. An aggregate amount of €2,000,000 has been reserved for subscription by Current Shareholders and shall be allocated in accordance with the allocation policy as determined by the Issuer and Registrar;
- iii. Following the allocation referred to in paragraphs (i) and (ii) hereof, the remaining Bonds shall be allocated to:
  - (a) Existing Holders having applied for Bonds in excess of their respective holding in the Bonds 2016/18;
  - (b) Current Shareholders with respect to such unsatisfied excess amount that may result from an oversubscription in the reserved portion of €2,000,000; and
  - (c) Applications submitted by the general public,

without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar.

The Issuer will announce the allocation policy for the allotment of the Bonds through a company announcement within five (5) Business Days of the closing of the Public Offer Period.

#### **8.4 Allotment Results**

It is expected that an allotment advice to Applicants will be dispatched within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Listing shall be effected subject to the fulfilment of the conditions set out in section 9.6.2 of the Securities Note. Dealing shall commence upon admission to trading of the Bonds by the MSE, and subsequent to the above mentioned notification.

#### **8.5 Bond Exchange Programme**

Existing Holders of EUR Bonds 2016/18 applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of EUR Bonds 2016/18 at par value, subject to a minimum holding of €2,000 in Bonds. Accordingly, any Existing Holder whose holding in EUR Bonds 2016/18 is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A'.

Existing Holders of GBP Bonds 2016/18 applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of GBP Bonds 2016/18. For such purpose, the par value of each holding in GBP Bonds 2016/18 shall be converted to the equivalent value in euro at the exchange rate of €1: £0.834, rounded up to the nearest €100. In determining the aforesaid exchange rate, the Issuer was guided by the reference exchange rate published by the European Central Bank on 27 June 2016 at 15:30 hours<sup>1</sup>. Subscriptions shall be subject to a minimum holding of €2,000 in Bonds. Accordingly, any Existing Holder whose holding in GBP Bonds 2016/18 is less than the equivalent amount of €2,000 shall be required to pay the difference in Euro together with the submission of their Application Form 'B'.

Holders of EUR Bonds 2016/18 and GBP Bonds 2016/18 shall use Application Forms 'A' and 'B' respectively, to be mailed directly by the Issuer and shall be required to submit same to Authorised Financial Intermediaries together with cleared funds, if applicable (as described below), during the Preferred Applicants Offer Period.

By virtue of the submission of the duly completed and signed Application Form, Existing Holders shall indicate their agreement to settle the consideration for the Bonds by surrendering in the Issuer's favour for cancellation all or part of the Bonds 2016/18 together with the payment of such additional amount in cash as may be required, and such Application Form shall be deemed:

<sup>1</sup> <https://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>

- (i) to confirm that all or part (as the case may be) of the said Bonds 2016/18 as indicated in the Application Form are to be transferred in the Issuer's favour for cancellation; and
- (ii) as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.

Any Existing Holder wishing to surrender and cancel all or part of their Bonds 2016/18 in exchange of the Bonds shall only be entitled to do so during the Preferred Applicants Offer Period.

## **8.6 Refunds**

If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, the Application monies or the balance of the amount paid on Application will be returned by the Issuer, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the relevant Application Form within five (5) Business Days from the date of announcement of acceptance of Bonds (refer to section 7 of this Securities Note).

Neither the Issuer nor the Registrar will be responsible for any charges, loss or delays in transmission of the refunds.

In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Bonds 2016/18, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

## **8.7 Admission to Trading**

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 28 June 2016.

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 03 August 2016, and trading is expected to commence on 04 August 2016.

# **9. INFORMATION CONCERNING THE BONDS**

## **9.1 Description of the Bonds**

Once issued, the Bonds shall constitute the debt obligations of the Issuer that bind the Issuer to pay to the Bondholders interest on each Interest Payment Date and the nominal value of the Bonds on the Redemption Date. The Bonds shall be issued at a nominal value of €100 for each Bond. The Bonds have been created in terms of the Companies Act. The issue of the Bonds is being made in accordance with the requirements of the Listing Rules, the Companies Act, and the Commission Regulation.

The Bonds will be issued in dematerialised form, and following admission of the Bonds to the Official List of the Malta Stock Exchange, the Bonds shall be held in book-entry form by the CSD of the Malta Stock Exchange.

Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN code MT0000421223.

## **9.2 Currency of the Bond Issue**

The currency of the Bonds is euro (€).



### 9.3 Rights attached to the Bonds

There are no special rights attached to the Bonds other than the right of the Bondholders to:

- (i) the payment of capital;
- (ii) the payment of interest;
- (iii) the benefit of the Security Interest through the Security Trustee;
- (iv) attend, participate in and vote at meetings of Bondholders in accordance with section 11 of this Securities Note ("Terms and Conditions of the Bonds"); and
- (v) enjoy all such other rights attached to the Bonds emanating from this Prospectus.

### 9.4 Summary of Existing Registered Privileges and Hypothecs

A summary of existing registered privileges and hypothecs resulting from searches carried out up to the 06 May 2016 is attached to this Securities Note as Annex III.

### 9.5 The Security Interest

The Bonds shall be secured by the Security Interest held by the Security Trustee in favour of the Bondholders as beneficiaries of the Trust Instrument. Details of the Trust Instrument are contained in section 9.6 of this Securities Note.

Prior to the issue and allotment of the Bonds, the Bonds shall be secured by the Initial Security Interest. The Initial Security Interest may be varied or reduced from time to time, as provided for in clauses 8 and 9 of the Trust Instrument, so however that the value of the security forming part of the Security Interest from time to time shall not be less than the aggregate nominal amount of the Bonds and the interest payable thereon. Further detail on this matter is found in section 9.6 below. In the event that the Initial Security Interest be varied as aforesaid, the ranking of the Security Interest may not be the same as the ranking of the Initial Security Interest indicated in Annex III. Moreover, the Security Trustee, if it is deemed to be in the interest of Bondholders, may provide its consent for security to be granted by the Issuer which shall rank prior to the Initial Security Interest in terms of and under the conditions set out in clauses 8 and 9 of the Trust Instrument, described in section 9.6.2 of this Securities Note. In such cases, the Security Trustee shall, in giving his consent, act for the benefit of Bondholders, as he is obliged to do in terms of law (article 3.1 of the Trusts and Trustees Act (Cap. 331 of the laws of Malta).

The **Initial Security Interest** shall consist of the following:

- (i) the special hypothec to be constituted by the Issuer in favour of the Security Trustee by virtue of a deed of hypothec for the amount of fifty million euro (€50,000,000) and interest and costs thereon, over the immovable property detailed below under the heading "Summary of Security in favour of the Security Trustee" (sub-headings: "Commercial premises"; "Car parking spaces"; "Storage rooms"; and "Properties earmarked for development"). This special hypothec shall rank as indicated below (see also Annex III).
- (ii) the pledge of 11,699,999 shares in T14 Investments Limited ( C 63982 ), detailed below under the heading "Summary of Security in favour of the Security Trustee" (sub-heading: "Shareholding in T14 Investments Ltd"), to be constituted by the Company in favour of the Security Trustee by virtue of the pledge agreement for the principal amount of the Bonds or any amount outstanding and any interest thereon. These shares have not been previously pledged.

**MIDI p.l.c.****Summary of Security in favour of the Security Trustee****€'000****Commercial premises:**

Q2 Block - ground floor	3,237
T4P, T7P and T9P Blocks - 11 outlets	11,885
T12 Clubhouse - 2 catering outlets, health & leisure facility and car parking spaces	6,518
Fort Tigné	3,876
	<u>25,516</u>

**Car parking spaces:**

T11 Section, T8/T9/T10 Section (level -4) - 519 spaces	12,975
T1 Section - 132 spaces	3,300
'Q' car park (level -2) - 62 spaces	1,550
Car park behind T2 Section - 35 spaces	875
T15/T16 Section - 39 spaces	975
	<u>19,675</u>

**Storage rooms:**

Total area of <i>circa</i> 3,216m <sup>2</sup>	<u>1,929</u>
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**Properties earmarked for development:**

T20 site	<u>636</u>
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**Shareholding in T14 Investments Ltd:**

Value of 11,699,999 shares in T14 Investments Ltd	11,700
Less Government's privilege on T14 Site	<u>(6,037)</u>
	<u>5,663</u>

<b>Total</b>	<b><u><u>53,419</u></u></b>
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\* Note on item "Shareholding in T14 Investments Ltd": In terms of a public deed in the records of Notary Dr Pierre Attard of 12 July 2014 between *inter alia* the Issuer and Mid Knight Holdings Limited ("MKH"), the Issuer transferred the site for the development of the T14 Building to MKH. The said site was burdened by a special hypothec in favour of the GOM, as security for the payment of the premium, and this is better described in Annex III. On the said deed, the Issuer remained responsible to pay the amount of €6,037,155.24 and to obtain the cancellation of the registration of such hypothec. MKH is entitled in terms of the said deed to make payments of capital or dividends due to the MIDI Group in a pledged account in favour of MKH as security pending the cancellation of the said special hypothec. The value of this special hypothec has been taken into consideration when establishing the value of the Initial Security Interest to be given to the Security Trustee.

In terms of article 1995 of the Civil Code (Cap. 16 of the laws of Malta), the property of a debtor is the common guarantee of his creditors, all of whom have an equal right over such property, unless there exist between them “lawful causes of preference.” Privileges and hypothecs are “lawful causes of preference”.

A privilege is a right of preference which the nature of a debt confers upon a creditor over the other creditors, including hypothecary creditors (article 1999 of the Civil Code). A debt due to a pledgee is considered a privileged debt over the thing which is held as a pledge (article 2009(a) of the Civil Code). Securities, including shares, may be pledged by their holder in favour of any person as security for any obligation (article 122(1) of the Companies Act). In the event of default under the agreement constituting the pledge, and upon giving notice by judicial act to the pledgor and the company whose shares are pledged, the pledgee is entitled to dispose of the securities which are pledged in his favour or appropriate and acquire the securities himself in settlement of the debt due or part thereof. This is without prejudice to the right of the pledgee to apply for judicial sale of the securities and notwithstanding the provisions of the Civil Code or of the memorandum and articles of the company whose shares are pledged (Article 122(6) of the Companies Act).

A hypothec is a right created over the property of a debtor or of a third party for the benefit of the creditor, as security for the fulfilment of an obligation (article 2011 of the Civil Code); a special hypothec is a hypothec which affects particular immovables (article 2012 of the Civil Code).

Debts which are secured by privileges rank according to the order set out by law (articles 2089 to 2091 of the Civil Code), whilst debts which are secured by hypothecs rank according to the date of registration (article 2092 of the Civil Code).

The pledge of 11,699,999 shares in T14 Investments Limited therefore would constitute a privilege in favour of the Security Trustee, on behalf of the Bondholders, which in terms of article 2089 of the Civil Code means that the principal amount of the Bonds still outstanding together with accrued interest ranks prior to other debts over the shares so pledged. Moreover the Security Trustee, acting on behalf of the Bondholders, may exercise any of the remedies specified at law in order to enforce the pledge over the said shares.

The special hypothec over the immovable property indicated above would secure the principal amount of the Bonds still outstanding together with accrued interest however in the event of enforcement of the special hypothec, the Security Trustee, on behalf of the Bondholders, will rank after the persons and/or entities indicated below (see also Annex III), and in preference to any future creditors, save in situations where the Security Trustee consents to security to be granted by the Issuer ranking prior to the Initial Security Interest as noted above.

Following the publication of the relevant deeds of postponement, waiver, reduction and/or cancellation of the general hypothecs and/or special hypothecs described in Annex III to the Securities Note and identified therein as pending postponement, waiver, reduction or cancellation, as applicable; as well as the publication of the relative deed of hypothec and the execution of the pledge agreement constituting the Initial Security Interest, the Initial Security Interest shall **rank** as follows:

The Initial Security Interest which consists of the pledge of 11,699,999 shares in T14 Investments will be first ranking with respect to the said shares.

The Initial Security Interest over the immovable property indicated above will rank after the following:

- (a) the security interest which the GOM retained in its capacity as the holder of the *directum dominium* over the Emphyteutical Land, as security for the payment of ground rent which security interest follows the transfer of land; and
- (b) any security interest which may arise by operation of law.

The Initial Security Interest over the immovable property will also rank after the general hypothecs granted by the Issuer in favour of purchasers of property on the deeds of sale, over all the Issuer’s property present and future in warranty of peaceful possession. On the final deeds of sale the purchasers specifically renounced to their rights under section 2016 of the Civil Code to cause to be registered, as a further security, a special hypothec on the Company’s property.

Moreover, the security interests granted by the Company to secure the SIS Banking Facilities (vide items 12 and 13 in Annex III) and the obligations of the Company in terms of the SWAP Instrument (vide items 2, 4 and 11 in Annex III) shall also rank prior to the Initial Security Interest over the immovable property until such time as the events described in section 9.6.2.2 (ii) and (iii) of this Securities Note occur.

It should also be noted that in terms of the Trust Instrument the Security Trustee may retain and pay to itself out of any monies or the proceeds of any investments in its hands upon the trusts of the Trust Instrument all sums owing to it in respect of remuneration costs, charges, expenses or interest or by virtue of any indemnity from the Company to which it is entitled under the Trust Instrument or by law or by virtue of any release or indemnity granted to it and all such sums as aforesaid shall be so retained and paid in priority to the claims of the Bondholders and shall constitute an additional charge upon the property charged with the Security Interest.

Pursuant to the provisions of the Trust Instrument, the Security Trustee shall retain all proceeds from the Bonds until such time as the Initial Security Interest shall have been duly constituted in favour of the Security Trustee. No Bonds shall be issued and allotted until the Initial Security Interest has been duly constituted and the Malta Stock Exchange admits the Bonds to trading as listed instruments.

## **9.6 The Trust Instrument**

The following does not purport to constitute an exhaustive summary of the Trust Instrument. This section 9.6 is simply intended to give an overview of the more salient provisions of the Trust Instrument. For more information on the provisions of the Trust Instrument, please refer to the Trust Instrument which is available for inspection as indicated in section 18 of the Registration Document.

Terms in this section 9.6 have the meaning assigned to them in the Trust Instrument.

### **9.6.1 General provisions**

The trust is constituted in terms of Article 2095E of the Civil Code (Cap. 12 of the laws of Malta), and is to be treated as constituted in the context of a commercial transaction in terms and for the purposes of the Trusts and Trustees Act (Cap. 331 of the laws of Malta) (Clauses 3.2 and 3.3).

### **9.6.2 Safeguards for the Applicants and Existing Holders**

#### **9.6.2.1 Conditions**

The net proceeds from the issue of the Bonds shall be held by the Security Trustee pending the fulfillment by the Issuer of the following conditions (Clause 4.3):

- (i) the publication of the deed/s pertaining to the postponements, waivers, reductions or cancellations of the general hypothecs and/or special hypothecs described in Annex III to the Securities Note and identified therein as pending postponement, waiver, reduction or cancellation, as applicable;
- (ii) the publication of the deed of hypothec forming part of the Initial Security Interest;
- (iii) the execution of the pledge agreement forming part of the Initial Security Interest; and
- (iv) the admission of the Bonds to the Official List of the MSE.

#### **9.6.2.2 Transfer of the net proceeds of the Bonds to the Issuer**

Upon the satisfaction of the conditions indicated in section 9.6.2.1 above, the Security Trustee shall transfer the net proceeds from the issue of the Bonds to the Issuer less:

- (i) the Reserved Amount (if any), which shall be transferred by the Security Trustee to the Reserve Account referred to in the agreement entered into between the Company and HSBC Bank Malta p.l.c. dated 23 December 2010, where the Reserved Amount is the difference, if any, between:
  - (a) the amount of principal still outstanding on the Bonds 2016/18 and any interest payable thereon until the date of maturity after taking into account the Existing Holders who do not participate in the Bond Exchange Programme described in section 8.5 of this Securities Note, or who do not participate fully in the said Bond Exchange Programme; and

- (b) the value of any assets held in trust by HSBC Bank Malta p.l.c. in virtue of an agreement entered into between the Company and HSBC Bank Malta p.l.c. dated 23 December 2010, which assets are held in trust in favour of the Existing Holders.
- (ii) the amount of *circa* €1,500,000, which shall be transferred by the Security Trustee to the Issuer or to any person who the Issuer may delegate the Security Trustee to transfer the said amount to, for the purposes of and upon the release of the security interest described in items 12 and 13 of Annex III, registered in favour of HSBC Bank Malta p.l.c., granted by the Company to secure the SIS Banking Facilities; and
- (iii) the amount of *circa* €2,200,000, which shall be transferred by the Security Trustee to the Issuer or to any person who the Issuer may delegate the Security Trustee to transfer the said amount to, for the purposes of and upon the cancellation of the security interest described in item 2, 4 and 11 of Annex III, registered in favour of Bank of Valletta p.l.c., securing the obligations of the Company in terms of the SWAP Instrument.

### 9.6.3 Variation or reduction of the Security Interest

The Trust Instrument makes provision for the following situations:

- (i) In the event that the Bonds are purchased and cancelled by the Issuer, the value of the Security Interest is to be reduced by an amount equivalent to the principal amount of the Bonds so purchased and cancelled (Clause 7.4).
- (ii) The Company has the right to have a part or parts of the property being secured by the Security Interest to be released from the effects of the Security Interest and/or to have the relative Security Interest waived or postponed, without substituting other property or money, provided that the property remaining immediately after such release or waiver shall have an aggregate value as shown by a valuation of not less than the aggregate nominal amount of the Bonds and the interest payable thereon for a period of one (1) year. The Trust Instrument defines 'valuation' as a valuation made by such professional valuer as may be nominated or approved by the Security Trustee ("Valuer") on the basis of sale in the open market between a willing buyer and a willing seller or on such other basis as the Security Trustee may approve, in the case of immovable property, and as a valuation made by a Valuer on the basis of applicable international standards, or such other basis as the Security Trustee may approve, in the case of movable property. The Issuer and the Security Trustee have the right to require a valuation at any time at the Issuer's expense, and may require the release, waiver or postponement of the Security Interest as aforesaid within twelve (12) months of the date of the valuation. (Clause 8)
- (iii) The Company has the right to have all or any part of the property secured by the Security Interest to be released from the effects of the relative Security Interest and/or of having the relative Security Interest waived or postponed upon alternative security being provided in favour of and to the satisfaction of the Security Trustee. In such cases, the Valuer would have to certify that following substitution the aggregate value of the property secured by the security Interest shall be not less than the aggregate nominal amount of the Bonds and the interest payable thereon for a period of one (1) year. In this case, the Security Trustee may, subject to agreement with the Company, instead of requiring a valuation, treat the value of the property as being its proposed sale price. (Clause 9)

Furthermore, upon purchase and cancellation of all the Bonds or payment on redemption or otherwise of the principal amount of the Bonds, payment of all interest thereunder and reimbursement of all expenses incurred by, and payment of remuneration due to the Security Trustee under the Trust Instrument, the Security Interest shall be released, and the hypothecs, pledges or other security constituting the security Interest shall be cancelled.

### 9.6.4 Covenants and representations and warranties

The Company has covenanted various obligations with the Security Trustee which apply for the duration of the continuance of the Security Interest (Clause 11). These covenants may be enforced by the Security Trustee (Clause 15.1). Moreover, the Company has made a number of representations and warranties to the Security Trustee, that relies on such representations and warranties (Clause 13).

### 9.6.5 Functions and powers of the Security Trustee

The Trust Instrument makes provision for various powers of the Security Trustee. Most notably, the Security Trustee may, by notice in writing to the Issuer, declare the Bonds to have become immediately due and repayable in the case of an Event of Default under the Bond Conditions (section 11.7 of this Securities Note) and may take any proceedings against the Company as it may deem fit including for the enforcement of the Security Interest if the Company fails to pay the principal amount as and when the Bonds are due to be redeemed and failure continues for 30 days after written notice is given to the Company or at any time after the Bonds have become immediately due and repayable (Clause 12). The functions and powers of the Security Trustee are dealt with in Clause 15 of the Trust Instrument, which also provides that generally the Security Trustee shall not be liable for any error of judgement committed in good faith unless it is proved that it was grossly negligent in ascertaining the pertinent facts and the Security Trustee, its officers, employees and agents are entitled to be indemnified out of the property subject to the Security Interest so far as may be lawful in respect of all liabilities incurred in the execution of the trusts of the Trust Instrument.

The Security Trustee may pay to itself out of the trust fund all sums owing to it in respect of remuneration, costs, charge, expenses or interest, or by virtue of any indemnity from the Company to which it is entitled under the Trust Instrument or by law or by virtue of any release of indemnity granted to it, out of any monies or the proceeds of any investments in its hands upon the trusts of the Trust Instrument. All such sums shall be retained and paid in priority to the claims of the Bondholders and shall constitute an additional charge upon the property charged with the Security Interest. (Clause 18.3)

### 9.6.6 Resignation and removal of Security Trustee

The Security Trustee may resign as security trustee by giving not less than three (3) months' notice in writing to the Company. The Company may remove the Security Trustee by giving him at least one (1) months' notice.

In the event of the Security Trustee giving notice or being removed, the Company undertakes to procure a new trustee to be appointed ("the Successor Trustee"). The retirement or removal shall not become effective until such time as a Successor Trustee, is appointed and the Security Interest is transferred to the Successor Trustee. Upon appointment of the Successor Trustee, references contained in the Trust Instrument and this Prospectus to the Security Trustee shall be deemed to refer to the Successor Trustee.

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

### 9.7 Registration, Form, Denomination and Title

1. Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.
2. The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.
3. The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100, provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

## **9.8 Interest**

The Bonds shall accrue interest at the rate of 4% per annum, payable annually on the Interest Payment Date. Interest shall accrue as from 27 July 2016. The first Interest Payment Date shall be 27 July 2017 (covering the period 27 July 2016 to 26 July 2017). Further information is provided in section 11.4 of this Securities Note.

## **9.9 Transferability of the Bonds**

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in multiples of €100 in accordance with the rules and regulations of the MSE applicable from time to time. Further information on the transferability of the Bonds is provided in section 11.8 of this Securities Note.

## **9.10 Maturity and Redemption**

The Bonds shall become due for redemption on 27 July 2026. Redemption of the Bonds shall be made at the nominal value of the Bonds. In addition, the Issuer reserves the right to purchase and cancel Bonds from the market at any time after issue.

## **9.11 Yield**

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 4%.

## **9.12 Authorisations and Approval**

The Board of Directors of the Issuer authorised the Bond Issue and the publication of the Prospectus pursuant to a board of directors' resolution passed on 26 April 2016.

## **9.13 Expected Issue Date of the Bonds**

The expected Issue Date of the Bonds is 03 August 2016.

# **10. TAXATION**

## **10.1 General**

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

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

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

## 10.2 Malta Tax on Interest

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

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. Where the Bondholder is a Maltese resident individual, he is still entitled to declare the gross interest in the tax return, however the tax so deducted will not be available as a credit against the individual's tax liability or for a refund as the case may be.

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

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

## 10.3 Exchange of Information

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

## 10.4 Maltese Taxation on Capital Gains on Transfer of the Bonds

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

## 10.5 Duty on Documents and Transfers

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

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



## 11. TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions, which will be applicable to the Bonds (the “**Bond Conditions**”). Each Bondholder and any person claiming through or under a Bondholder is deemed to have notice and knowledge of, and is bound by, these Bond Conditions.

**The issue of these Bonds is being made subject to the provisions of these Bond Conditions and of the Trust Instrument. A Bondholder is deemed to have invested in the Bonds only after having received, read and understood the contents of these Bond Conditions, the Prospectus and the Trust Instrument and therefore only after having full knowledge of the information contained in these Bond Conditions, the Prospectus and the Trust Instrument and is accordingly deemed to have accepted all the terms and conditions set out in the Bond Conditions, the Prospectus and the Trust Instrument.**

### 11.1 General

Each bond forms part of a duly authorised issue of 4% Secured Bonds due 2026 having a nominal value of €100 each (the “**Bonds**”) of MIDI p.l.c. (the “**Issuer**”) for an aggregate principal amount of €50,000,000 (save what is provided in section 11.10 of this Securities Note). The Bonds issued by the Issuer shall be issued in euro (€).

### 11.2 Form, Denomination, Title and Pricing

1. The Bonds will be issued without interest coupons in denominations of integral multiples of €100 provided that on subscription they will be issued for a minimum of €2,000.
2. On subscription, the Bonds are being offered at par, that is at €100 per Bond.
3. The Bonds will be issued in dematerialised form and shall accordingly be evidenced by a book-entry in the register of Bondholders held by the CSD of the Malta Stock Exchange or as may be stipulated by the MSE Bye-Laws from time to time.
4. The nominal value of each Bond is being established to facilitate trading therein. The bonds, and the transfer thereof, shall be registered as provided under section 11.8 below.
5. A person in whose name a Bond shall be registered shall (to the fullest extent permitted by law) be treated at all times and for all purposes as the absolute owner of such Bond regardless of any notice of ownership or trust.

### 11.3 Status and Security Interest

1. The Bonds shall constitute the general, direct, unconditional and secured obligations of the Issuer. They shall at all times rank *pari passu* without any priority or preference among themselves. They shall rank subsequent to any other prior ranking indebtedness of the Company, if any.
2. In accordance with the provisions of the Trust Instrument, the Bonds shall be secured by the Security Interest held by the Security Trustee for the benefit of the Bondholders and in that respect only shall rank in preference to other present and future unsecured obligations of the Issuer, if any.
3. The ranking of the Initial Security Interest with respect to other lawful causes of preference is indicated in the Trust Instrument and in section 9.5 of this Securities Note.
4. In terms of article 1995 of the Civil Code (Cap. 16 of the laws of Malta), the property of a debtor is the common guarantee of his creditors, all of whom have an equal right over such property, unless there exist between them lawful causes of preference. Privileges and hypothecs are “lawful causes of preference”. Accordingly any debts which are secured by privileges, whether existing now or which may come into existence in the future would rank according to the order set out by law, and debts which are secured by hypothecs would rank according to the date of registration, subject to what is provided in the Trust Instrument and in section 9.5 of the Securities Note.

#### 11.4 Interest

1. The Bonds shall bear interest from and including 27 July 2016 at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 27 July 2017 (covering the period 27 July 2016 to 26 July 2017).
2. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.
3. Each Bond will cease to bear interest from and including its due date of redemption unless payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue at the applicable rate specified above or at the rate of two per cent (2%) per annum above the European Central Bank's Refinancing Rate, whichever is the greater.
4. When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

#### 11.5 Payments

1. Payment of the principal amount (with interest accrued to the due date for redemption) as well as payment of any instalment of interest of the Bonds will be made in euro to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the due date for redemption or fifteen (15) days prior to the Interest Payment Date (as the case may be) by direct credit to an account which is denominated in euro and held with any licensed bank in Malta as specified by the Bondholder. The Issuer shall not be responsible for any charges, loss or delay in transmission. Such payment shall be effected within seven (7) days of the due date for redemption or the Interest Payment Date (as the case may be).
2. All payments are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other Governmental charges of whatsoever nature imposed or levied by or on behalf of the GOM or authority thereof or therein having power to tax.
3. No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this section 11.5. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

#### 11.6 Redemption and Purchase

1. The Bonds will be redeemed at their nominal value (together with interest accrued to the due date for redemption) on 27 July 2026 (the "**Redemption Date**").
2. All Bonds so redeemed will be cancelled forthwith and may not be reissued or resold.
3. The Issuer and any Group Company may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased by the Issuer will be cancelled forthwith and may not be re-issued or resold. All Bonds so purchased by any Group Company may be cancelled or held, reissued or resold at the discretion of the relevant purchaser. The Bonds so purchased, while held by or on behalf of any Group Company, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of these Bond Conditions including, without limitation, for the purposes of section 11.9.

## 11.7 Events of Default

1. The Security Trustee at its discretion may, and if so requested by a resolution passed by Bondholders holding not less than seventy-five per centum (75%) in nominal value of the Bonds then outstanding shall, give notice to the Issuer that the Bonds are, and they shall accordingly immediately become, due and repayable at their principal amount together with accrued interest, if any of the following events ("Events of Default") shall occur:-
  - (i) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Trustee; or
  - (ii) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in these Bond Conditions or in the Trust Instrument and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee; or
  - (iii) any default occurs and continues for ninety (90) days under any contract or document relating to any Relevant Indebtedness (as defined below) of the Issuer in excess of €5,000,000 or its equivalent at any time; or
  - (iv) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of €5,000,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
  - (v) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
  - (vi) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
  - (vii) a provisional administrator is appointed of the whole or any part of the property of the Issuer or the Issuer ceases or threatens to cease to carry on its business or a substantial part thereof; or
  - (viii) 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 are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government;

provided that in the case of paragraphs (ii), (iii), (iv), (vii) and (viii) the Security Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

2. At any time after the Bonds shall have become immediately due and payable as aforesaid, or in the event that the Issuer fails to pay the principal amount as and when the Bonds are due to be redeemed as provided by these Bond Conditions, and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Company, the Security Trustee may, at its discretion, and shall, if so requested by resolution passed by Bondholders holding not less than seventy-five per centum (75%) in nominal value of the Bonds then still outstanding, institute such proceedings as it may think fit against the Issuer to enforce repayment of the principal together with accrued but unpaid interest, including the enforcement of the Security Interest, provided that the Trustee shall not be bound to do so unless it 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.
3. 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 is observing and performing all the obligations, conditions and provisions on their respective parts contained in the Bond Conditions and the Trust Instrument.
4. No Bondholder shall in any circumstances be entitled to any remedy (whether by way of action or otherwise howsoever) for the recovery of the Bonds or any part of it or any interest, unless the Security Trustee, having

become bound to take proceedings in accordance with the Trust Instrument, fails to do so. In that case any Bondholder may, on giving the Security Trustee an indemnity satisfactory to it, in the name of the Security Trustee (but not otherwise) himself either take such proceedings against the Issuer or prove in the winding-up of the Issuer.

5. For the purposes of this section 11.7, "Relevant Indebtedness" means any indebtedness in respect of:
  - (i) monies borrowed;
  - (ii) any debenture, bond, note, loan stock or other security creating or acknowledging indebtedness;
  - (iii) any acceptance credit;
  - (iv) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;
  - (v) leases entered into primarily as a method of raising finance or financing the acquisition of the asset leased;
  - (vi) amounts raised under any other transaction having the commercial effect of borrowing or raising of money;
  - (vii) any guarantee, indemnity or similar assurance in respect of any such indebtedness.

#### **11.8 Registration, Replacement, Transfer and Exchange**

1. A register of the Bonds will be kept wherein there will be entered the names and addresses of the Bondholders and particulars of the Bonds held by them respectively and a copy of such register will at all reasonable times during business hours be open to the inspection of the Bondholders at the registered office of the Issuer for the purpose of the Bondholders inspecting information held on their respective account. If and for as long as the Bonds are admitted to listing on the MSE, the said register will be kept at the Central Securities Depository of the MSE or as may be stipulated by, and in accordance with, the MSE Bye-Laws. The said CSD will issue on a twelve-monthly basis or at such other intervals as the MSE Bye-Laws shall from time to time determine, a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the said CSD.
2. A Bond may be transferred or transmitted only in whole, in multiples of €100, in accordance with the rules and procedures applicable from time to time at the MSE.
3. Any person becoming entitled to a Bond in consequence of the death, bankruptcy or winding-up of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the MSE, elect either to be registered himself as Bondholder or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.
4. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
5. The cost and expenses of effecting any exchange or registration of transfer or transmission except for the expenses of delivery by regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Bondholder.
6. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

## 11.9 Resolutions and Meetings of Bondholders

1. The Issuer may, through the Security Trustee, from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which, in terms of the Prospectus, require the approval of a meeting of Bondholders and to effect any change to the applicable Bond Conditions, including any change to a material term of issuance of the Bonds or the Prospectus, or to effect a change to the Trust Instrument.
  - (i) No change to the applicable Bond Conditions or any terms of this Prospectus which has an effect on the Bonds may be made unless such decision is made at a meeting of Bondholders duly convened and held.
  - (ii) A meeting of Bondholders shall be called by the Directors, through the Security Trustee, by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section 11.9 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
  - (iii) The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
  - (iv) A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting: the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.
  - (v) Any person who in accordance with the Memorandum and Articles of Association is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
  - (vi) 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 Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
  - (vii) The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer and the Security Trustee.
  - (viii) The proposal placed before a meeting of Bondholders shall only be considered approved if at least 60% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

- (ix) Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.
2. Without prejudice to the above, the Security Trustee must convene a meeting of the Bondholders upon a requisition in writing signed by a Bondholder or Bondholders holding not less than twenty per cent (20%) in nominal amount of the beneficial interest in the Bonds for the time being outstanding and upon receiving such indemnity against the costs of convening and holding such meeting as it may reasonably require. Meetings shall be convened and requested only for the purpose of considering a resolution specified in the immediately preceding paragraph. The time and place of the meeting must be specified by the Security Trustee. Subject to what is stated in this paragraph, the rules applicable to proceedings at general meetings of Bondholders specified in the immediately preceding paragraph shall *mutatis mutandis* apply to meetings of Bondholders so convened.
  3. The Security Trustee at any time, prior to exercising any power or discretion under the Trust Instrument may call a meeting of Bondholders.
  4. In the event that the Bonds are listed, and for so long as the Bonds remain listed, any resolution which may be proposed shall be subject to any laws, regulations, rules or bye-laws which may be applicable from time to time.

#### **11.10 Further Issues**

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds, debentures or any other debt securities either having the same terms and conditions as the Bonds in all respects (except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Bonds or otherwise upon such terms and conditions as the Issuer may determine. Any further debt securities so issued may rank *pari passu* in all respects with the Bonds but shall not rank ahead of the Bonds.

#### **11.11 Bonds held Jointly**

In respect of a Bond held jointly by several persons (including husband and wife), the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first named in the register of Bondholders shall for all intents and purposes be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

#### **11.12 Bonds held Subject to Usufruct**

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-a-vis* the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner.

#### **11.13 Governing Law and Jurisdiction**

1. The Bonds are governed by and shall be construed in accordance with Maltese law.
2. Any legal action, suit or proceeding against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholders shall, upon and by submitting an Application, acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

### 11.14 Notices

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

### 11.15 Listing

The Bonds, upon issue and subscription, shall be admitted to the Official List of the MSE. Accordingly, all these Bond Conditions shall be read in conjunction with the Listing Rules of the Listing Authority and with the Bye-Laws of the MSE as applicable from time to time.

## 12. TERMS AND CONDITIONS OF THE APPLICATION

The following are the terms and conditions which are applicable to Applications (the “**Application Conditions**”). Any Applicant is deemed to have notice of, and is bound by, these Application Conditions.

1. The issue and allotment of the Bonds is conditional upon: (i) the Bonds being admitted to the Official List of the MSE; and (ii) the Initial Security Interest being constituted in favour of the Security Trustee. In the event that either of the aforesaid conditions is not satisfied within 30 Business Days of the close of the Public Offer Period, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.
2. Subject to all other Application Conditions, the Issuer reserves the right to reject, in whole or in part, or to scale down any Application, including multiple or suspected multiple Applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application, which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents.
3. If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, then the Applicant shall receive a refund of the price of the Bonds applied for but not allocated, the Application monies or the balance of the amount paid on Application will be returned by direct credit into the Applicant's bank account as indicated in the Application Form, within five (5) Business Days from the date of final allocation. No interest shall be due on refunds and the Issuer shall not be responsible for any charges, loss or delay in transmission.
4. In the case of joint Applications, reference to the Applicant in these Application Conditions is a reference to each Applicant, and liability therefor is joint and several.
5. The consideration payable by holders of EUR Bonds 2016/18 applying for Bonds may be settled, after submitting the appropriate Application Form 'A', by the transfer to the Issuer of all or part of the EUR Bonds 2016/18 held by such Applicant as at the Cut-Off Date, subject to a minimum application of €2,000, which transfer shall be effected at the par value of the EUR Bonds 2016/18. Any holders of EUR Bonds 2016/18 whose holding in EUR Bonds 2016/18 is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A'.

Holders of EUR Bonds 2016/18, electing to subscribe for Bonds through the Bond Exchange Programme, shall be allocated Bonds for the corresponding nominal value of EUR Bonds 2016/18 transferred to the Issuer (including cash top-up, where applicable).

The consideration payable by holders of GBP Bonds 2016/18 applying for Bonds may be settled, after submitting the appropriate Application Form 'B', by the transfer to the Issuer of all or part of the GBP Bonds 2016/18 held by such Applicant as at the Cut-Off Date. For such purpose, the par value of each holding in GBP Bonds 2016/18 shall be converted to the equivalent value in euro at the exchange rate established by the Issuer on 27 June 2016 as described in section 8.5 above. Subscriptions shall be subject to a minimum application of €2,000 in Bonds. Any holders of GBP Bonds 2016/18 whose holding in GBP Bonds 2016/18 is less than the equivalent amount of €2,000 shall be required to pay the difference in euro together with the submission of their Application Form 'B'.

Holders of GBP Bonds 2016/18, electing to subscribe for Bonds through the Bond Exchange Programme, shall be allocated Bonds for the corresponding equivalent euro amount of nominal value of GBP Bonds 2016/18 transferred to the Issuer (including cash top-up payable in euro, where applicable).

The transfer of Bonds 2016/18 to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Bonds 2016/18 to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds.

Bonds applied for by Existing Holders through the Bond Exchange Programme shall be allocated prior to any other allocation of Bonds.

In addition to the aforesaid, Existing Holders transferring all of the Bonds 2016/18 held by them as at the Cut-Off Date, may apply for an amount of Bonds in excess of the amount of Bonds 2016/18 being transferred. In such a case Existing Holders may subscribe for additional Bonds in multiples of €100 by completing the appropriate section of the respective Application Form 'A' and/or Application Form 'B'.

By virtue of the submission of the duly completed and signed Application Form 'A' and/or Application Form 'B', Existing Holders shall be deemed:

- (i) to confirm that all or part (as the case may be) of the said Bonds 2016/18 as indicated in the Application Form are to be transferred in the Issuer's favour for cancellation; and
  - (ii) as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.
6. Any person, whether natural or legal, shall be eligible to submit an Application, and any one person, whether directly or indirectly, should not submit more than one Application Form, provided that an Application Form submitted in terms of Condition 4 above shall not be counted for this purpose. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign on behalf of, and bind, such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.
7. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interests shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
8. Holders of EUR Bonds 2016/18, holders of GBP Bonds 2016/18, Current Shareholders and the general public may subscribe for Bonds by submitting Application Form 'A', Application Form 'B', Application Form 'C' and Application Form 'D' respectively.
9. Application Form 'A', Application Form 'B' and Application Form 'C' are to be completed and submitted by not later than 10:00 hours on 18 July 2016. Subscription lists, in relation to the general public offer, will open at 08:30 hours on 18 July 2016 and will close thereafter as may be determined by the Issuer, but in any event not later than 16:00 hours on 20 July 2016.
10. The minimum subscription of the Bonds is €2,000 in value. Applications in excess of the said minimum thresholds must be in multiples of €100. The completed Application Forms are to be lodged with any of the Authorised Financial Intermediaries mentioned in this Prospectus. Submission of Application Form 'A' and Application Form 'B' by Existing Holders must be accompanied by payment representing difference between the full price of the amount of Bonds applied for and the nominal value, or the euro equivalent amount as the case may be, of Bonds 2016/18 being surrendered. Submission of Application Form 'C' by Current Shareholders and Application Form 'D' by the general public must be accompanied by the full price of the Bonds applied for in euro. Payment may be made either in cash or by cheque payable to **"The Registrar – MIDI Bond Issue 2016"**. In the event that a cheque accompanying an Application Form is not honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application Form.



11. By completing and delivering an Application Form you (as the Applicant(s)):
- (i) irrevocably offer to purchase the number of Bonds specified in your Application Form (or any smaller number for which the Application is accepted) at the Issue Price subject to the Prospectus, the Bond Conditions and the Memorandum and Articles of Association;
  - (ii) authorise the Registrar and the Directors of the Issuer to include your name or in the case of joint Applications, the first named Applicant, in the register of Debentures of the Issuer in respect of the Bonds allocated to you;
  - (iii) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a registration advice, or to be registered in the register of Debentures or to enjoy or receive any rights in respect of such Bonds unless and until you make payment in cleared funds for such Bonds and such payment is accepted by the Issuer (which acceptance shall be made in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer of such late delivery of consideration in respect of such Bonds, the Issuer may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case you will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);
  - (iv) agree that the registration advice and other documents and any monies returnable to you may be retained pending clearance of your remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder, and that such monies will not bear interest;
  - (v) agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that you submit to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
  - (vi) warrant that, if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have due authority to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Application Conditions and undertake to submit your power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;
  - (vii) agree that all documents in connection with the issue of the Bonds and any returned monies including refund of all unapplied Application monies will be returned at your risk and will be returned by direct credit into the bank account as specified in the Application Form;
  - (viii) agree that, having had the opportunity to read the Prospectus, you have, and shall be deemed to have had, notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
  - (ix) confirm that in making such Application you are not relying on any information or representation in relation to the Issuer or the issue of the Bonds other than those contained in the Prospectus and you accordingly agree 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;
  - (x) confirm that you have reviewed and you will comply with the restriction contained in Condition 12 below;
  - (xi) warrant that you are not under the age of eighteen (18) years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor;
  - (xii) agree that such Application Form is addressed to the Issuer and that in respect of those Bonds for which your Application has been accepted, you shall receive a registration advice confirming such acceptance;

- (xiii) confirm that in the case of a joint Application the first-named Applicant shall be deemed the holder of the Bonds;
  - (xiv) agree to provide the Registrar and/or Issuer as the case may be, with any information which it may request in connection with your Application(s);
  - (xv) agree that Charts Investment Management Service Limited will not, in its capacity of Sponsor, treat you as its customer by virtue of your making an Application for the Bonds and that Charts Investment Management Service Limited will owe you no duties or responsibilities concerning the price of the Bonds or their suitability for you;
  - (xvi) warrant that, in connection with your Application, you 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 your Application in any territory and that you have not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Bond Issue or your Application;
  - (xvii) warrant that all applicable exchange control permits and authorisations which may be applicable have been duly and fully complied with;
  - (xviii) represent that you are not a U.S. person (as such term is defined in Regulation "S" under the U.S. Securities Act of 1933, as amended (the "Securities Act, 1933")) and that you are not accepting the invitation comprised in the Prospectus from within the United States of America, its territories or its possessions, any State of the United States of America 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, unless you indicate otherwise on the Application Form in accordance with the instructions of the Application Form.
12. The Bonds have not been and will not be registered under the Securities Act, 1933 and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
  13. No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself 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 issues, transfer or other taxes required to be paid in such territory.
  14. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008, as subsequently amended), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all information they hold about clients, pursuant to Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes, and within the terms of, the Malta Stock Exchange's data protection and privacy policy as published from time to time.
  15. Within five (5) Business Days from the closing of the subscription lists, the Issuer shall determine and announce by way of a company announcement, the basis of acceptance of Applications and allocation policy to be adopted.
  16. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Application Conditions, in the Application Form and in any other document issued pursuant to the Prospectus.

# Annex I

Specimen Application Forms



**MIDI P.L.C.**  
**€50,000,000 4% SECURED BONDS 2026**  
**APPLICATION FORM 'A'**  
**EUR BONDS 2016/18**

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable.

<b>A APPLICANT</b> (See notes 2 & 4)		
		TEL. NO.
		MOBILE NO.
<p>This Application Form is not transferable and entitles you to a preferential treatment as holder of Midi p.l.c. 7% Bonds 2016/18 (the "<b>Bonds 2016/18</b>") and is to be submitted as a method of payment where the Applicant selects to apply for the Midi p.l.c. 4% Secured Bonds 2026 (the "<b>Bonds</b>") so as to transfer to the Issuer all or part of the holding in EUR Bonds 2016/18 held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel B hereunder. By submitting this signed Application Form, Existing Holders shall be deemed:</p> <p>i. to confirm that all or part (as the case may be) of the said Bonds 2016/18 as indicated in the Application Form are to be transferred in the Issuer's favour for cancellation; and</p> <p>ii. as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.</p>		
<b>B I/WE APPLY TO PURCHASE AND/OR ACQUIRE</b> (See note 6)		
<p><b>BOX 1</b> - Nominal Value of the EUR Bonds 2016/18.</p> <p><b>BOX 2</b> - I/We wish to purchase and acquire the amount set out in Box 2 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 28 June 2016 (minimum €2,000 and in multiples of €100 thereafter).</p>		
AMOUNT IN WORDS	<p>AMOUNT IN FIGURES <b>Box 1</b></p> <p>€</p>	
	<p>AMOUNT IN FIGURES <b>Box 2</b></p> <p>€</p>	
<p><b>BOX 3</b> - Amount of Bonds applied for less the nominal holding in EUR Bonds 2016/18 payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.</p>		
<p>AMOUNT IN FIGURES <b>Box 3</b></p> <p>Difference payable on Application <b>Box 2 - Box 1</b></p> <p>€</p>		
<b>C RESIDENT - WITHHOLDING TAX DECLARATION</b> (See notes 7 & 8a) (to be completed ONLY if the Applicant is a Resident of Malta)		
<p><input type="checkbox"/> I/We elect to have final withholding tax deducted from my/our interest.</p> <p><input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).</p>		
<b>D NON-RESIDENT - DECLARATION FOR TAX PURPOSES</b> (See notes 3, 7, 8 & 8a) (to be completed ONLY if the Applicant is a Non-Resident)		
TAX COUNTRY	CITY OF BIRTH	
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER	COUNTRY OF ISSUE	ISSUE DATE
<p><input type="checkbox"/> I/We am/are <b>NOT</b> Resident in Malta but I/we am/are Resident in the European Union.</p> <p><input type="checkbox"/> I/We am/are <b>NOT</b> Resident in Malta and I/we am/are <b>NOT</b> Resident in the European Union.</p>		
<b>E INTEREST, REFUND &amp; REDEMPTION MANDATE</b> (See note 9) <span style="float: right;">Completion of this Panel is <b>MANDATORY</b></span>		
BANK	IBAN	
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds (as contained therein) which I/we fully accept.</p>		
<p>Signature/s of Applicant/s</p> <p>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)</p> <p>(All parties are to sign in the case of a joint Application)</p> <p>(Bare owner/s and usufructuary/ies to sign in the case of holdings of EUR Bonds 2016/18 that are subject to usufruct)</p>		<p>Date</p>
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

## Notes on how to complete this Application Form and other information

*The following notes are to be read in conjunction with the Prospectus dated 28 June 2016 regulating the Bond Issue*

1. This Application is governed by the Terms and Conditions of the Application contained in Section 12 of the Securities Note dated 28 June 2016 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK LETTERS.
3. Applicants who are Non-Residents in Malta for tax purposes must complete Panel D overleaf.
4. The MSE account number pertaining to the Applicant has been pre-printed in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 24 June 2016 (trading session of the 22 June 2016). **APPLICANTS ARE TO NOTE THAT ANY BONDS ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
5. In the case where a holder of Bonds 2016/18 is a body corporate, Application Forms must be signed by duly authorised representative/s indicating the capacity in which they are signing.
6. The amount set out in Box 2 of Panel B overleaf must be in multiples of €100. The Issuer will be giving preference to Applications made by holders of EUR Bonds 2016/18 up to their full amount held as at the Cut-Off Date, subject to a minimum application of €2,000.

Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of EUR Bonds 2016/18 set out in Box 1 of Panel B, the Applicant may do so by including such higher amount in Box 2 in Panel B. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Bonds 2016/18 being transferred. Payment of the amount representing such difference, which is to be inserted in Box 3 of Panel B overleaf, must be made in Euro in cleared funds to "The Registrar - Midi Bond Issue 2016". In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

7. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case, the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case, such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will then be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund will have final withholding tax (currently 10%) deducted from interest payments.

In terms of Section 10.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).

8. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
- 8a. The contents of Notes 7 and 8 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
9. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel E. Interest or redemption proceeds will be credited to the account designated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.
10. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex II of the Securities Note during normal office hours by not later than 10:00 on 18 July 2016. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Application as contained in the Prospectus. Any Applications received by the Registrar after 10:00 on 18 July 2016 will not be accepted.
11. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
  - a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
  - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself, as the Applicant to whom the personal data relates.

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



**MIDI P.L.C.**  
**€50,000,000 4% SECURED BONDS 2026**  
**APPLICATION FORM 'B'**  
**GBP BONDS 2016/18**

Please read the notes overleaf before completing this Application Form. **Mark 'X' if applicable.**

<b>A APPLICANT</b> (See notes 2 & 4)		
TEL. NO.		MOBILE NO.
<p>This Application Form is not transferable and entitles you to a preferential treatment as holder of Midi p.l.c. 7% Bonds 2016/18 (the "<b>Bonds 2016/18</b>") and is to be submitted as a method of payment where the Applicant selects to apply for the Midi p.l.c. 4% Secured Bonds 2026 (the "<b>Bonds</b>") so as to transfer to the Issuer all or part of the holding in GBP Bonds 2016/18 held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel B hereunder. For such purposes, the par value of each holding in GBP Bonds 2016/18 has been converted to the equivalent value in euro (set out in Box 2) at the exchange rate established by the Issuer on 27 June 2016 in terms of the Prospectus. By submitting this signed Application Form, Existing Holders shall be deemed:</p> <p>a. to confirm that all or part (as the case may be) of the said Bonds 2016/18 as indicated in the Application Form are to be transferred in the Issuer's favour for cancellation; and</p> <p>i. as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.</p>		
<b>B I/WE APPLY TO PURCHASE AND/OR ACQUIRE</b> (See note 6)		
<b>BOX 1</b> - Nominal Value of the GBP Bonds 2016/18. <b>BOX 2</b> - Nominal Value of GBP Bonds 2016/18 converted to the equivalent value in euro at the pre-determined exchange rate of €1: £0.834, rounded up to the nearest €100.	AMOUNT IN FIGURES <b>Box 1</b> £	AMOUNT IN FIGURES <b>Box 2</b> €
AMOUNT IN WORDS	AMOUNT IN FIGURES <b>Box 3</b> €	
<b>BOX 3</b> - I/We wish to purchase and acquire the amount set out in Box 3 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 28 June 2016 (minimum €2,000 and in multiples of €100 thereafter). <b>BOX 4</b> - Amount of Bonds applied for less the nominal holding in Bonds 2016/18 payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.		AMOUNT IN FIGURES <b>Box 4</b> Difference payable on Application <b>Box 3 - Box 2</b> €
<b>C RESIDENT - WITHHOLDING TAX DECLARATION</b> (See notes 7 & 8a) <span style="float: right;">(to be completed ONLY if the Applicant is a Resident of Malta)</span>		
<input type="checkbox"/> I/We elect to have final withholding tax deducted from my/our interest. <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).		
<b>D NON-RESIDENT - DECLARATION FOR TAX PURPOSES</b> (See notes 3, 7, 8 & 8a) <span style="float: right;">(to be completed ONLY if the Applicant is a Non-Resident)</span>		
TAX COUNTRY	CITY OF BIRTH	
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER	COUNTRY OF ISSUE	ISSUE DATE
<input type="checkbox"/> I/We am/are <b>NOT</b> Resident in Malta but I/we am/are Resident in the European Union. <input type="checkbox"/> I/We am/are <b>NOT</b> Resident in Malta and I/we am/are <b>NOT</b> Resident in the European Union.		
<b>E INTEREST, REFUND &amp; REDEMPTION MANDATE</b> (See note 9) <span style="float: right;">Completion of this Panel is <b>MANDATORY</b></span>		
BANK	IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds (as contained therein) which I/we fully accept.		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">           Signature/s of Applicant/s  <small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)            (All parties are to sign in the case of a joint Application)            (Bare owner/s and usufructuary/ies to sign in the case of holdings of GBP Bonds 2016/18 that are subject to usufruct)</small> </div> <div style="width: 35%;">           Date         </div> </div>		
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

## Notes on how to complete this Application Form and other information

*The following notes are to be read in conjunction with the Prospectus dated 28 June 2016 regulating the Bond Issue*

1. This Application is governed by the Terms and Conditions of the Application contained in Section 12 of the Securities Note dated 28 June 2016 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK LETTERS.
3. Applicants who are Non-Residents in Malta for tax purposes must complete Panel D overleaf.
4. The MSE account number pertaining to the Applicant has been pre-printed in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 24 June 2016 (trading session of the 22 June 2016). **APPLICANTS ARE TO NOTE THAT ANY BONDS ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
5. In the case where a holder of Bonds 2016/18 is a body corporate, Application Forms must be signed by duly authorised representative/s indicating the capacity in which they are signing.
6. The amount set out in Box 3 of Panel B overleaf must be in multiples of €100. The Issuer will be giving preference to Applications made by holders of GBP Bonds 2016/18 up to their full amount held as at the Cut-Off Date converted to the equivalent value in euro at the exchange rate of €1: £0.834, rounded up to the nearest €100, as established by the Issuer on 27 June 2016. Subscriptions shall be subject to a minimum application of €2,000.

Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of Bonds 2016/18 converted from GBP set out in Box 2 of Panel B, the Applicant may do so by including such higher amount in Box 3 in Panel B. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Bonds 2016/18 being transferred. Payment of the amount representing such difference, which is to be inserted in Box 4 of Panel B overleaf, must be made in Euro in cleared funds to "The Registrar - Midi Bond Issue 2016". In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

7. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case, the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case, such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will then be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund will have final withholding tax (currently 10%) deducted from interest payments.

In terms of Section 10.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).

8. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
- 8a. The contents of Notes 7 and 8 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
9. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel E. Interest or redemption proceeds will be credited to the account designated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.
10. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex II of the Securities Note during normal office hours by not later than 10:00 on 18 July 2016. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Application as contained in the Prospectus. Any Applications received by the Registrar after 10:00 on 18 July 2016 will be will not be accepted.
11. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
  - a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
  - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself, as the Applicant to whom the personal data relates.

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



MIDI p.l.c.  
**€50,000,000 4% SECURED BONDS 2026**  
**APPLICATION FORM 'C'**  
**CURRENT SHAREHOLDERS**

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable.

<b>A APPLICANT</b> <i>(see notes 2 &amp; 4)</i>		
E-MAIL ADDRESS	TEL. NO.	MOBILE NO.
<p>This Application Form is not transferable and entitles you to subscribe for Midi p.l.c. 4% Secured Bonds 2026 as shareholder of Midi p.l.c. as at the Cut-Off Date (the "Current Shareholders").</p>		
<b>B I/WE APPLY TO PURCHASE AND ACQUIRE</b> <i>(see notes 6 &amp; 7)</i>		
AMOUNT IN FIGURES €	AMOUNT IN WORDS	
<p>Midi p.l.c. 4% Secured Bonds 2026 (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 28 June 2016, (the "<b>Prospectus</b>"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.</p>		
<b>C RESIDENT - WITHHOLDING TAX DECLARATION</b> <i>(See notes 8 &amp; 9a)</i> <span style="float: right;">(to be completed ONLY if the Applicant is a Resident of Malta)</span>		
<input type="checkbox"/> I/We elect to have final withholding tax deducted from my/our interest.		
<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).		
<b>D NON-RESIDENT - DECLARATION FOR TAX PURPOSES</b> <i>(See notes 3, 8, 9 &amp; 9a)</i> <span style="float: right;">(to be completed ONLY if the Applicant is a Non-Resident)</span>		
TAX COUNTRY	TOWN OF BIRTH	
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER	ISSUE DATE	
<input type="checkbox"/> I/We am/are <b>NOT</b> Resident in Malta but I/we am/are Resident in the European Union.		
<input type="checkbox"/> I/We am/are <b>NOT</b> Resident in Malta and I/we am/are <b>NOT</b> Resident in the European Union.		
<b>E INTEREST, REFUND &amp; REDEMPTION MANDATE</b> <i>(See note 10)</i> <span style="float: right;">Completion of this Panel is <b>MANDATORY</b></span>		
BANK	IBAN	
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds (as contained therein) which I/we fully accept.</p>		
Signature/s of Applicant/s <small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)          (All parties are to sign in the case of a joint Application)</small>		Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP

AUTHORISED FINANCIAL INTERMEDIARY'S CODE

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APPLICATION NUMBER



## Notes on how to complete this Application Form and other information

*The following notes are to be read in conjunction with the Prospectus dated 28 June 2016 regulating the Bond Issue.*

1. This Application is governed by the Terms and Conditions of the Application contained in Section 12 of the Securities Note dated 24 June 2016 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning as that ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK LETTERS.
3. Applicants who are Non-Resident in Malta for tax purposes, must complete Panel D Overleaf.
4. The MSE account number pertaining to the Applicant has been preprinted in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 24 June 2016 (trading session of the 22 June 2016). **APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
5. In the case of a body corporate, the Application Form must be signed by duly authorised representative/s indicating the capacity in which they are signing.
6. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
7. Payment in Euro must be made in cleared funds to 'The Registrar - Midi Bond Issue 2016'. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
8. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case, the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case, such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will then be obliged to declare interest so received in the tax return. Interest received by Non-Resident Applicants is not taxable in Malta and Non-Residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund will have final withholding tax (currently 10%) deducted from interest payments.  
  
In terms of Section 10.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act, interest shall be paid to such person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act.
9. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
- 9a. The contents of 8 and 9 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
10. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel E. Interests or redemption proceeds will be credited to the account designated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.
11. Completed Application Forms are to be delivered to any of the Authorised Intermediaries listed in Annex II of the Securities Note during normal office hours by not later than 10:00 hours on 18 July 2016. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Application as contained in the Prospectus. Any Applications received by the Registrar after 10:00 hours on 18 July 2016 will not be accepted.
12. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
  - a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
  - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself, as the Applicant to whom the personal data relates.

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



**MIDI p.l.c.**  
**€50,000,000 4% SECURED BONDS 2026**  
**APPLICATION FORM 'D'**  
**GENERAL PUBLIC**

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

<b>APPLICANT</b> (see notes 2 to 7)			
<b>A</b>	<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Body Corporate/ Body of Persons
	<input type="checkbox"/> CIS-Prescribed Fund		
<b>B</b>	TITLE (Mr/Mrs/Ms/...)		
	FULL NAME AND SURNAME / REGISTERED NAME		
	ADDRESS		
			POSTCODE
	MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG. NO.	TEL. NO.
			MOBILE NO.
<b>C ADDITIONAL (JOINT) APPLICANTS</b> (see note 4) <span style="float: right;">(please use additional Application Forms if space is not sufficient)</span>			
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
<b>D MINOR'S PARENTS / LEGAL GUARDIAN/S</b> (see note 5) <span style="float: right;">(to be completed ONLY if the Applicant is a minor)</span>			
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
	TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME	I.D. CARD/PASSPORT NO.
<b>E I/WE APPLY TO PURCHASE AND ACQUIRE</b> (see notes 8 & 9):			
	AMOUNT IN FIGURES €	AMOUNT IN WORDS	
<p><b>Midi p.l.c. 4% Secured Bonds 2026 (the "Bonds")</b> (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 28 June 2016 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.</p>			
<b>F RESIDENT - WITHHOLDING TAX DECLARATION</b> (see notes 10 & 11a) <span style="float: right;">(to be completed ONLY if the Applicant is a Resident of Malta)</span>			
	<input type="checkbox"/> I/We elect to have final withholding tax deducted from my/our interest.		
	<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).		
<b>G NON-RESIDENT - DECLARATION FOR TAX PURPOSES</b> (see note 3, 10, 11 & 11a) <span style="float: right;">(to be completed ONLY if the Applicant is a Non-Resident)</span>			
	TAX COUNTRY	CITY OF BIRTH	
	T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH	
	PASSPORT/NATIONAL I.D. CARD NUMBER	COUNTRY OF ISSUE	ISSUE DATE
	<input type="checkbox"/> I/We am/are <b>NOT</b> resident in Malta but I/we am/are resident in the European Union		
	<input type="checkbox"/> I/We am/are <b>NOT</b> resident in Malta and I/we am/are <b>NOT</b> resident in the European Union		
<b>H INTEREST, REFUND AND REDEMPTION MANDATE</b> (see note 12) <span style="float: right;">Completion of this panel is <b>MANDATORY</b></span>			
	BANK	IBAN	
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p>			
<div style="display: flex; justify-content: space-between;"> <div>Signature/s of Applicant/s (Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application)</div> <div>Date</div> </div>			
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP		AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER
		<div style="border: 1px solid black; width: 100px; height: 30px; margin: 0 auto;"></div>	

## Notes on how to complete this Application Form and other information

*The following notes are to be read in conjunction with the Prospectus dated 28 June 2016 regulating the Bond Issue*

1. This Application is governed by the Terms and Conditions of the Application contained in Section 12 of the Securities Note dated 28 June 2016 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants who are Non-Residents In Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
4. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals, including I.D. card numbers, must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below). Interest and redemption proceeds will be issued to the account indicated in Panel H or as otherwise indicated by the Bondholder/s during the term of the Bond.**
5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. **APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
8. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
9. Payment must be made in Euro, in cleared funds to 'The Registrar - Midi Bond Issue 2016'. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments.  
  
In terms of Section 10.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
- 11a. The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
12. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Subscription lists will open at 08:30 hours on 18 July 2016 and will close as soon thereafter as may be determined by the Issuer, but not later than 16.00 hours on 20 July 2016. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Application as contained in the Prospectus. Any Applications received by the Registrar after the subscription lists close will not be accepted. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex II of the Securities Note, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
  - a. the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
  - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

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

# Annex II

Authorised Financial Intermediaries

<b>Name</b>	<b>Address</b>	<b>Telephone</b>
APS Bank Ltd	APS Centre, Tower Road, Birkirkara BKR 4012	25603000
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Calamatta Cuschieri & Co Ltd	Fifth Floor, Valletta Buildings, South Street, Valletta VLT 1103	25688688
Charts Investment Management Service Ltd	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	21224106
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
Financial Planning Services Ltd	4, Marina Court No. 1, G. Cali Street, Ta' Xbiex XBX 1421	21344244
FINCO Treasury Management Ltd	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	21220002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta'Xbiex XBX 1403	21342342
Growth Investments Ltd	Customer Service Centre, Pjazza Papa Giovanni XXIII, Floriana FRN 1420	25909357
Hogg Capital Investments Ltd	Ferris Building, Level 4, 1, St Luke's Road, Gwardamangia, Pieta PTA 1020	21322872
Jesmond Mizzi Financial Advisors Ltd	67/3, South Street, Valletta VLT 1105	23265696
Lombard Bank Malta p.l.c.	67. Republic Street, Valletta VLT 1117	25581806
Mediterranean Bank plc	10, St Barbara Bastion, Valletta VLT 1961	25574860
MFSP Financial Management Ltd	220, Immaculate Conception Street, Msida MSD 1838	21332200
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Martha Street, Victoria, Gozo VCT 2550	21554492
MZ Investment Services Ltd	55, MZ House, St Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	22583000

## Annex III

Summary of Privileges and Hypothecs

## MIDI p.l.c. – C15836 LIABILITIES

### 1. Cut-Off Dates

Notes of Hypothecs/Privileges: 01/01/1994 to 06/05/2016

References: 29/03/2016

### 2. Defined Terms

In this Report, the following capitalised have the meanings set out hereunder:

**“Bond Issue”** means the four per cent (4%) secured bonds due on 27 July 2026 being issued pursuant to the Prospectus having a nominal value of EUR100 each for an aggregate principal amount of fifty million euro (EUR50,000,000).

**“BOV”** means Bank of Valletta p.l.c.

**“Designated Properties”** means the TUD of the properties situated at Tigné Point on which MIDI shall be granting a special hypothec in favour of CSB Trustees & Fiduciaries Limited (C40390) in its capacity of Security Trustee (the Security Trustee) to secure the Bonds issued in terms of the Bond Issue.

**“Emphyteutical Deed”** means the deed in the records of Notary Vincent Miceli of the fifteenth day of June of the year two thousand (15/06/2000) entered into by the GOM and the Malta Maritime Authority of the one part and MIDI.

**“Emphyteutical Site”** means the TUD of Tigné Point and Manoel Island collectively.

**“GH”** means general hypothec.

**“GOM”** means the Government of Malta.

**“HSBC”** means HSBC Bank Malta p.l.c.

**“Land Registry”** means the registry set up by the Land Registration Act (Cap.296 of the Laws of Malta).

**“Lombard”** means Lombard Bank Malta p.l.c.

**“Manoel Island”** means the divided portion of land at Manoel Island, limits of Gżira having an area of approximately two hundred and sixty seven thousand nine hundred square metres (267,900 sq.m.) bounded on the South, East and North-East by the foreshore as shown bordered in red on the plan Land Drawing letter ‘L’ letter ‘D’ one hundred and seventy four letter ‘A’ bar ninety nine (LD174A/99) attached to the Emphyteutical Deed marked Schedule Two (2) including any areas occupied by streets, roads or public spaces and the buildings, structures and constructions all without number existing in, on or under the said land; and the airspace overlying the basement of the building known as The Admiralty Canteen, without number, at Manoel Island, limits of Gżira, washed in yellow on the said plan Land Drawing LD174A/99 marked Schedule Two (2) and having an area of approximately one hundred and seven decimal point five square metres (107.5sq.m.), and bounded on the North, South, and West by property granted on emphyteusis by virtue of the Emphyteutical Deed and the airspace adjacent thereto washed in blue on the said plan Land Drawing LD174A/99 marked Schedule Two (2), having an area of approximately seventy seven square metres (77sq.m.), from the level of the said basement's roof upwards and is bounded on the South by the airspace mentioned above, on the West by property granted on emphyteusis by virtue of the Emphyteutical Deed and on the East by property of the Grantor known as the Manoel Island Yacht Yard.

“**MIDI**” means a public company registered in Malta with registered office at North Shore, Manoel Island, limits of Gżira, Malta and company registration number letter ‘C’ one five eight three six (C15836).

“**Notes**” means Notes of Hypothec and Notes of Hypothec and Privilege and Notes of Reference registered in the Public Registry.

“**Public Registry**” means means the registry set up by the Public Registry Act (Cap.56 of the Laws of Malta).

“**SH**” means special hypothec.

“**SP**” means special privilege.

“**Tigné Point**” means the divided portion of land at Tigné Point, Sliema having an area of approximately one hundred and eight thousand four hundred and twenty square metres (108,420sq.m.) bounded on the South, North and South-East by the foreshore as shown bordered in red on the plan Land Drawing letter ‘L’ letter ‘D’ one hundred and seventy five letter ‘A’ bar ninety nine (LD175A/99) attached to the Emphyteutical Deed marked Schedule One (1) including any areas occupied by streets, roads or public spaces and the buildings, structures and constructions all without number existing in, on or under the said land.

“**TUD**” means the temporary utile dominium for a period of ninety-nine (99) years commencing from the fifteenth day of June of the year two thousand (15/06/2000), under the terms and subject to the conditions set out in the Emphyteutical Deed.

### 3. Interpretation

- (a) all Notes included in this Report are registered in the Public Registry of Malta.
- (b) Phase Areas referred to in the Notes included in this Report have the same meaning given to them in the Emphyteutical Deed.

### 4. Declaration

4.1 This Report does not include:

- (a) the special hypothecs on specific apartments and garages / parking spaces/ store rooms at Tigné Point granted by MIDI to purchasers during the term of promise of sale and purchase agreements signed with them as security for the repayment of advance payments made by the purchasers should they be entitled to the refund of such payments.
- (b) the general hypothecs granted by MIDI to warrant the peaceful possession of properties at Tigné Point sold or otherwise transferred by MIDI.

4.2 The special hypothecs mentioned in paragraph (a) are customarily cancelled by the relative purchasers upon the definitive publication of the sale and purchase of the relative properties granted as security and in any case do not include properties which shall be granted as security for the purposes of the Bond Issue.

4.3 The general hypothecs mentioned in (b) above secure a contingent liability should a purchaser be evicted from a property purchased or otherwise acquired. It is the custom for these hypothecs not to be taken into account when banking facilities are provided by banks and other financial institutions.



## LIST OF EFFECTIVE HYPOTHECS AND PRIVILEGES

1	
<b>Note Number</b>	<b>9973</b>
<b>Year</b>	<b>2000</b>
<b>Creditor</b>	GOM
<b>Credit 1</b>	Annual and temporary Ground-rent of: EUR1,118,100 formerly Lm480,000 per annum for the period from the 15th June 2000 to the 31/03/2025; EUR1,956,673 formerly Lm840,000 per annum for the period commencing on the first 1st April 2025 and ending on the 31st March 2050; and EUR2,236,198 formerly Lm960,000 per annum for the period commencing on the 1st April 2050 and ending on the date of expiration of the duration of the Emphyteutical Grant.
<b>Credit 2</b>	Payment of Premium amounting to EUR91,707,431 formerly Lm39,370,000, payable without interest in the manner stated in the Note and the Emphyteutical Deed. Reduced to EUR52,176,215.17 pursuant to several reductions the last one being in the Records of Notary Pierre Attard of the 10th May 2016.
<b>Cause of Preference</b>	
<b>GH</b>	Yes, but only in respect of Credit 1.
<b>SH</b>	None
<b>SP</b>	On the Emphyteutical Site
<b>Notary</b>	Vincent Miceli
<b>Date of Deed</b>	15/06/2000
<b>References</b>	
<b>R.472/2007**</b>	Credit 2 reduced to EUR78,732,820.87 formerly Lm33,800,000 and Release, in respect of Credit 2 only, of the TUD of the site at Tigné Point occupied by Complex A also known as Caravaggio Court comprising the 4 blocks of apartments known as T4F, T4B, T5F, T5B and the underlying basements consisting of lock up garages, garage spaces and store rooms and the relative common parts of the blocks, the basements and the entire complex and the airspace thereof.
<b>R.9144/2007**</b>	Credit 2 reduced to EUR75,331,936 and Release, in respect of Credit 2 only, of the TUD of the site at Tigné Point occupied by Complex B also known as Favray Court comprising the 4 blocks of apartments known as T6F, T6B, T7F, T7B and the underlying basements consisting of lock up garages, garage spaces and store rooms and the relative common parts of the blocks, the basements and the entire complex and the airspace thereof.
<b>R. 792/2009**</b>	Credit 2 reduced to EUR72,187,281.62 and Release, in respect of Credit 2 only, of the TUD of: (a) the site at Tigné Point occupied by the blocks of apartments known as T8F, T8B, T9F, T9B and the underlying basements consisting of lock up garages, garage spaces and store rooms; (b) the lock-up garages known as D120, D212, D225, D230, D312, D325, D330 situate at Level 4.5 of the basement with their relative common parts of the basement which underlies the Complex D also known as T10 at Tigné Point, which garages form part of the garages known as the T10 Garages.
<b>R.793/2009</b>	Credit 2 reduced to EUR74,167,249 and Release, in respect of Credit 2 only, of the TUD of: (a) Tigné South Phase Area - 21,141sq.m. at Tigné Point; and (b) Tigné Sports Phase Area - 14,102sq.m.at Tigné Point.

<b>R.5221/2010**</b>	Credit 2 reduced by EUR2,204,306.20 to EUR69,982,975.43 and Release, in respect of Credit 2 only, of the TUD of: (a) the building known as T10F with the relative common parts and rights and appurtenances situated in the Tigné North Three and Fort Phase Area at Tigné Point; and (b) the lock-up garages known as D116, D117, D121, D122, D123, D124, D125, D126, D127, D129, D130, D131, D132, D133, D134, D136, D201, D202, D215, D220, D221, D222, D223, D224, D226, D227, D228, D229, D239, D240, D320, D321, D328, D329 situate at Level 3 of the basement with their relative common parts of the basement which underlies the Complex D also known as T10 at Tigné Point, which garages form part of the garages known as the T10 Garages.
<b>R.8160/2010</b>	Credit 2 reduced to EUR66,019,939.44 and Release, in respect of Credit 2 only, of the TUD of the site (including structures thereon) - 47,376sq.m. known as the Tigné North Three and Fort Phase Area at Tigné Point.
<b>R.8161/2010**</b>	Release, in respect of Credit 2 only, of the TUD of the site - 20sq.m forming part of the TUD of the Tigné North Two Phase Area at Tigné Point on which Block T10B is built.
<b>R.2830/2012**</b>	Credit 2 reduced to EUR65,051,218.69 and Release, in respect of Credit 2 only, of the TUD of: (a) seven apartments numbered 1 through 7 within T4P at Pjazza Tigné at Tigné Point with their relative common parts; (b) six apartments numbered 8 through 13 within T7P at Pjazza Tigné at Tigné Point with their relative common parts; (c) nine apartments numbered 14 through 22 within T9P at Pjazza Tigné at Tigné Point with their relative common parts; (d) forty nine garage spaces on level -3 (+4.465 above sea level) numbered P301 through P349 within car park at Tigné Point with their relative common parts; and (e) nine store rooms (listed in Document B attached to the deed) at various levels within the buildings T4P, T7P and T9P at Tigné Point with their relative common parts.
<b>R.2831/2012**</b>	Credit 2 reduced to EUR65,039,750.44 and Release, in respect of Credit 2 only, of the TUD of the Tigné North Two Phase Area at Tigné Point on which part of the building T9P is built.
<b>R.1921/2014**</b>	Credit 2 reduced to EUR59,002,595.20 and Release, in respect of Credit 2 only, of the TUD of the divided portion of land at Tigné Point - 7945sq.m. known as the Tigné North Two Phase Area.
<b>R.4703/2014</b>	Clarification re Credit 1 that when the parcels of land forming part of the Tigné North Two Phase Area intended for the construction of the building known as T14 is transferred the transferee shall be liable only of the ground-rent apportioned on the parcel of land in accordance with the Utilisable Floorspace.
<b>R.2809/2015</b>	Apportionment of ground-rent in respect of apartments within the building known as Q1 (formerly T17E) at Tigné Point and in respect of garages, motor cycle bays and store rooms in the underground car park on the 1st, 2nd, 3rd and 4th basement levels underlying the Q1 building.
<b>R. 3381/2016</b> <b>Not. Pierre Attard</b> <b>10/05/16</b>	Credit 2 reduced to EUR52,176,215.17 and Release, in respect of Credit 2 only, of the TUD of the divided portion of land at Tigné Point, known as the Tigné Tower Phase Area - 5,760sq.m. including the structures thereon.
<b>R. 3382 /2016</b> <b>Not. Pierre Attard</b> <b>10/05/16</b>	Release, in respect of Credit 2 only, of the TUD of the divided portion of land at Tigné Point, known as the Tigné Plaza Phase Area -7,769sq.m. including the structures thereon.

**R. 3383/2016\*\***  
**Not. Pierre Attard**  
**10/05/16**

Release, in respect of Credit 2 only, of the TUD of:

- (i) the apartments (to the extent that they are situated within the Tigné North One Phase Area), namely sixty (60) apartments internally numbered one (1) through sixty (60) situated with the building known as Q2 formerly known T17W or T17 situated at Tigné Point, with their relative common parts and rights and appurtenances;
- (ii) the ground floor premises (to the extent that they are situated within the Tigné North One Phase Area), namely unit A and unit B forming part of the building known as "Q2" situated at Tigné Point, with their relative common parts and rights and appurtenances;
- (iii) The garages and parking spaces (to the extent that they are situated within the Tigné North One Phase Area) unofficially numbered Q126, Q130 through Q141, Q144, Q145, Q242, Q244, Q245, Q247, Q356, Q358, Q401 through Q407 with their relative common parts and rights and appurtenances, situated within the car park, known as the "Q Car Park" which Car Park underlies the Q2, the business centre, the north shore garden, and a block known Q1, at Tigné Point;
- (iv) the motor cycle bays (to the extent that they are situated within the Tigné North One Phase Area) unofficially numbered letter M.C.1A and M.C.1B, with their relative common parts and rights and appurtenances, situated within the Q Car Park; and
- (v) the store rooms (to the extent that they are situated within the Tigné North One Phase Area) unofficially numbered SQ104 through SQ106 and SQ207 through SQ210, with their relative common parts and rights and appurtenances, situated within the Q Car Park.

**R. 3384 /2016**  
**Not. Pierre Attard**  
**10/05/16**

Release, in respect of Credit 2 only, of the TUD of the parking spaces unofficially numbered N401 through N420, situated within the Tigné North One Phase Area, together with all their rights and appurtenances including their proportionate share *pro indiviso* of the common parts and not including their airspace or sub-terrain, situated within the car park at Tigné Point in Sliema known as the T15 Car Park situated on the fourth (4th) basement level at Tigné Point.

**\*\***

In the Notes of Reference indicated with \*\* it is stated that when a Unit is transferred to a Transferee (as defined in Clause Eight (8) of Schedule Twenty One (21) of the Emphyteutical Deed) the special privilege mentioned in the said Note of Hypothec and Privilege and Land Registry charge, to the extent only that the special privilege was registered to secure the payment of the ground-rent, shall continue to attach to such Unit only for the Apportioned Ground-rent as agreed by the Grantor and the Emphyteuta earlier on this deed, it being understood that the effects of this paragraph for each Unit shall be suspended until such time when the Transfer of a Unit is made to a Transferee and shall come into effect immediately and without the need of any further formality in relation to a Unit when such Unit is Transferred;

**Pending Action**

No pending action

**2**

**Note Number**

**20642**

**Year**

**2006**

**Creditor**

BOV

**Credit**

Extension of Overdraft Lm800,000 (EUR 1,863,498.70)

**Cause of Preference**

**GH**

Yes – Excluding TUD of the sites at Tigné Point known as:

T10 (phase 2)

T4 (phase 1)

T5 (phase 1)

T6 (phase 1)

T7 (phase 1)

T8 (phase 1)

T9 (phase 1)

<b>SH</b>	TUD of: 1. The site – 5,000sq.m. at Tigné Point known as Tigné Plaza (Pjazza Tigné – T11) and all improvements to be constructed thereon consisting of the pedestrian surface and a 4 storey underground car park. 2. The site – 2,500sq.m. at Tigné Point and all improvements thereon 3 blocks to be known as T4P, T7P and T9P
<b>SP</b>	None
<b>Notary</b>	Marco Farrugia
<b>Date of Deed</b>	08/11/2006
<b>References</b>	
<b>R. 2048/2014</b>	Postponement in favour of GOM H.4768/2014 up to the amount of EUR6,056,371 in so far as GH affects divided portions of the T14 Site including North Shore Garden.
<b>R. 4661/2014</b>	Postponement in favour of GOM H.4768/2014 and H.11,446/2014 up to the amount of EUR6,056,371 in so far as GH affects divided portions of the T14 Site.
<b>Pending Action</b>	To be Cancelled – against provision of cash collateral to the Creditor of EUR2,200,000 as set out in the Securities Note.

### 3

<b>Note Number</b>	<b>19686</b>
<b>Year</b>	<b>2009</b>
<b>Creditor</b>	Lombard
<b>Credit</b>	Loan EUR 4,000,000
<b>Cause of Preference</b>	
<b>GH</b>	Yes
<b>SH</b>	The TUD of divided portions of land at Manoel Island Gzira known as The Marina South Phase Area, the Marina Central Phase Area, the Manoel Sports Club Phase Area;
<b>SP</b>	None
<b>Notary</b>	Marco Farrugia
<b>Date of Deed</b>	23/12/2009
<b>References</b>	Postponements in favour of H.1950/2010 in respect only of the TUD of:
<b>R.1087/2010</b>	(a) parcel of land – 5,000sq.m. at Tigné Point known as Tigné Plaza or Pjazza Tigné consisting of a pedestrian surface and a four storey underground car park; (b) parcel of land – 2,500sq.m. at Tigné Point and improvements thereon intended for the construction of blocks known as T4P, T7P and T9P; and (c) parcel of land – 2,217sq.m. at Tigné Point intended for the construction of the block known as T20.
<b>R.3143/2010</b>	Postponements in favour of H.6493/2010 in respect only of the TUD of the residential block at Tigné Point known as T10 – footprint -2700sq.m.
<b>R.5497/2010</b>	Release of the TUD of apartment 6 and parking spaces D117 and D201 forming part of T10F at Tigné Point.
<b>R.7764/2010</b>	Postponements in favour of H.6765/2010 in respect only of the TUD of: (a) parcel of land – 5,000sq.m. at Tigné Point known as Tigné Plaza or Pjazza Tigné or T11 consisting of a pedestrian surface and a four storey underground car park; (b) parcel of land – 2,500sq.m. at Tigné Point and improvements thereon intended for the construction of blocks known as T4P, T7P and T9P; and (c) parcel of land – 2,217sq.m. at Tigné Point intended for the construction of the block known as T20.

<b>R.8836/2010</b>	Release of the TUD of apartments numbered 3, 21, 23, 25, 27, 31, 35, 39, 43, 45, 47, 51, 54, 56 and 58 forming part of the complex known as T10 at Tigné Point .
<b>R.1223/2011</b>	Release of the TUD of the apartment 40 and the lock-up garage D104 forming part of block known as T10B at Tigné Point.
<b>R.8282/2011</b>	Release of the TUD of (a) the apartments 21, 25, 38, 40, 49, 51, 52, 54, 58 in the block known as T10B at Tigné Point; and (b) the apartments 6, 7 and 10 in the block known as T10B at Tigné Point;
<b>R.8018/2012</b>	Release of the TUD of the following properties at Tigné Point: the parcel of land known as T17E – 640sq.m. the parcel of land known as T17W – 910sq.m. the office block or site known as T14 – 2,025sq.m.
<b>R.5075/2013</b>	Release of the TUD of divided portion of land – 3,308sq.m. known as T12 and also as the Clubhouse at Tigné Point.
<b>R.2050/2014</b>	Release of the TUD of the T14 Site.
<b>R.4607/2014</b>	Release of the TUD of the T14 Site – registered to correct description of T14 Site.
<b>R. 2917/2015</b>	Release of TUD of divided portion of land known as Q1 formerly T17E – 640sq.m. at Tigné Point.
<b>R.7109/2015</b>	Release of TUD two commercial outlets at Tigné Point known as: RU01 also known as T4P-01; and RU02 also known as T4P -02.
<b>Pending Action</b>	To be Reduced - Waiver of GH to release Designated Properties situated at Tigné Point.

#### 4

<b>Note Number</b>	<b>1950</b>
<b>Year</b>	<b>2010</b>
<b>Creditor</b>	BOV
<b>Credit</b>	Extension of Overdraft EUR1,146,362
<b>Cause of Preference</b>	
<b>GH</b>	Yes – Excluding TUD of the sites at Tigné Point known as T10 (Phase 2) including above and below ground.
<b>SH</b>	TUD of: 1 The site – 5,000sq.m. at Tigné Point known as Tigné Plaza (Piazza Tigné – T11) and all improvements to be constructed thereon consisting of the pedestrian surface and a 4 storey underground car park. 2. The site - 2,500sq.m. at Tigné Point and all improvements thereon 3 blocks to be known as T4P, T7P and T9P. 3. The site – 2,217sq.m. known as Block T20 (For EUR 3,242,798)
<b>SP</b>	None
<b>Notary</b>	Marco Farrugia
<b>Date of Deed</b>	29/01/2010
<b>References</b>	
<b>R. 2048/2014</b>	Postponement in favour of GOM H.4768/2014 up to the amount of EUR6,056,371 in so far as GH affects divided portions of the T14 Site including North Shore Garden.
<b>R. 4661 /2014</b>	Postponement in favour of GOM H.4768/2014 and H.11,446/2014 up to the amount of EUR6,056,371 in so far as GH affects divided portions of the T14 Site.
<b>Pending Action</b>	To be Cancelled - against provision of cash collateral to the Creditor of EUR2,200,000 as set out in the Securities Note.

**5**

<b>Note Number</b>	<b>8295</b>
<b>Year</b>	<b>2012</b>
<b>Creditor</b>	Lombard
<b>Credit</b>	Loan EUR1,500,000
<b>Cause of Preference</b>	
<b>GH</b>	Yes
<b>SH</b>	1. TUD of the divided portion of land at Manoel Island Gzira known as The Marina South Phase Area, the Marina Central Phase Area, the Manoel Sports Club Phase Area; and 2. TUD T12 also known as the Club House, Tigné, Sliema.
<b>SP</b>	None
<b>Notary</b>	Sam Abela
<b>Date of Deed</b>	23/05/2012
<b>Undertakings</b>	MIDI undertook not to grant further hypothecary charges on the properties described above, even if these rank after the charges in favour of the Creditor and / or not to lease, sublet or allow third parties to use the said properties, under any title whatsoever.
<b>References</b>	
<b>R.8018/2012</b>	Release of the TUD of the following properties at Tigné Point: the parcel of land known as T17E – 640sq.m; the parcel of land known as T17W – 910sq.m; the office block or site known as T14 – 2025sq.m;
<b>R.5075/2013</b>	Release of the TUD of divided portion of land – 3,308sq.m. known as T12 and also as the Clubhouse at Tigné Point.
<b>R.2050/2014</b>	Release of the TUD of the T14 Site.
<b>R.4607/2014</b>	Release of the TUD of the T14 Site – registered to correct description of T14 Site.
<b>R. 2917/2015</b>	Release of TUD of divided portion of land known as Q1 formerly T17E – 640sq.m. at Tigné Point.
<b>R.7109/2015</b>	Release of TUD two commercial outlets at Tigné Point known as: RU01 also known as T4P-01; and RU02 also known as T4P -02.
<b>Pending Action</b>	To be Reduced - Waiver of GH to release Designated Properties situated at Tigné Point.

**6**

<b>Note Number</b>	<b>8296</b>
<b>Year</b>	<b>2012</b>
<b>Creditor</b>	Lombard
<b>Credit</b>	Loan EUR1,000,000
<b>Cause of Preference</b>	
<b>GH</b>	Yes
<b>SH</b>	1. TUD divided portion of lands at Manoel Island Gzira known as The Marina South Phase Area, the Marina Central Phase Area, the Manoel Sports Club Phase Area; and 2. TUD T12 also known as the Club House, Tigné, Sliema.
<b>SP</b>	None
<b>Notary</b>	Sam Abela
<b>Date of Deed</b>	23/05/2012

<b>Undertakings</b>	MIDI undertook not to grant further hypothecary charges on the properties described above, even if these rank after the charges in favour of the Creditor and / or not to lease, sublet or allow third parties to use the said properties, under any title whatsoever.
<b>References</b>	
<b>R.8018/2012</b>	Release of the TUD of the following properties at Tigné Point: the parcel of land known as T17E – 640sq.m; the parcel of land known as T17W – 910sq.m; the office block or site known as T14 – 2,025sq.m;
<b>R.5075/2013</b>	Release of the TUD of divided portion of land – 3,308sq.m. known as T12 and also as the Clubhouse at Tigné Point.
<b>R.2050/2014</b>	Release of the TUD of the T14 Site;
<b>R.4607/2014</b>	Release of the TUD of the T14 Site – registered to correct description of T14 Site;
<b>R. 2917/2015</b>	Release of TUD of divided portion of land known as Q1 formerly T17E – 640sq.m. at Tigné Point.
<b>R.7109/2015</b>	Release of TUD two commercial outlets at Tigné Point known as: RU01 also known as T4P-01, and RU02 also known as T4P -02.
<b>Pending Action</b>	To be Reduced - Waiver of GH to release Designated Properties situated at Tigné Point.

## 7

<b>Note Number</b>	<b>4768</b>
<b>Year</b>	<b>2014</b>
<b>Creditor</b>	GOM
<b>Credit</b>	Additional Security for Payment of Premium EUR6,037,155.24
<b>Cause of Preference</b>	
<b>GH</b>	None
<b>SH</b>	TUD on site at Tigné Point known as T14 – 2,025sq.m. from 16.5 meters above sea level.
<b>SP</b>	None
<b>Notary</b>	Peter Fleri Soler
<b>Date of Deed</b>	20/03/2014
<b>Pending Action</b>	No Pending Action – property burdened is not part of the Designated Properties.

## 8

<b>Note Number</b>	<b>11446</b>
<b>Year</b>	<b>2014</b>
<b>Creditor</b>	GOM
<b>Credit</b>	Additional Security for Payment of Premium EUR6,037,155.24
<b>Remarks</b>	Registered to amend description of site T14 as described in H.4768/2014.
<b>Cause of Preference</b>	
<b>GH</b>	None
<b>SH</b>	TUD on part of the site at Tigné Point known as T14
<b>SP</b>	None
<b>Notary</b>	Pierre Attard
<b>Date of Deed</b>	11/07/2014
<b>Pending Action</b>	No Pending Action – property burdened is not part of the Designated Properties.

## 9

<b>Note Number</b>	<b>11685</b>
<b>Year</b>	<b>2014</b>

<b>Creditor</b>	Mid Knight Holdings Limited
<b>Credit</b>	Warranty for Peaceful Possession and other representations, warranties and guarantees in respect of the sale of the T14 Site for the price of EUR11,700,000.
<b>Cause of Preference</b>	
<b>GH</b>	Yes
<b>SH</b>	None - Creditor renounced its right under Section 2016 of the Civil Code to register as further security a special hypothec on the property of MIDI.
<b>SP</b>	None
<b>Notary</b>	Pierre Attard
<b>Date of Deed</b>	12/07/2014
<b>Pending Action</b>	No Pending Action

## 10

<b>Note Number</b>	<b>20137</b>
<b>Year</b>	<b>2015</b>
<b>Creditor</b>	Mediterranean Corporate Bank Limited
<b>Credit</b>	Loan EUR13,000,000
<b>Cause of Preference</b>	
<b>GH</b>	Yes but Excluding TUD of site T17E also known as Q1- 640sq.m.
<b>SH</b>	TUD of site at Tigné Point known as T17W and also known as Q2 – 910sq.m.
<b>SP</b>	TUD of site at Tigné Point known as T17W and also known as Q2 – 910sq.m.
<b>Notary</b>	Tiziana Maria Refalo
<b>Date of Deed</b>	28/11/2014
<b>Undertakings</b>	MIDI undertook not to give without the Creditor's prior written consent any further hypothecs on its property including T17W, even if these rank after the hypothecs/charges registered in favour of the Creditor and not to transfer, not to let, not to part with and not to allow third parties to use and all of the T17W under any title whatsoever, without the Creditor's prior written consent.
<b>Pending Action</b>	<p>1. To be Reduced - Creditor to postpone its rights arising from the GH in so far as these affect the Designated Properties in favour of the Security Trustee – see letter dated 24th May 2016.</p> <p>2. To be Reduced - Creditor to waive its hypothecary charges in so far as these affect only the commercial units situated at the ground floor (and their respective common parts) within T17 West, also known as Q2 development block, in Tigné Point, whilst keeping all its other rights firm, valid and unimpaired – see letter dated 24th May 2016.</p>

## 11

<b>Note Number</b>	<b>7568</b>
<b>Year</b>	<b>2015</b>
<b>Creditor</b>	BOV
<b>Credit</b>	Additional Security for Overdraft EUR2,432,940
<b>Cause of Preference</b>	
<b>GH</b>	None



<b>SH</b>	TUD of site – 3,308sq.m. at Tigné Point known as T12 and also known as the Clubhouse including the two restaurants known as The Chophouse and La Cucina del Sole, an outside poolside kiosk, a gymnasium.
<b>SP</b>	None
<b>Notary</b>	Sam Abela
<b>Date of Deed</b>	27/05/2015
<b>Pending Action</b>	To be Cancelled - against provision of cash collateral to the Creditor of EUR2,200,000 as set out in the Securities Note.

## 12

<b>Note Number</b>	<b>22354</b>
<b>Year</b>	<b>2015</b>
<b>Creditor</b>	HSBC
<b>credit</b>	Additional Security Overdraft EUR791,987
<b>Principal Debtor</b>	Solutions & Infrastructure Services Limited
<b>Surety</b>	MIDI
<b>Cause of Preference</b>	
<b>GH</b>	YES
<b>SH</b>	TUD of two commercial outlets at Tigné Point known as: RU01 also known as T4P-01; and RU02 also known as T4P -02.
<b>SP</b>	None
<b>Notary</b>	Michael Galea
<b>Date of Deed</b>	02/12/2015
<b>Pending Action</b>	To be Cancelled - against full repayment of loan and overdraft facilities as set out in the Securities Note.

## 13

<b>Note Number</b>	<b>22355</b>
<b>Year</b>	<b>2015</b>
<b>Creditor</b>	HSBC
<b>Credit</b>	Additional Security Loan EUR728,683.48
<b>Principal Debtor</b>	Solutions & Infrastructure Services Limited
<b>Surety</b>	MIDI
<b>Cause of Preference</b>	
<b>GH</b>	YES
<b>SH</b>	TUD of two commercial outlets at Tigné Point known as: RU01 also known as T4P-01; and RU02 also known as T4P -02.
<b>SP</b>	None
<b>Notary</b>	Michael Galea
<b>Date of Deed</b>	02/12/2015
<b>Pending Action</b>	To be Cancelled - against full repayment of loan and overdraft facilities as set out in the Securities Note.

<b>Note Number</b>	<b>6743</b>
<b>Year</b>	<b>2016</b>
<b>Creditor</b>	Lombard
<b>Credit</b>	Loan EUR6,500,000
<b>Cause of Preference</b>	
<b>GH</b>	Yes
<b>SH</b>	TUD divided portion of lands at Manoel Island Gzira known as The Marina South Phase Area, the Marina Central Phase Area, the Manoel Sports Club Phase Area.
<b>SP</b>	None
<b>Notary</b>	Tiziana Maria Refalo
<b>Date of Deed</b>	14/04/2016
<b>Undertakings</b>	To be Reduced - Waiver of GH to release Designated Properties situated at Tigné Point – see Lombard letter dated 26th May 2016.