

AgriHoldings PLC



**CURMI &
PARTNERS**

Placing Agents & Registrars



Corporate Advisors



**Reporting Accountant &
Financial Advisor**

This document is a Company Admission Document drawn up in accordance with the provisions of the Prospectus Rules promulgated by the Malta Stock Exchange. This document does not constitute a Prospectus as defined in Article 2(i) of the Companies Act (Chapter 386 of the Laws of Malta) and as such has not been drawn up in accordance with the requirements imposed by the EU Prospectus Directive (2003/71/EC), the Companies Act and/or the Listing Rules. In terms of Article 2(3)(b) (v) of the Companies Act the issue of the Securities as contemplated herein does not constitute an offer of securities to the public.

AgriHoldings PLC

a public limited liability company registered and incorporated in terms of the Companies Act (Chapter 386 of the Laws of Malta) with company registration number C 57008 and having its registered office at Level 1, SkyParks Business Centre, Malta International Airport, Luqa LQA4000, Malta

in respect of an issue of

€2,000,000 4.875% Senior Secured Bonds 2024

ISIN: [MT0001661207](#)

Dated: 12 December 2017

COMPANY ADMISSION DOCUMENT

THE MSE HAS AUTHORISED THE ISSUE OF THIS DOCUMENT. THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SECURITIES OR THE SAFETY OF INVESTING IN SUCH SECURITIES. THE MSE ACCEPTS NO RESPONSIBILITY FOR ACCURACY OR COMPLETENESS OF THIS ADMISSION DOCUMENT 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 THIS ADMISSION DOCUMENT. THE DIRECTORS OF THE ISSUER ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS (WHO ALL HAVE TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORTANCE OF SUCH INFORMATION. THE DIRECTORS ASSUME FULL RESPONSIBILITY FOR ITS CONTENTS ACCORDINGLY.

THE MSE HAS AUTHORISED THE ADMISSION OF THESE SECURITIES ON PROSPECTS, A MULTILATERAL TRADING FACILITY OPERATED BY THE EXCHANGE. THEREFORE THE SECURITIES ARE IN COMPLIANCE WITH THE ADMISSION REQUIREMENTS SET OUT IN THE PROSPECTS RULES. IN PROVIDING THIS AUTHORISATION, THE MSE DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN THE SECURITIES.

INVESTING IN COMPANIES ADMITTED TO PROSPECTS MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK, SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISIONS. THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE OR ARE REQUIRED UNDER APPLICABLE LEGISLATION TO SEEK ADVICE WITH RESPECT TO THIS SECURITIES ISSUE, YOU SHOULD CONSULT A DULY LICENSED INVESTMENT ADVISOR.

APPROVED BY THE DIRECTORS



Joseph Borg



Victor Rizzo Giusti



Stephen Muscat



Roderick Psaila



Paul Grech



Frank J. Sekula



Mario Vella

IMPORTANT INFORMATION

THIS COMPANY ADMISSION DOCUMENT CONTAINS INFORMATION ON AGRIHOLDINGS PLC IN ITS CAPACITY AS ISSUER, IN ACCORDANCE WITH THE PROSPECTS RULES ISSUED BY THE MALTA STOCK EXCHANGE.

APPLICATION HAS BEEN MADE TO THE EXCHANGE FOR THE BONDS TO BE ADMITTED TO TRADING ON PROSPECTS. PROSPECTS IS A MULTILATERAL TRADING FACILITY OPERATED BY THE MALTA STOCK EXCHANGE DESIGNED PRIMARILY FOR EMERGING AND SMALLER COMPANIES TO WHICH A HIGHER INVESTMENT RISK TENDS TO BE ATTACHED. PROSPECTS SECURITIES ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE ISSUER OF €2,000,000 SENIOR SECURED BONDS OF A NOMINAL VALUE OF ONE HUNDRED EURO (€100) PER BOND AND THE ADMISSION OF THE BONDS FOR TRADING ON PROSPECTS. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 4.875% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 31 DECEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 31 DECEMBER 2018. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 31 DECEMBER 2024.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE COMPANY OTHER THAN THOSE CONTAINED IN THIS DOCUMENT AND OTHER DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY, ITS DIRECTORS, OR ADVISERS. THE ADVISERS ENGAGED BY THE COMPANY FOR THE PURPOSE OF THIS SECURITIES ISSUE ARE ACTING EXCLUSIVELY FOR THE COMPANY.

THE MALTA STOCK EXCHANGE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THE COMPANY ADMISSION DOCUMENT 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 THIS COMPANY ADMISSION DOCUMENT.

THIS COMPANY ADMISSION DOCUMENT 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 COMPANY ADMISSION DOCUMENT 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.

THIS COMPANY ADMISSION DOCUMENT AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE CONSTRUED AND IMPLYING: (I) THAT THE INFORMATION CONTAINED IN THE COMPANY ADMISSION DOCUMENT 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 COMPANY ADMISSION DOCUMENT 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.

INVESTING IN COMPANIES ADMITTED TO PROSPECTS MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ ALL THE INFORMATION CONTAINED IN THE COMPANY ADMISSION DOCUMENT BEFORE MAKING ANY INVESTMENT DECISION. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENT. 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 ADVISORS AS TO FINANCIAL, INVESTMENT, LEGAL, TAX OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS, THE ISSUER AND THE COMPANY ADMISSION DOCUMENT.

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 COMPANY 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 OFFER OF THE SECURITIES IN 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 COMPANY ADMISSION DOCUMENT (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

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

A COPY OF THE ADMISSION DOCUMENT HAS BEEN SUBMITTED TO THE MALTA STOCK EXCHANGE IN THE CONTEXT OF AN APPLICATION FOR ADMISSION OF THE BONDSTO PROSPECTS. THE MALTA STOCK EXCHANGE HAS AUTHORISED THE ISSUE OF THIS COMPANY ADMISSION DOCUMENT. BY SO DOING, THE MALTA STOCK EXCHANGE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURITIES OR THE SAFETY OF INVESTING IN SUCH SECURITIES.

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

ALL ADVISORS TO THE ISSUER NAMED IN THIS COMPANY ADMISSION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE SECURITIES ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE COMPANY ADMISSION DOCUMENT, NEITHER SHALL SUCH ADVISORS BE RESPONSIBLE FOR THE CONTENTS

OF, AND ANY INFORMATION CONTAINED IN THE ADMISSION DOCUMENT, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE COMPANY CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS DOCUMENT HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE COMPANY 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.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE DIRECTLY OR OTHER WEBSITES INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE COMPANY ADMISSION DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY AN INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT AS A WHOLE AND SHOULD CONSULT THEIR INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

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1 DEFINITIONS

In this Company Admission Document, the following words and expressions shall bear the following meanings, except where the context otherwise requires:

“Acceleration Event” shall have the meaning assigned to it under Section 23.14 of this Company Admission Document;

“Accountancy Profession Act” means the Accountancy Profession Act, Chapter 281 of the Laws of Malta;

“AgriBank” or the **“Bank”** means AgriBank PLC, a credit institution duly authorised by the Malta Financial Services Authority and registered under the Laws of Malta with company registration number C57067 having its registered office at Level 1, SkyParks Business Centre, Malta International Airport, Luqa LQA4000;

“AgriFunding” means AgriFunding 13-1 Limited, a company registered in England and Wales with company registration number 08717788 having its registered office at no. 10 Warwick Street, London, W1B5LZ.

“AgriGroup” means the Issuer, AgriBank, and any and all related entities, and/or affiliates as further outlined in Section 8.4 of this Document;

“Applicant/s” means a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;

“Application” means an application to subscribe for Bonds made by an Applicant on an Application Form and submitted to the Placement Agent, Manager and Registrar in accordance with the terms of this Document;

“Application Form” means the prescribed form of application for the subscription for Bonds a specimen of which is attached to this Document as Annex B;

“Appropriateness Test” shall mean the test which in terms of the Investment Services Rules promulgated by the MFSA a licensed financial intermediary operating in and from Malta must conduct when providing an investment service (other than investment advice or portfolio management) to a prospective investor in relation to the subscription for and the trading of securities having identical or similar characteristics to the Bonds, for the purpose of such licensed financial intermediary to determine (based on the information collected pursuant to such test) whether the investment service or the investment in securities identical or similar to the Bonds are appropriate for a prospective investor.

“Articles of Association” means the Articles of Association of the Issuer in force at the time of the publication of this Document;

“Auditors” means Deloitte Audit Limited a company registered under the Laws of Malta with company registration number C51312 having its registered office at Deloitte Place, Mriehel Bypass, Mriehel, Birkirkara BKR3000, Malta;

“Authorised Financial Intermediaries” means the licensed stockbrokers and financial intermediaries listed in Annex C of this Document;

“Bondholders” or **“Investors”** means the holders of the Bonds, and the terms **“Bondholder”** and **“Investor”** shall be construed accordingly;

“Bonds” or **“Securities”** means the debt securities offered and issued by the Issuer in favour of the Bondholders, representing the amount due by the Issuer to the Bondholders and creating, acknowledging and representing the indebtedness of the Issuer to the Bondholders in terms of this Document. The term **“Bond”** shall be respectively construed accordingly;

“Bondholder” means a holder of the Bonds;

“Bond Issue” means the issue of Bonds in terms of the Offer;

“Business Day” means any day (other than Saturday, Sunday or any public holiday in Malta) on which commercial banks in Malta are open;

“Civil Code” means the Civil Code, Chapter 16 of the Laws of Malta;

“Companies Act” means the Companies Act, Chapter 386 of the Laws of Malta;

“Company Admission Document” or **“Document”** means this document in its entirety, including any and all annexes and schedules thereto;

“Corporate Advisor” means DF Consultancy Services Limited of Il Piazzetta A, Suite 52, Level 5, Tower Road Sliema, Malta, as duly authorised to act as Corporate Advisors by the MSE, in terms of the Prospects Rules;

“Corporate Governance Guidelines for Public Interest Companies” means the Corporate Governance Guidelines for Public Interest Companies duly issued by the MFSA, as may be amended from time to time;

“CSD” means the Central Securities Depository of the MSE authorised in terms of the Financial Markets Act, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063;

“CSD Register” means the register maintained by the CSD for the purposes of registering and identifying the Bondholders;

“Directors” or **“Board”** means the Directors of the Issuer, whose details appear in Section 7.1 of this Document, and the term “Director” shall be construed accordingly;

“Duty on Documents and Transfers Act” means the Duty on Documents and Transfers Act, Chapter 364 of the Laws of Malta;

“ECB” means the European Central Bank established under Council Regulation (EU) No 1024/2013;

“Euro” or **“€”** means the lawful currency for the time being of the Republic of Malta and of the Eurozone;

“EU” means the European Union;

“Eurozone” means the area consisting of those Member States of the European Union that have adopted the Euro as their currency;

“FIAU” means the Financial Intelligence Analysis Unit established under the Prevention of Money Laundering Act (Cap 373 of the Laws of Malta)

“Financial Markets Act” means the Financial Markets Act, Chapter 345 of the Laws of Malta;

“Income Tax Act” means the Income Tax Act, Chapter 123 of the Laws of Malta;

“Interest” means the interest payable by the Issuer to the Bondholder in respect of the Bonds, at the rate of four point eight seven five per cent (4.875%) per annum;

“Interest Payment Date/s” means the dates on which Interest is payable to the Bondholder in respect of the Bonds, being the 31 December of each year commencing on 31 December 2018 (the first Interest Payment Date) and ending and including the Redemption Date; provided that if any Interest Payment Date falls on a day other than a Business Day, the Interest Payment Date shall be construed as falling and shall be carried over to the next Business Day falling immediately after the relevant Interest Payment Date not falling on a Business Day;

“Investment Services Act” means the Investment Services Act, Chapter 370 of the Laws of Malta;

“Issue Date” means the date on which the Bonds are issued;

“Issuer” means AgriHoldings PLC, a public limited liability company registered and incorporated in terms of the Companies Act with company registration number C 57008 and having its registered office at Level 1, Skyparks Business Centre, Malta International Airport, Luqa LQA4000;

“Issue Price” means the price at which the Bonds are issued, being one hundred Euro (€100) per Bond;

“Laws of Malta” means the Laws of the Republic of Malta;

“Listing Authority” means the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;

“Listing Rules” means the listing rules issued by the Listing Authority, as may be amended from time to time;

“Memorandum and Articles” means the Memorandum of Association and the Articles of Association of the Issuer in force at the time of the publication of this Document;

“Memorandum of Association” means the Memorandum of Association of the Issuer in force at the time of the publication of this Document;

“MFSA” means the Malta Financial Services Authority duly appointed in terms of the Financial Markets Act (Chapter 345 of the Laws of Malta);

“Minimum Subscription” means the minimum subscription of Bonds for each Bondholder at Application, which shall amount to two thousand Euro (€2,000);

“MSE” or “Malta Stock Exchange” mean Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act, having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063 and bearing company registration number C42525;

“NKC Subordinated Bond” means the subordinated unsecured bond in the amount of two hundred and twenty six thousand Euro (€226,000) issued by AgriBank in favour of New Kensington Capital Ltd in accordance with the terms of issue (the **“NKC Bond Terms of Issue”**);

“Offer” means the offer for subscription of the Bonds in terms of this Document;

“Offer Amount” means the aggregate nominal amount of Bonds comprised in the Offer, being two million Euro (€2,000,000);

“Offer Expenses” means the expenses referred to in Section 22.2 of this Document, which expenses are to be borne by the Issuer as further provided herein;

“Offer Period” means the period commencing on and from the 14 December 2018 and ending on the 21 December 2018 (or such earlier date as may be determined by the Issuer), both days included during which the Bonds are available for subscription;

“Placement Agent, Manager and Registrar” means Curmi & Partners Ltd, a private limited liability company registered and incorporated in terms of the Companies Act with company registration number C 3909 and having its registered office at Finance House, Princess Elizabeth Street, Ta' Xbiex MSD11, Malta;

“Pledge” means the pledge on Receivables granted or to be granted by the Issuer in favour of the Bondholders as security for the punctual performance of the Issuer's obligations under the Bonds, subject to the terms and conditions contained in the Pledge Agreement as the said Pledge is held on trust for the benefit of the Bondholders by the Security Trustee acting under the powers and according to the terms and conditions stipulated in the Security Trust Deed;

“Pledge Agreement” means the agreement giving rise to and regulating the Pledge as the same may be executed and amended from time to time by the Issuer and the Security Trustee, the main text of which is, as at the date of this Document, reproduced in Annex E hereto;

“Prospects” means the market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up and growth for small and medium sized enterprises to float their capital (including equity or debt) on the market;

“Prospects List” the list prepared and published by the MSE as its recognised list in accordance with the Prospects Rules;

“Prospects Rules” means the rules issued by the Board of Directors of the MSE, in exercise of the powers conferred on it by the Financial Markets Act (Chapter 345 of the Laws of Malta) regulating the Prospects Market;

“Prospectus Directive” means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;

“Receivables” shall have the meaning assigned to under the Pledge Agreement;

“Redemption Date” means the 31 December 2018 2024, being the date on which the Bonds shall be redeemed in terms of this Document;

“Redemption Value” means the nominal value of each Bond held by the Bondholder, that is, one hundred Euro (€100) per Bond, which shall be paid by the Issuer to the Bondholder on the Redemption Date;

“Reference Documents” means and includes the Memorandum and Articles, Audited Financial Statements, and other relevant financial reports attached to this Document;

“Registrar of Companies” means the Registrar of Companies in Malta;

“Regulated Market” means any multilateral system operated by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;

“Related Party” means a party having the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions.

“Security Trust Deed” means the trust deed entered into by the Issuer and the Security Trustee pursuant to which the Security Trustee has accepted to receive the Pledge on Receivables on trust for the benefit of the Bondholders which, as at the date of this Document, is reproduced in Annex D hereto;

“Security Trustee” means Equiom (Malta) Limited, a limited liability company registered under the laws of Malta with company registration number C57173 and with registered office situated at Centris Business Gateway, Ground Floor, Triq il-Palazz l-Ahmar, Mriehel, Birkirkara BKR3000, Malta, as a party to, and having the rights and obligations stipulated in the Security Trust Deed;

“Subordinated Bond” means the subordinated bond to be issued by AgriBank and subscribed in full by the Issuer in accordance with the terms described in this Company Admission Document;

“Subordinated Bond Receivables” means any and all monies, whether by way of principal, interest or other costs and fees which shall be due by AgriBank to the Pledgor in accordance with the terms of the Subordinated Bond.

“Suitability Test” shall mean the test which in terms of the Investment Services Rules promulgated by the MFSA a licensed financial intermediary operating in and from Malta must conduct when providing an investment service consisting of investment advice or portfolio management to a prospective investor in relation to the subscription for and the trading of securities having identical or similar characteristics to the Bonds, for the purpose of such licensed financial intermediary to determine (based on the information collected pursuant to such test) whether to recommend to (in case of investment advice) or effect for and on behalf of (in case of portfolio management) the prospective investor the subscription for or trading in the securities having identical or similar characteristics to the Bonds;

“Summary” means the summary of this Document, as the same is contained in the section of the Document entitled “Summary”, as may be amended, supplemented and updated from time to time;

“Terms and Conditions” means the terms and conditions that are applicable to the Offer, as set out in Section 25 hereof; and

“Tier II Capital” means the capital instruments and subordinated loans which qualify as Tier 2 instruments in terms of Regulation (EU) 575/2013 of the European Parliament and of the Council of 21 April 2013 on prudential requirements for credit institutions and investment firms.

All references in this Company Admission Document to “Malta” are to the “Republic of Malta” as defined in the Constitution of Malta.

Unless it appears otherwise from the context:

- a. Words importing the singular shall include the plural and vice-versa;
- b. Words importing the masculine gender shall include the feminine gender and vice-versa;
- c. The word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- d. Any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organizations, governments, states, foundations or trusts;
- e. Any reference to a person includes that person’s legal personal representatives, successors and assigns;
- f. Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms;
- g. Any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Company Admission Document.

2 SUMMARY

SECTION A – INTRODUCTION & WARNINGS

This Summary is issued in accordance with the provisions of the Prospects Rules. This Summary should be read as an introduction to the Company Admission Document.

Prospective investors are hereby warned that:

This Summary is being provided to convey the essential characteristics and risks associated with the Issuer and the Bonds being offered pursuant to this Document. This part is merely a Summary and therefore should only be read as an introduction to the Company Admission Document. It is not, and does not purport to be, exhaustive and Investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the Bonds described in this Document. Any decision to invest in the Bonds should be based on the consideration of the Document as a whole by the investor, including any information incorporated by reference;

Civil liability attaches only to those persons who have tabled this Summary, including any translation thereof, and who applied for its notification, but only if this Summary, when read together with the other parts of the Document, is misleading, inaccurate or inconsistent, or does not provide key information in order to aid Investors when considering whether to invest in such securities.

SECTION B – INFORMATION REGARDING THE ISSUER

Full legal and Commercial Name of the Issuer

The legal and commercial name of the Issuer is AgriHoldings PLC

The Issuer's place of registration, domicile, and registration number

The Issuer is domiciled in Malta and is lawfully incorporated, registered and operating in Malta as a public limited liability company in terms of the Companies Act, with Company Registration number C 57008.

Nature of the Issuer's operations and its principal activities

The principal object of the Issuer is to carry on the business of a finance and holding company. The Issuer itself does not have any substantial assets, apart from its shareholding in AgriBank. As the Issuer itself does not carry on any trading activity, the Issuer is economically dependent on the business prospects of AgriBank. AgriBank, is a credit institution dedicated to providing asset finance to farmers in the United Kingdom. AgriBank lends to the farming industry to finance the purchase of agricultural machinery and equipment, agricultural land and renewable energy projects. The Bank financing provided is typically structured as finance leases, hire purchase agreements or secured loans on terms that are tailored to clients' requirements. The Bank is diversifying its business by entering into the corporate banking business in Malta. This includes the provision of current accounts and foreign currency payment services to clients in Malta.

Shareholding Structure

The Issuer

The Issuer's current authorised share capital is fifty million Pounds Sterling (£50,000,000) divided into fifty million (50,000,000) ordinary shares of one Pound Sterling (£1.00) each. The issued share capital of the Issuer is eighty thousand and one Pounds Sterling (£80,001) divided into eighty thousand ordinary (80,000) 'A' shares of one Pound Sterling (£1.00) each fully paid up and one (1) ordinary 'B' share of one Pound Sterling (£1.00) fully paid up.

The ordinary 'A' shares carry all voting and participation rights and rank *pari passu* between them.

The ordinary 'B' share carries no voting and/or participation rights whatsoever.

Trams of Malta Limited a company registered under the Laws of Malta with registration number C57044 and Westmoreland Investments Limited a company registered under the laws of the Isle of Man with registration number 126420C, each hold forty thousand (40,000) ordinary 'A' shares in the capital of the issuer.

Roderick Psaila (holder of Maltese identity card number 476571(M)) holds the one (1) ordinary 'B' share.

AgriBank

The Bank's current authorised share capital is fifty million Pounds Sterling (£50,000,000) divided into forty nine million nine hundred and ninety nine thousand, nine hundred and ninety nine (49,999,999) Ordinary 'A' Shares of one Pound Sterling (£1.00) each and one ordinary 'B' share of one Pound Sterling (£1.00). The issued share capital of the Bank is six million five hundred thousand Pounds Sterling (£6,500,000) divided into six million four hundred nine hundred and ninety nine thousand (6,499,999) ordinary shares of one Pound Sterling (£1.00) each fully paid up and one (1) ordinary 'B' share of one Pound Sterling (£1.00) fully paid up.

The ordinary 'A' shares carry all voting and participation rights and rank *pari passu* between them.

The ordinary 'B' share carries no voting and/or participation rights whatsoever.

The Issuer holds all the ordinary 'A' shares in issue in the capital of AgriBank;

Westmoreland Investments Limited (a company registered under the laws of the Isle of Man with registration number 126420C) holds the one (1) ordinary 'B' share in issue in AgriBank.

Significant recent trends of the Issuer

As the Issuer is dependent on the business prospects of AgriBank, the trend information of AgriBank (detailed below) has a material effect on its financial position and prospects.

AgriBank is a regulated credit institution that delivers asset financing solutions to the UK agricultural industry in the form of hire purchase agreements, financial leases and secured loans.

According to the British Banking Association (BBA), high street banks provided loans and overdrafts totalling £13.9 billion to agricultural, hunting and forestry businesses in 2015, a 12% increase over 2014. Total lending to these businesses in 2015 was at the highest level on record, increasing by a CAGR of 9% as compared to the £8 billion registered in 2009. Additionally, information by the Department for the Environment, Food and Rural Affairs (DEFRA) in 2017 shows that the UK agricultural market has increased its total liabilities by a CAGR of 5% between 2010 and 2015, made primarily of bank loans and overdrafts.

The Directors consider that there exists plenty of scope to expand its customer base as well as diversifying their current business. Consequently, as from 1 October 2017, AgriBank has introduced corporate banking business services to companies operating in Malta, given that there are over 55,000 active companies operating in Malta (as at 31 December 2016) registered in the Registry of Companies (2016 MFSA Annual Report).

Historical and projected financial information for the AgriGroup

The historical financial information of the Issuer is set out in the audited financial statements, for the financial years ended 30 June 2015 to 30 June 2017 as audited by Deloitte Audit Limited, Deloitte Place, Mriehel Bypass, Mriehel, Birkirkara, BKR3000, Malta. There has not been any significant change in the financial or trading position of the Issuer, which has occurred from the date of its latest audited financial statements.

Although the Issuer prepared consolidated accounts for the financial year ended 30 June 2017, for the financial years ended 30 June 2015 and 30 June 2016 the Issuer has availed itself of the exemption from drawing up consolidated accounts through article 173 of the Companies Act (Cap. 386) on the grounds that it is a parent of a small group. Consequently, the summary sets out a proforma consolidation of the AgriGroup (which includes the Issuer and its subsidiaries AgriBank and AgriFunding), for the financial year ended 30 June 2015, consolidated audited financial statements for the years ended 30 June 2016 and 30 June 2017 and the projections for the financial years ending 30 June 2018 to 2020.

Summary income statements for the years ending 30 June

GBP000	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Forecast	2020 Forecast
Net interest income	1,188	1,240	1,086	1,324	1,167	1,175
Net fee and commission expense	(206)	(68)	6	240	711	1,072
Other operating income	-	-	-	0	2	5
Net operating income	982	1,172	1,093	1,565	1,880	2,252
Depreciation and amortisation	(99)	(55)	(74)	(116)	(115)	(103)
Net impairment losses	(401)	(116)	(234)	(213)	(52)	(52)
Personnel and other expenses	(1,240)	(887)	(970)	(1,201)	(1,332)	(1,380)
(Loss)/profit before tax	(758)	114	(186)	35	381	717
Income tax credit/(charge)	168	(66)	34	(87)	(152)	(269)
(Loss)/profit for the year	(590)	49	(151)	(52)	229	448

Summary statement of financial position as at 30 June

GBP000	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Forecast	2020 Forecast
Assets						
Balances with Central Bank of Malta and cash a	7,037	7,528	4,200	5,937	6,707	8,551
Finance lease, loans and receivables	15,247	17,604	18,171	17,958	17,905	17,853
Available-for-sale investments	-	-	-	435	1,655	2,466
Held to maturity investments	-	-	178	178	178	178
Other assets	1,894	1,821	1,590	1,715	1,672	1,357
Total assets	24,178	26,953	24,139	26,222	28,117	30,404
Liabilities						
Amounts owed to banks	8,526	3,910	-	-	-	-
Amounts owed to customers	8,942	16,046	16,990	17,612	19,442	21,523
Subordinated debt	-	-	199	1,739	1,752	1,765
Other liabilities	1,406	1,643	1,656	1,629	1,451	1,197
Total liabilities	18,873	21,599	18,845	20,980	22,645	24,485
Equity						
Total equity	5,305	5,354	5,294	5,242	5,472	5,919
Total liabilities and equity	24,178	26,953	24,139	26,222	28,117	30,404

SECTION C – SECURITIES

Description of the Securities

The Issuer shall issue an aggregate of €2,000,000 of Bonds having a face value of one hundred Euro (€100) per Bond, subject to a Minimum Subscription of two thousand Euro (€2,000) of Bonds and multiples of one hundred Euro (€100) thereafter. The Bonds constitute debt securities offered and issued by the Issuer in favour of the Bondholders, which create, acknowledge and represent the indebtedness of the Issuer to the Bondholders and the entitlement of the Bondholders to receive payment of capital and Interest from the Issuer.

The Bonds shall be issued in fully registered and dematerialised form and will be represented in uncertified form by the appropriate entry in the electronic register maintained on behalf of the issuer at the CSD.

The Bonds will constitute the general, direct, unconditional senior and secured obligations of the Issuer. The obligations of the Issuer under the Bonds shall be secured by the constitution of the Issuer in favour of the Bondholders of the Pledge over the Receivables. The Security Trustee shall hold the Pledge over the Receivables on trust for the benefit of all Bondholders and as security for the punctual performance of the Issuer's obligations under the Bonds.

On admission to trading on Prospects, the Bonds will have the following ISIN: [MT0001661207](#).

Denomination

The Bonds are denominated in Euro (€).

Transferability

The Bonds are freely transferable and, once admitted to the Prospects List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

Rights attached to the Bonds

Bondholders shall be entitled to the rights listed under Section 23.7 of this Company Admission Document.

Interest

The Bonds shall bear interest from and including the Issue Date at the rate of four decimal point eight seven five per cent (4.875%) per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 31 December 2018. Any Interest Payment Date falling 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 4.875%.

Redemption

Each Bond shall entitle the Bondholder to receive Interest, and the Redemption Value together with any accrued but unpaid Interest on the Redemption Date.

Every Bondholder shall be entitled to be entered in the CSD Register as the holder of the Bonds issued in his favour, and shall be entitled to receive from the CSD a statement of holdings acknowledging the Bondholder's legal entitlement to the Bond.

Redemption shall take place on 31 December 2024. The Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

Admission on Prospects

The Malta Stock Exchange has authorised the Bonds as admissible pursuant to the Prospects Rules by virtue of a letter dated 12 December 2017. Application has been made to the Malta Stock Exchange for

the Bonds being issued pursuant to the Company Admission Document to be admitted and traded on its Prospects List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 12 December 2017 and trading is expected to commence on 14 December 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

SECTION D – RISKS

An investment in the Bonds involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Company Admission Document before deciding to acquire the Bonds.

Prospective investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment. 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.

The Company Admission Document contains statements that are, or may be deemed to be, “forward-looking statements”, which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Company Admission Document and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors. 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 and AgriBank’s Directors. No assurance is given that the future results or expectations will be achieved. The Bonds may not be a suitable investment for all investors. In particular, prospective investors should in consultation with their financial advisors determine whether they:

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

Below is a summary of the principal risks associated with the Bonds. There may be other risks which are not mentioned in this Summary. Investors are therefore urged to consult their own financial or other professional advisor with respect to the suitability of acquiring any of the Bonds.

The following is a summary of the principal risk factors that are specific to the Issuer, its business, and the market within which it operates:

Credit Risk – The recoverability and value in the AgriGroup’s assets may be adversely affected by risks arising from counterparties defaulting in their obligations, changes in the financial system, either on a systemic or systematic level, or changes in accounting standards.

Liquidity Risk – The Issuer’s ability to meet its financial commitments may be adversely affected by risks arising from the inability to liquidate assets or the inability to obtain adequate funding or difficulty to liquidate assets.

Interest Rate Risk – The Issuer may be adversely affected by a mismatch between the interest rates of its assets and liabilities as may arise in the conduct of its business.

Exchange Rate Risk – The AgriGroup may be adversely affected by a mismatch of the denomination of the currency of its assets, liabilities and equity.

Concentration Risk – The success of the Issuer is directly correlated to that of the Bank which is tied

to the overall performance of UK farmers and their agricultural activities and business, which are core to the Bank's business activities. As a result of the composition of the Bank's investment portfolio and funding base, any broadly negative economic trends affecting the United Kingdom, and the European Union in general, may have an adverse effect on the Bank and, in turn, on the Issuer.

Operational Risk – The Issuer's financial performance may be adversely affected by inadequate or failed internal processes, people and information technology systems or unforeseen external events.

Reliance Risk – The Issuer is largely dependent on the Bank and the operating results of the latter have a direct effect on the Issuer's financial position and performance.

Reputational Risk – The Issuer's operations and performance may be adversely affected by risks arising from negative publicity regarding its business practices, operational failures, and/or regulatory breaches, whether true or otherwise.

Market and Competition Factors – The Issuer may be adversely affected by risks arising from changes in economic conditions and increased competitive pressure in the financial services sector.

Strategic and Business Risk – The Issuer's operations and business may be adversely affected by risks arising from improper strategic choices, and their relative implementation, which risks may be unique to the Issuer;

Dependence on Key Personnel – The Issuer may be adversely affected if one or more of its key personnel are unable or unwilling to continue in their employment;

Risks Relating to Taxation – The amount of taxation charged on the Issuer's activities is subject to changes in tax laws and their practical application;

Regulatory Risk – The Issuer's and the Bank's ability to successfully pursue their business and their profits may be adversely affected by an increase in regulation both on a national, regional and international level;

Legal Risk – The Issuer is subject to various forms of legal risk. Legal risks arise from the possibility that unenforceable contracts, lawsuits, or adverse judgements can disrupt or otherwise negatively affect the operations or condition of the Issuer;

Forward-looking statements – Forward-looking statements can be identified by the use of terms such as "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should". These forward-looking statements relate to matters that are not historical facts. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this Document.

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

Essential information on the key risks specific to the Securities

An investment in the Bonds involves certain risks, including those set out below in this section and as further expanded in Section 20 hereof. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Company Admission Document.

- (i) Prior to the Bond Issue, there has been no public market or trading record of the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no

assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.

- (ii) Only upon successful admission, may the Bonds be traded on a multilateral trading facility but will NOT be traded on any Regulated Market. Hence, the market for the Bonds may be less liquid than a Regulated Market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market depends on a number of factors. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or if it develops, that it will continue. Furthermore, there can be no assurance that an Investor will be able to sell or otherwise trade in the Bonds at all.
- (iii) Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- (iv) An investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the investor's currency of reference, if different.
- (v) 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.
- (vi) The Issuer is entitled to issue bonds bearing a fixed rate of interest. Investment in such fixed rate bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said bonds. Investors should also be aware that the price of bonds moves adversely to changes in interest rates.
- (vii) The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity on the Redemption Date unless the Bonds are previously repurchased and/or cancelled.
- (viii) Application has been made to the MSE for the Bonds to be admitted and traded on Prospects. Prospects is a multilateral trading facility which is operated by the MSE and provides a venue for SMEs to float their securities. Consequently, this market is designed primarily for companies to which a higher risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor.
- (ix) Even after the Bonds are admitted to trading on Prospects, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain eligible to trade on Prospects in terms of the Prospects Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MSE may discontinue the trading of the Bonds on Prospects. Any such trading suspension or discontinuance described above could have a material adverse effect on the liquidity and value of the Bonds.
- (x) The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.
- (xi) In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders (refer to Section 23.16 of this Company Admission Document). These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.
- (xii) The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Prospects Rules and Maltese Law, including the Companies Act, in effect as at the date of the

Company Admission Document. 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 the Company Admission Document.

- (xiii) The Bonds shall constitute the general, direct, unconditional, senior, secured obligations of the Issuer. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves. Save for such exceptions as may be provided by applicable law, the Bonds shall rank senior to all other present and future obligations of the Issuer. Subject to the Permitted indebtedness provision (Section 20.2.6 of this Document), third party security interests may, by operation of any applicable law, be registered on all or some specific assets of the Issuer and therefore rank in priority to the Bonds against the assets of the Issuer affected by such security interest for so long as such security interests remain in effect.
- (xiv) The Bonds are secured by the pledge (refer to the definition of “**Pledge**” in the definitions section of this Document) over certain receivables (refer to the definition of “**Receivables**” in the definitions section of this Document) as may be due or as may from time to time become due and payable to the Issuer by AgriBank. More detailed information in connection with the Pledge over the Receivables is provided in Section 23.4 of this Document. The value of the Pledge securing the obligations of the Issuer under the Bonds is dependent upon the amount and value which the Security Trustee is able to recover from the Receivables. In the event that any of the Receivables are not recoverable by the Security Trustee, then the corresponding value of the Pledge shall be reduced accordingly and may, depending on the extent of such non-recoverable Receivables and in the event of a default by the Issuer under the Bonds, impact the recourse of the Receivables.
- (xv) The Bonds are secured by the Subordinated Bond Receivables (as defined in the Pledge Agreement); which Subordinated Bond will qualify as Tier II Capital for regulatory capital purposes. As such, the relevant Maltese resolution authority may exercise the bail-in tool (as defined in terms of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms) in respect of AgriBank and the Subordinated Bond, which may result in a loss in value of the Security, whereby it may, potentially, be subject to a write-down or conversion into equity.
- (xvi) The Pledge created pursuant to the Pledge Agreement over any receivables which are yet to come into existence is conditional upon the said receivables coming into existence. Accordingly, in the event that the receivables do not come into existence, no pledge thereon can be said to be created or subsist.
- (xvii) Additional Indebtedness and Security – the Issuer may incur further, borrowings and indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital);
- (xviii) Effect of Future Public Offerings/Takeover/Merger Activity – 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 any of the Bonds prevailing from time to time;
- (xix) Fixed Rate Bonds and Floating Rate Bonds – The market value of both fixed rate bonds and floating rate bonds may be adversely affected by subsequent changes in market interest rates.

SECTION E – OFFER

Estimated Net Proceeds of the Issue and use thereof

The estimated net amount of the proceeds of the Bond is expected to be one million, nine hundred thousand Euro (€1,900,000) and shall be advanced by the Issuer to AgriBank by purchasing in full the Subordinated Bond which shall be issued by AgriBank for the purpose of strengthening AgriBank’s

capital base (in accordance with the capital adequacy ratios imposed on the Bank in terms of Regulation (EU) No 575/2013) and for general financing requirements in order to extend its service offerings

Subscription

The Issuer has appointed Curmi & Partners Ltd as Placement Agent, Manager, and Registrar for the purpose of this Bond Issue and interested investors may contact the Placement Agent, Manager and Registrar for the purpose of subscribing to Bonds during the Offer Period.

The Bonds are open for subscription to all categories of investors, provided that all Applications must be filed with the Placement Agent, Manager and Registrar either by the Applicants directly or via their financial intermediary. The Placement Agent, Manager and Registrar and any other financial intermediaries wishing to file their clients' Applications via the Placement Agent, Manager and Registrar (as the case may be) shall be required to carry out an Appropriateness Test in respect of each Applicant for the purpose of assessing such Applicant's level of knowledge and experience prior to investing in the Bonds. Applications shall not be accepted by the Placement Agent, Manager and Registrar unless, based on the result of the Appropriateness Test conducted by it or by another financial intermediary acting for its client, the Placement Agent, Manager and Registrar is satisfied or, in the case where another financial intermediary has conducted the Appropriateness Test, that such other financial intermediary is satisfied, that an investment in the Bonds may be considered as appropriate for the Applicant. To the extent that the Placement Agent, Manager and Registrar or another financial intermediary is providing advice in respect of a purchase of Bonds by an Applicant, the Placement Agent, Manager and Registrar or the other financial intermediary (as the case may be) shall also be required to conduct a Suitability Test in respect of the Applicant and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant. If Applications are presented to the Placement Agent, Manager and Registrar by another financial intermediary, the Placement Agent, Manager and Registrar must be satisfied that the said financial intermediary has itself conducted the Suitability Test (as the case may be) on the prospective Applicant to its satisfaction.

Should subscriptions for a total of at least one million five hundred thousand Euro (€1,500,000) (the **"Minimum Total Subscription Amount"**) not be received by the Issuer, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly. In the event that the Minimum Total Subscription Amount is reached but the Bond is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed for.

Two hundred and twenty six thousand Euro (€226,000) out of the Bonds subject of the Offer (the **"Reserved Amount"**) are being reserved for placement by the Placement Agent, Manager and Registrar. The Issuer shall enter into a conditional subscription agreement with the Placement Agent, Manager and Registrar in this regard whereby the issuer will bind itself to allocate the Reserved Amount. In terms of the said subscription agreement, the Issuer will be conditionally bound to issue and the Placement Agent, Manager and Registrar will be conditionally bound to subscribe to the Reserved Amount, each subject to (*inter alia*) the Minimum Total Subscription Amount being subscribed.

In terms of the subscription agreement, the Placement Agent, Manager and Registrar may subscribe for Bonds for its own account or for the account of underlying customers.

Subject to the Underwriting Commitments (as defined below) and save for the Underwritten Amount (as defined below) Applications for subscriptions to the Bonds may be made through the Placement Agent and Manager during the Offer Period. The Offer Period shall close immediately upon attaining full subscription or on the last day of the Offer Period, whichever is the earlier. It is expected that notification of allotment will be announced to Bondholders within seven (7) Business Days of the closing of the Offer Period.

The principal terms and conditions of the Bonds are set out below. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Company Admission Document, including the full terms and conditions contained therein and in the annexes thereto.

Underwriting

The Bond issue is not being underwritten by the Placement Agent, Manager and Registrar and/or any other financial intermediary.

New Kensington Capital Ltd (which indirectly via its shareholding in Trams of Malta Limited holds 50% of the equity in the issuer – vide Section 8.4 *Organisational Structure*) will be underwriting two hundred twenty six thousand Euro (€226,000) worth of Bonds (the **“Underwritten Amount”**) by way of exchange of the NKC Subordinated Bond for the Bonds. The Issuer has entered into an underwriting agreement with New Kensington Capital Ltd and AgriBank in this regard (the **“Underwriting Agreement”**) whereby New Kensington Capital Limited has *inter alia* agreed to underwrite the Underwritten Amount subject to the Minimum Total Subscription Amount being subscribed (the rights and obligations of the respective parties to the Underwriting Agreement shall hereinafter be referred to as the **“Underwriting Commitments”**).

Pursuant to the Underwriting Agreement and conditional upon the Minimum Total Subscription Amount being subscribed, the terms of issue of the NKC Subordinated Bond shall be modified in order that this shall be aligned with the terms of issue and to form an integral part of the Subordinated Bond.

General

The Offer consists of two million Euro (€2,000,000) 4.875% Secured Bonds 2024, to be issued to the Bondholders pursuant to this Document and these Terms and Conditions. The Bonds shall be available for subscription during the Issue Period on a first-come-first-served basis.

The Bonds being offered will be the object of an application for admission to Prospects.

The Bonds are expected to be admitted to Prospects on the 12 December 2017 and such date shall constitute the date of issue, allotment, as well as Admission of the Bonds.

Offer Amount, Currency, Nominal Value & Minimum Holding

The Bonds are being issued in Euro (€), in the aggregate principle amount of two million Euro (€2,000,000). Each Bond shall have a nominal value of one hundred Euro (€100), which shall also be the Issue Price. There is a Minimum Subscription amount of two thousand Euro (€2,000) and no maximum investment amount, subject to such amount not exceeding the Offer Amount in the latter case.

Form and Title

The Bonds are debt securities offered and issued by the Issuer in favour of the Bondholders. The Bonds shall constitute the Issuer as the true and lawful debtor of the capital and Interest in favour of the Bondholders. The Bonds create, acknowledge and represent the indebtedness of the Issuer to the Bondholders and the entitlement of the Bondholders to receive payment of capital (in the amount of the Redemption Value) and interest from the Issuer, as further described below.

The Issuer will not issue certificates representing the Bonds to the Bondholders since the Bonds will be represented in uncertified form by the appropriate entry in the Issuer's electronic register of Bondholders maintained on behalf of the Issuer at the CSD. There will be entered into such electronic register the names, addresses, ID Card number (in case of natural persons), Registration Numbers (in case of companies), MSE account numbers of the Bondholders and the number of Bonds held by them respectively, and a copy of such register will, at all reasonable times during business hours, be available for inspection by the Bondholders at the registered office of the Issuer. The CSD will issue upon request by the Bondholder, a statement of holdings of Bondholders evidencing their entitlement to Bonds held in the CSD Register. The entry in such register shall, in the absence of manifest error, be conclusive evidence of the interests of Bondholders.

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of one hundred Euro (€100), provided that on subscription the Bonds will be issued for a minimum of two thousand Euro (€2,000).

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of payments) as the absolute owner of such Bond.

Title to the Bonds may be transferred as provided below under the heading “Transferability”.

Application has been made for the Bonds to be listed on Prospects. The Bonds will not be listed on the Official List or the Alternative Companies list of the Malta Stock Exchange or on any other regulated market.

Upon admission of the Bonds to the Prospects List, the Bonds are expected to be assigned the following ISIN code: [MT0001661207](#)

Interest and Yield

Interest shall accrue with effect on and from the 28 December 2017 and up to (but excluding) the Redemption Date. The Bonds shall cease to bear interest from and including the Redemption Date. Interest shall be paid at the rate of four point eight seven five per cent (4.875%) per annum. Interest shall be payable annually in arrears on each Interest Payment Date.

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 4.875%.

Redemption and Purchase

Unless previously purchased and cancelled, the Bonds shall be redeemed on the Redemption Date, being the 31 December 2024. The Bonds shall be redeemed at their nominal value, including any accrued but unpaid Interest thereon. Subject to the provisions of this paragraph, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

Payments

Payment of the principal amount of a Bond will be made by the Issuer in Euro to each Bondholder whose name is entered in the CSD Register, with interest accrued to the date fixed for redemption, by means of a direct credit against surrender of the Bonds by the Bondholders at the registered office of the Issuer or at such other place in Malta as may be notified by the Issuer. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value, the Bonds shall be redeemed and the appropriate entry made in the CSD Register.

Payment of any instalment of interest on a Bond will be made by the Issuer in Euro directly to each Bondholder whose name is entered in the CSD Register at the close of business fifteen (15) Business Days prior to the Interest Payment Date by means of a direct credit into such bank account as held by the CSD. The Issuer shall not be responsible for any charges, loss or delay in transmission.

Transferability

The Bonds are freely transferable and, once admitted to Prospects, shall be transferable only in whole in accordance with the Prospects Rules, bye-laws and regulations of the MSE as may be applicable from time to time.

The Bonds may be transferred in whole for a minimum face value of €100 in accordance with the bye-laws of the MSE and any applicable laws, rules or regulations governing the transfer of the Bonds, from time to time. If Bonds are transferred or transmitted in part, the transferee thereof will not be registered as a Bondholder. Any person becoming entitled to a Bond/s in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may, from time to time, properly be required by the Issuer or the MSE, elect either to be registered himself as holder of the Bond/s 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 Issuer 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/s, or procuring the transfer of the Bond/s, in favour of that person; provided always that if a Bond is transmitted or transferred in furtherance of this paragraph, a person will not be registered as a Bondholder unless such transmission or transfer is made in multiples of €100.

All transfers and transmissions are subject in all cases to any pledge (duly constituted in terms of law) of the Bonds and to any applicable laws and regulations. The cost and expenses of affecting any registration of transfer or transmission in the Bonds shall be at the charge of the Bondholder or at the charge of such person as the rules and bye-laws of the MSE may, from time to time, determine. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) Business Days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

Amendments to the Terms and Conditions

The provisions of the Terms and Conditions may be amended with the approval of Bondholders in accordance with the terms and procedure set out under the Terms and Conditions.

Bonds held jointly

In respect of a Bond held jointly by several persons (including but not limited to husband and wife), the joint Bondholders shall nominate one (1) of their number as their representative and his/her name will be entered in the CSD Register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held. In the absence of such nomination and until such nomination is made, the person first named on the CSD Register in respect of such Bond shall, for all intents and purposes, be deemed to be the registered holder of the Bond so held. The Issuer shall not be bound to register more than three (3) persons as the joint Bondholders.

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 CSD Register. The usufructuary shall for all intents and purposes be deemed, vis-à-vis the Issuer, to be the holder of the Bond so held and shall have the right to receive the Redemption Value and Interest on the Bond, but shall not, during the continuance of the Bond, have the right to dispose of the Bond so held without the consent of the bare owner.

Meetings of Bondholders

The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of this Document require the approval of a Bondholders' meeting.

Governing Law and Jurisdiction

The Terms and Conditions, the Bonds, this Document, all the rights and obligations of the Issuer and any Bondholder and any non-contractual obligations arising out of or in connection with the Bonds, this Document and the Terms and Conditions, shall be governed by and construed in accordance with the Laws of Malta. Any suit, action or proceedings arising out of, or in connection with, the Terms and Conditions, this Document and the Bonds, shall be submitted to the Courts of Malta. The Issuer and every Bondholder each agree that the Courts of Malta shall have exclusive jurisdiction to hear and settle any dispute arising out of or in connection with the Bonds, this Document and the Terms and Conditions, and each shall irrevocably submit to the jurisdiction of the Courts of Malta.

Disclosure of Material Interests

Save for any fees payable to the advisers engaged by the Issuer in connection with this Document and the Issue, as far as the Issuer is aware, no person involved in the issue of the Bonds has an interest that is material to the Issue.

Costs of Issue

Professional fees, management, placing and all other miscellaneous costs related to the Offer are estimated not to exceed one hundred thousand Euro (€100,000), and shall be borne by the Issuer out of the Offer Amount.

Expected Timetable of Principal Events

Event	Date
1. Application forms available	14 December 2017
2. Offer Period	From 14 December 2017 to 21 December 2017
3. Commencement of interest on Bonds	28 December 2017
4. Announcement of basis of acceptance	27 December 2017
5. Issuance of Bonds	28 December 2017
6. Expected Admission of the Bonds to Prospects	28 December 2017
7. Expected start of trading on Prospects	28 December 2017
8. Expected dispatch of allotment advices and refunds of unallocated monies	28 December 2017

The Issuer reserves the right to close the offer of the Bonds before the 21 December 2017 at 12:00 CET in the event that the Bonds are fully subscribed prior to the said date and time. In such eventuality, the events set out in steps 3 to 8 above shall be brought forward although the number of working days between the respective events shall not be also altered.

**COMPANY ADMISSION DOCUMENT
PART ONE**

3 RISK FACTORS

3.1 GENERAL

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. THE FOLLOWING RISKS ARE THOSE IDENTIFIED BY THE ISSUER AS AT THE DATE OF THE COMPANY ADMISSION DOCUMENT. PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, TOGETHER WITH THEIR INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS DOCUMENT AND REFERENCE DOCUMENTS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE ISSUER AND THE BONDS.

PROSPECTIVE INVESTORS ARE WARNED THAT BY INVESTING IN THE BONDS THEY MAY BE EXPOSING THEMSELVES TO SIGNIFICANT RISKS THAT MAY HAVE THE CONSEQUENCE OF LOSING A SUBSTANTIAL PART OR ALL OF THEIR INVESTMENT. THE RISK FACTORS SET OUT BELOW ARE A SUMMARY OF THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE ISSUER AND THE BONDS – THERE MAY BE OTHER RISKS WHICH ARE NOT MENTIONED IN THE DOCUMENT. INVESTORS ARE THEREFORE URGED TO CONSULT THEIR OWN FINANCIAL OR OTHER PROFESSIONAL ADVISERS WITH RESPECT TO THE SUITABILITY OF INVESTING IN THE ISSUER AND THE BONDS.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES THAT MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PROBABILITY OF A PARTICULAR CAUSE OF LOSS ARISING OR OF THE EXTENT OF THAT LOSS SHOULD IT ARISE.

SHOULD ANY OF THE RISKS DESCRIBED BELOW MATERIALISE, THEY COULD HAVE A SERIOUS ADVERSE EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE BONDS.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE THE DIRECTORS OF THE ISSUER MAY NOT CURRENTLY BE AWARE OF, COULD WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THE DOCUMENT BEFORE INVESTING IN THE BONDS. IN ADDITION, PROSPECTIVE INVESTORS OUGHT TO BE AWARE THAT RISK MAY BE AMPLIFIED DUE TO A COMBINATION OF RISK FACTORS.

4 FORWARD-LOOKING STATEMENTS

This Company Admission Document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Document and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors concerning, amongst other things, the operations, financial condition and liquidity of the Issuer. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Document will occur.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations, financial condition, liquidity and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this Document. In addition, even if the results of operations, financial condition and liquidity of the Issuer are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally, legislative/regulatory changes, changes in taxation regimes, the availability and cost of capital for future investments and the availability of suitable financing.

Applicants are advised to read this Document in its entirety together with the Reference Documents, and in particular, Section 5 of the Company Admission Document entitled “Risk Factors” for a further discussion of the factors that could affect the Issuer's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Document may not occur. All forward-looking statements contained in this Document are made only as at the date hereof. Subject to its legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

5 RISKS RELATING TO THE ISSUER

5.1.1 General

An investment in the Issuer and the Bonds may not be suitable for all recipients of this Document and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Chapter 370 of the Laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

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

5.1.2 Market and Economic Risks

The Issuer is subject to the general market and economic risks that may have a significant impact on its business. These include factors such as the level of demand of the AgriBank's services, including a decrease in demand of AgriBank's services and fluctuations in interest rates. In the event that the general economic conditions experience a downturn which is not contemplated in the Issuer's business plans, this shall have an adverse impact on the financial condition of the Issuer and its ability to meet its obligations under the Bond.

5.1.3 Interest Rate Risk

The Issuer may be exposed to interest rate risk, which 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. An increase in interest rates may have a material adverse effect on its business, financial condition and operations.

5.1.4 Issuer's Solvency

The Bondholders assume the credit risk of the Issuer. In the case of insolvency of the Issuer, the Bondholders may suffer direct and materially adverse consequences, including, deferral of interest and, if the Issuer were insolvent, the Bondholders may suffer loss of their entire investment.

5.1.5 Reliance on Third Parties

The Issuer relies upon third-party service providers for the purposes of carrying out its business and providing its services. 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 delays could have an adverse impact on the Issuer's business, and its respective financial condition, results of operation and prospects.

5.1.6 Credit Risk

Credit risk is the risk that one party to a financial transaction might fail to discharge an obligation and cause the other party to incur a financial loss. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties or a general deterioration in European or global economic conditions, or arising from systemic risks in the financial systems, could affect the

recoverability and value of the Issuer's assets and require an increase in the provision for impairment losses and other provisions.

5.1.7 Material Risks relating to Sectors in which the Issuer Operates

The success of the Issuer is directly correlated to that of the Bank which is tied with the overall performance of UK farmers and their agricultural activities and business, which are core to the Bank's business activities. Therefore, the Issuer's performance and results may also be adversely affected by risks associated with agriculture, which is influenced by ever-changing economic and bio-physical conditions. Risks related to agriculture may be classified under the following broad categories:

- a. Market or price risk, arising from uncertainty about future changes in prices of both inputs and outputs due to shocks, trade policy and new markets;
- b. Production or yield risk due to uncertainty about the quantity from agricultural production arising from weather-related factors, crop and livestock diseases and pests, the occurrence of natural calamities and changes in technology;
- c. Institutional or regulatory risk emerging from uncertainty regarding the regional or national policy and legal environment for agriculture;
- d. Financial risk arising from uncertainty about financial flows within a business due to variability in interest rates, access to credit and value of financial assets;
- e. Personnel risks due to uncertainty as to personnel hazards, such as injury, illness, or death.

Risks related to the agricultural industry cause farm income to vary, and may make it difficult for farm business to plan long-term investment. Volatility in output prices can make it more difficult for farmers to identify trends in prices, which is often a basis for making long-term investment decisions. In the presence of such volatility, the level of investment by risk-averse producers – and therefore the demand for the Issuer's financing – is likely to be lower than in a risk-free environment. The abovementioned risks may also negatively affect the farmer's capacity to effect repayment of any financing packages provided by AgriBank.

The Bank is currently exploring new revenue streams from the provision of transaction management services to corporate clients in Malta. It is expected that client base growth from this new business will be catered for by three (3) additional employees and through a capital expenditure of one hundred seventy five thousand Euro (€175,000). It is expected that within the third (3rd) year of venturing into this new business prospect, the Bank would be servicing an average of four hundred and sixty five (465) new corporate clients. There is no assurance that the Bank will be able to build and/or retain a client base sufficient to ensure profitability.

5.1.8 Exchange Rate Risk

Because the majority of AgriGroup's assets and liabilities are denominated in a currency different to the Euro, the Issuer may be affected favourably or unfavourably by changes in the exchange rates between the Euro and other currencies. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments and trades and changes therein, governmental intervention (usually directly by regulation in the currency markets to influence process directly) and trade, fiscal and monetary policies of governments, speculation, different countries' rates of inflation, international interest rates, international trade restrictions, currency devaluations and re-valuations and other economic and political conditions.

The Issuer or AgriBank may engage in foreign currency transactions in order to hedge against currency exchange risk; however there is no guarantee that hedging or protection will be achieved. This would result in the Issuer being potentially exposed to exchange rate risk, and transaction risk, which is the risk that the currency of the costs and liabilities of the Issuer fluctuates in relation to the Euro being its reporting currency, which fluctuation may adversely affect its operating performance.

5.1.9 Operational Risk

Operational risk events can be broadly categorised as: (a) losses arising from internal and external frauds, as well as human errors and omissions; (b) losses arising from loss of key personnel; (c) losses arising from technological failures, telecommunication problems and utility outages; and (d) losses arising from

insurance arrangements not adequately addressing the risk these are intended to cover.

5.1.10 Concentration Risk

The majority of the investments made by the Bank are all denominated in British Pound Sterling. In addition, the funding base of the Bank mostly consists of investors located or otherwise established in the United Kingdom. As a result of the composition of the Bank's investment portfolio and funding base, any broadly negative economic trends affecting the United Kingdom, and the European Union in general, may have an adverse effect on the Bank and, in turn, on the Issuer.

Concentration risk may also arise because of lack of diversification in business that may lead to excessive exposure or concentration in a group of connected counterparties. Furthermore, concentration risk may also arise in terms of geographies, regions, countries and industries.

The Bank expects to mitigate its exposure to concentration risk somewhat through the diversification of its business portfolio by exploring the possibility of new revenue streams mainly from the provision of transaction management services to corporate clients in Malta.

The majority of the investments made by the Bank are all denominated in British Pound Sterling. In addition, the funding base of the Bank mostly consists of investors located or otherwise established in the United Kingdom. The extent and process by which the United Kingdom will exit the European Union ("**Brexit**"), and the longer term economic, legal, political and social framework to be put in place by the United Kingdom and the European Union are unclear at this stage and are likely to lead to ongoing political and economic uncertainty and periods of exacerbated volatility in the United Kingdom, and the wider European markets. Any of these factors or the terms of the outcome and the result of Brexit could have a material adverse effect on the AgriGroup's results of operations.

5.1.11 Reliance Risk

The Issuer functions as a finance and holding company and as such, its assets consist of its shareholding in AgriBank and upon issuance and subscription thereto the Subordinated Bond as mentioned in Section 20.2.10. Consequently, the Issuer is largely dependent on AgriBank, including for the purpose of servicing interest payments on the Bonds described in Part Two of this Company Admission Document and the repayment of the principal on such Bonds on maturity date, which is dependent on AgriBank honouring its commitments including timely interest payments payable in terms of the Subordinated Bond and the repayment of the principal amount thereof. In this respect, the operating results of AgriBank have a direct effect on the Issuer's financial position and performance. Therefore, the inherent risks of the business and operations of AgriBank have a direct effect on the ability of the Issuer to meet its respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of AgriBank, and, in turn, all risks relating to AgriBank are the risks relevant to the Issuer.

The interest payments and principal repayments to be made by AgriBank are subject to certain risks. More specifically, the ability of AgriBank to make payments to the Issuer in accordance with the terms of the Subordinated Bond will depend on the generation of its cash flows and earnings, which may be restricted: by changes in applicable laws and regulations; by the terms of agreements to which it is or may become party; or by other factors beyond the control of the Issuer. The occurrence of any such factors could, in turn, negatively affect the ability of the Issuer to meet its respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

This Company Admission Document includes information about the Issuer and its subsidiary, AgriBank, to enable a prospective investor to make an informed judgement as to the Issuer's reliance on AgriBank.

5.2 RISKS RELATING TO THE BONDS

An investment in the Bond includes certain risks including, but not limited to, the following:

- 5.2.1 Prior to the Bond Issue, there has been no public market or trading record of the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no

assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.

- 5.2.2 Only upon successful admission, may the Bonds be traded on a multilateral trading facility but will NOT be traded on any Regulated Market. Hence, the market for the Bonds may be less liquid than a Regulated Market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market depends on a number of factors. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or if it develops, that it will continue. Furthermore, there can be no assurance that an Investor will be able to sell or otherwise trade in the Bonds at all.
- 5.2.3 Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- 5.2.4 An investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the investor's currency of reference, if different.
- 5.2.5 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.
- 5.2.6 The Issuer is entitled to issue bonds bearing a fixed rate of interest. Investment in such fixed rate bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said bonds. Investors should also be aware that the price of bonds moves adversely to changes in interest rates.
- 5.2.7 The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity on the Redemption Date unless the Bonds are previously repurchased and/or cancelled.
- 5.2.8 Application has been made to the MSE for the Bonds to be admitted and traded on Prospects once the Bonds are authorised as admissible by the MSE. Prospects is a multilateral trading facility which is operated by the MSE and provides a venue for SMEs to float their securities. Consequently, this market is designed primarily for companies to which a higher risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor.
- 5.2.9 Even after the Bonds are admitted to trading on Prospects, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain eligible to trade on Prospects in terms of the Prospects Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MSE may discontinue the trading of the Bonds on Prospects. Any such trading suspension or discontinuance described above could have a material adverse effect on the liquidity and value of the Bonds.
- 5.2.10 The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.

In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders. The provisions of Section 23.16 of this Company Admission Document permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

- 5.2.11 The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of

the Prospects Rules and Maltese Law, including the Companies Act, in effect as at the date of the Company Admission Document. 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 the Company Admission Document.

- 5.2.12 The Bonds shall constitute the general, direct, unconditional, senior and secured obligations of the Issuer. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank prior to all other present and future obligations of the Issuer.
- 5.2.13 The Bonds are secured by a pledge on certain receivables payable or which may become due to the Issuer by AgriBank. The value of the Pledge securing the obligations of the Issuer under the Bonds is dependent upon the amount and value which the Security Trustee is able to recover from the Receivables. In the event that any of the Receivables are not recoverable by the Security Trustee, then the corresponding value of the Pledge shall be reduced accordingly and may, depending on the extent of such non-recoverable Receivables and in the event of a default by the Issuer under the Bonds, impact the recourse to the Receivables.

Furthermore any charge created by the Pledge over any future receivables, is conditional upon the said receivables coming into existence. Accordingly, in the event that the receivables do not come into existence, no pledge thereon can be said to be created or subsist.

- 5.2.14 Effect of Future Public Offerings/Takeover/Merger Activity – 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 any of the Bonds prevailing from time to time;
- 5.2.15 AgriBank does not have any established track record in the field of corporate banking which could be utilised as a basis for evaluating its potential performances. There can be no assurance that the issue price of the Subordinated Bond will correspond to the price at which the Subordinated Bond will trade in the market subsequent to the issue thereof.

5.3 RISKS RELATING TO THE SUBORDINATED BOND

The Subordinated Bond which will be purchased by the Issuer is subordinated to the claims of all holders of senior and/or unsubordinated indebtedness of AgriBank. The Subordinated Bond shall constitute the general, direct, unconditional, subordinated and unsecured obligations of AgriBank and shall at all times rank *pari passu*, without any priority or preference with other present and future outstanding, subordinated and unsecured obligations of AgriBank. The Subordinated Bond will qualify as Tier II Capital for regulatory capital purposes.

The Bonds are secured by the Subordinated Bond Receivables (as defined in the Pledge Agreement). As such, the relevant Maltese resolution authority may exercise the bail-in tool (as defined in terms of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms) in respect of AgriBank and the Subordinated Bond, which may result in a loss in value of the Security, whereby it may be subject to a write-down or conversion into equity.

6 PERSONS RESPONSIBLE

This Company Admission Document includes information prepared in compliance with the Prospects Rules for the purpose of providing Bondholders with information about the Issuer. The Directors, whose names appear in this Document, namely Dr Joseph Borg, Mr Roderick Psaila, Mr Mario Vella, Mr Paul Grech, Mr Victor Rizzo Giusti, Mr Stephen Muscat, and Mr Frank J. Sekula are the persons responsible for the information contained in this 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 Document is in accordance with the facts and contains no omission likely to affect its import. The Directors accept responsibility accordingly.

As at the date of this Company Admission Document, there are no other facts or matters omitted from the Company Admission Document which were or are necessary to enable investors and their investment advisors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Bonds.

7 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS OF THE ISSUER

This Document includes information given in compliance with the Prospects Rules for the purpose of giving information with regards to the Issuer.

7.1 Board of Directors

As at the date of this Company Admission Document, the Board of Directors of the Issuer is composed of six (6) individuals as follows:

Dr Joseph Borg	Independent Non-Executive Director and Chairman
Mr Victor Rizzo Giusti	Independent Non-Executive Director
Mr Stephen Muscat	Independent Non-Executive Director
Mr Mario Vella	Independent Non-Executive Director
Mr Frank Sekula	Non-Executive Director
Mr Roderick Psaila	Executive Director and Chief Executive Officer
Mr Paul Grech	Executive Director and Chief Financial Officer

Messrs Grech, and Psaila occupy a senior executive position within the AgriGroup whilst Mr Sekula is also the ultimate beneficial owner of the AgriGroup. Dr Borg, and Messrs Sekula, Vella, Rizzo Giusti and Muscat serve on the Board in a non-executive capacity. Accordingly, they (with the exception of Mr Sekula) are free of any business, family, or other relationship with the Issuer which could create a conflict of interest such as to impair their judgement.

The Issuer is a public limited liability company registered and incorporated in Malta in terms of the Companies Act on the 19th July 2012, with company registration number C 57008 and having its registered office at Level 1, SkyParks Business Centre, Malta International Airport, Luqa LQA4000, Malta.

The company secretary and compliance officer in terms of the Prospects Rules is Mr Arnold Cini.

The following are the respective curriculum vitae of the Directors and company secretary of the Issuer:

Dr Joseph Borg

Dr Borg has over forty years of legal and political experience. Dr Borg has acted as legal advisor to companies and corporate bodies in Malta and abroad and has held various academic posts at the University of Malta specializing in company and industrial law since 1979. He was the main author of the Companies Act of 1995. Dr Borg was a Board member of the Central Bank of Malta between 1992 and 1995. From 1995 to 1999, he was a member of the Malta House of Representatives. He served as Malta's Minister for Foreign Affairs between 1999 and 2004, during which time he led the negotiations for Malta's accession to the European Union. He was a European Commissioner with responsibility for fisheries and maritime affairs from 2004 and 2010. Dr Joseph Borg joined the board of the Issuer and that of AgriBank in 2012 and is the Chairman of both boards.

Mr Victor Rizzo Giusti

Mr Rizzo Giusti has over thirty eight (38) years of experience in the financial services sector and is a

qualified UK Chartered Banker with experience in all areas of commercial banking. His last executive role was that of country general manager of Volksbank Malta Limited where he was responsible for the bank's lending portfolio and treasury operations. He has held senior posts with other banks including Barclays Bank and also assumed the role of Money Laundering Reporting Officer of a credit institution. He served two (2) separate one (1)-year terms as Chairman of the Malta Bankers Association. He has also served for a number of years on the committee of the Malta Institute of Financial Services. His last post on the committee was that of vice president. Mr Rizzo Giusti currently runs his own financial training consultancy firm specializing in anti-money laundering, business development and credit training programmes. Mr Rizzo Giusti joined the Board of the Issuer and that of AgriBank in 2012 and is the Chairman of the Bank's Credit Committee.

Mr Stephen Muscat

Mr Muscat is a Certified Public Accountant and a graduate of the University of Malta with a B.A. (Honours) Accountancy degree, a fellow of the Malta Institute of Accountants, the Malta Institute of Taxation and the Institute of Directors (UK). He is a former CEO and Director of Maltacom p.l.c. (today GO p.l.c.).

Since 2006, Mr Muscat has been a corporate services provider with his own advisory practice and serves as an independent non-executive director of a number of companies operating in financial services, insurance, fiduciary as well as shipping, infrastructure, ICT and a resident director of various holding companies. Within locally regulated entities, he practices as a member of Audit, Investment, Risk, Remuneration and Valuation Committees. Mr Muscat is also a member of the Board of Directors as well as Chairman of the Audit Committee of SD Finance plc, a public limited liability company registered and incorporated in terms of the Companies Act with company registration number C 79193 and having its registered office at Seabank Hotel, Marfa Road, Mellieha MLH9064.

Mr Muscat joined the board of the Issuer and AgriBank on the 4th April 2017.

Mr Frank Sekula

Mr Sekula has twenty six (26) years of experience in the financial services sector. He has a broad investment and corporate banking background and significant experience in credit risk management. Mr Sekula began his banking career in 1991 in New York in various positions with PaineWebber Inc., CS First Boston, and BT AlexBrown. In 1998, Mr Sekula joined Barclays Capital to build its European high yield debt business. Frank successfully built a high yield debt business that could originate, place and trade high yield debt which generated annual revenues in excess of £50 million in the second year of operation. He also managed a £1.0 billion bridge loan book. In 2007, Mr Sekula joined Kaupthing Bank to restructure its £4.5 billion principal finance business. In 2009, Mr Sekula joined Jefferies to start its European restructuring group, which generated £15 million in the first year of operation. Mr Sekula left Jefferies in 2010 to set up a family investment office. He founded AgriBank in 2012 after a thorough licensing process. Mr Sekula sits as non-executive director on the board of the Issuer and that of AgriBank.

Mr Roderick Psaila

Mr Psaila is a qualified banker, having graduated as an Associate of the Chartered Institute of Bankers (ACIB) from the United Kingdom, and subsequently obtained a Masters in Economics from the University of Malta. He had an eighteen (18) year career with the Central Bank of Malta starting in 1990 where he held various positions related to banking, monetary policy statistics, and financial stability. From 2005 to 2008, Mr Psaila headed the Financial Stability Office. In 2004, Mr Psaila was seconded to the European Central Bank in Frankfurt. In 2008, Mr Psaila joined Nemea Bank PLC as Chief Operating Officer where he led the team responsible for setting up the operations of the bank. In 2010, Mr Psaila joined, as general manager, a banking start-up seeking to finance SME lending assets with online deposits. The said entity successfully gained its licence but never commenced operations. In 2012, Mr Psaila joined AgriBank as Chief Executive Officer. Mr Psaila is a member of the board of the Issuer. Mr Psaila is also an executive board member of the board of directors of the Bank.

Mr Paul Grech

Mr. Grech is an accountant and auditor by profession. He started his career at KPMG, where he spent four and a half years in the financial industry mainly in audit and other administrative roles. While with KPMG, Mr. Grech serviced the first professional investor fund in Malta. In 2003 Mr. Grech joined the Maltese Government's IT agency and in 2005, he joined Mediterranean Bank plc as Financial Controller. He was involved in the establishment of Mediterranean Bank plc from licence to the commencement of operations. Mr. Grech was responsible for financial and regulatory reporting, internal controls and financial projections. In 2008, Mr. Grech joined Nemea Bank as Chief Financial Officer. In this role, he was a key member in the team that launched the bank and was involved in a range of activities including IT development. In 2010, Mr. Grech joined the team of executives of a banking set-up, which received a no-objection letter from the MFSA to proceed with a banking license. He was responsible for the application and setting up all banking systems for the prospective bank, which was to focus on a traditional banking model. In 2011, Mr. Grech joined the AgriBank team. He was engaged to attain the license for AgriBank and he was involved in its formation. In 2012, Mr Grech joined AgriBank as its Chief Financial Officer. Mr Grech is a member of the board of the Issuer. He is also an executive board member of the board of directors of the Bank.

Mr Mario Vella

Mr Mario Vella joined Barclays Bank in Malta in 1969 and by the time of the Mid Med Bank take-over by HSBC in 1999, held the position of Deputy General Manager with the bank having occupied roles in various areas in the meantime. Mr Vella specialized in Credit and has over the years participated in arranging finance for a number of significant projects including via a mix of bank / syndicated lending and capital markets. With HSBC, Mr Vella assumed the role of Head of Corporate Banking with responsibility for the major share of the Bank's lending portfolio and its largest corporate customers, strongly promoting the concept of relationship banking while at the same time helping introduce the HSBC disciplines in Malta.

In 2014, after 43 years in banking, Mr Vella moved to KPMG as Director, Deal Advisory in which role he has served as consultant to several company boards and assisted in raising finance for new ventures while helping other clients refinance their borrowing facilities. He retired from KPMG in August 2017 but continues to serve as consultant to various businesses. Mr Vella was appointed as a director of the Issuer on the 27 September 2017.

Mr Arnold Cini – Company Secretary

Arnold Cini has thirty years of experience in the financial services sector. In 1987, he joined Bank of Valletta in a number of lending roles, and eventually was promoted to Credit Officer of the main branch in Malta. In 2000, he joined Disbank as a member of the accounting department and was part of a team that prepared management and statutory accounts. In 2002, he joined FIMBank PLC as part of the risk management team for trade finance. In 2006, he set up and led a team responsible for account opening and know-your-customer procedures. Arnold obtained the ACAMS certification for anti-money laundering specialists in 2010. In 2016, he took on the role of Company Secretary of both the Issuer and AgriBank and Head of Compliance and MLRO of the Bank.

Senior Management of the AgriGroup

Mr Roderick Psaila - Chief Executive Officer

Roderick Psaila's curriculum vitae is included in Section 7.1 above.

Mr Paul Grech - Chief Financial Officer

Paul Grech's curriculum vitae is included in Section 7.1 above.

Mr Arnold Cini – Head – Compliance, MLRO, and Compliance Officer

Arnold Cini's curriculum vitae is included in Section 7.1 above.

7.2 Advisors to the Issuer



Corporate Advisor

DF Consultancy Services Limited
Il Piazzetta A, Suite 52, Level 5,
Tower Road,
Sliema SLM1607,
Malta



Legal Advisor

DF Advocates
Il Piazzetta A, Suite 52, Level 5,
Tower Road,
Sliema SLM1607,
Malta



Reporting Accountant and Financial Advisor

Grant Thornton Limited
Tower Business Centre,
Suite 3, Tower Street,
Swatar BKR4013,
Malta



Placement Agent, Manager and Registrar

Curmi & Partners Ltd
Finance House,
Princess Elizabeth Street,
Ta' Xbiex MSD11,
Malta

The organizations listed above have advised and assisted the Directors of the Issuer in the drafting and compilation of the Company Admission Document.

Save for any fees payable to the advisers engaged by the Issuer in connection with this Document and the Bond Issue, as far as the Issuer is aware, no person involved in the issue of the Bonds has an interest that is material to the Bond Issue

7.3 Auditor of the Issuer



Deloitte Audit Limited
Deloitte Place,
Mriehel Bypass,
Mriehel,
Birkirkara BKR3000
Malta

The financial statements of the Issuer and AgriBank for the financial years ended 30 June 2013, 2014, 2015, 2016, and 2017 have been audited by Deloitte Audit Limited.

Deloitte Audit Limited is authorised to provide audit services in Malta in terms of the Accountancy Profession Act (Chapter 281 of the Laws of Malta).

8 INFORMATION ABOUT THE ISSUER AND AGRIBANK

8.1 Introduction

Full legal and commercial name of the Issuer:	AgriHoldings PLC
Registered address:	Level 1, SkyParks Business Centre, Malta International Airport, Luqa LQA4000, Malta.
Place of registration and domicile:	Malta
Company registration number:	C 57008
Date of registration:	19 th July 2012
Legal form:	The Issuer is a public limited liability company registered and incorporated in Malta in terms of the Companies Act
Telephone number:	+356 20926000
Email:	agriholdings@agribankplc.com
Website:	www.agribankplc.com

8.2 Principal activities of the Issuer

The Issuer was registered and incorporated on the 19th July 2012 in terms of the Companies Act with company registration number C57008.

The Issuer was initially set up as a private limited liability company for the purposes of carrying out the following principal activities: (a) to acquire, hold, manage and dispose of shares and similar instruments as well as other ownership interests in other companies partnerships, joint ventures or enterprises; and (b) to carry out such activities as may be ancillary to the above or as may be necessary or desirable to achieve the above objects. On 2nd October 2017, the Issuer was converted into a public limited liability company. The issue of bonds also falls within the objects of the Issuer, however, to date, the Issuer has no track record in raising finance from the capital markets.

The Issuer does not intend to undertake any trading activities itself apart from the raising of capital and advancing thereof to its subsidiary, AgriBank PLC by way of subscribing in full to the Subordinated Bond. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the business of AgriBank. The principal activities of AgriBank are detailed in Section 8.5 hereunder.

The Issuer is managed by a Board of Directors (referred to in Section 7.1 above), which is entrusted with the overall direction, administration and management of both the Issuer and its subsidiary, AgriBank.

The Issuer has set up a website (www.agribankplc.com) which includes an 'Investor Information' section from which investors can obtain current information on the Issuer. This Section shall include all electronic communications for all information required to be disclosed under the Rules and/or applicable law to all holders of admitted securities.

The Issuer has identified the following competitive strengths of its subsidiary, AgriBank PLC:

Attractive agricultural loan book

In the UK, agriculture is at the core of the food industry and is backed by strong land values, while enjoying strong Governmental support. The Bank has built a valuable book of loans to land-owning farmers and other agricultural related entities, which generates an attractive interest income relative to its funding costs.

Matched funding mitigates risk

AgriBank funds its loan book in Pounds Sterling (£) with longer-term maturities thereby reducing currency and liquidity risk by matching the currency and duration of its assets and liabilities. Moreover, the Bank's term deposits are funded in Pounds Sterling (£).

Strong capital ratios

The Bank's regulatory ratios are strong. It has a Capital Adequacy Ratio ("CAR") and Liquidity Coverage Ratio ("LCR") of 34.3% and 251%, respectively in contrast to the minimum regulatory ratios of 10% and 100% respectively.

Good relationships with Regulators

The Bank has good relationships with its regulators including the MFSA, ECB and FIAU. AgriBank has had a recent MFSA onsite review of the Bank's systems, operations and corporate governance. The Bank is a member of Target 2. Moreover, its deposits are covered by the Depositor Compensation Scheme of Malta.

New banking systems

AgriBank has the ability to grow without materially expanding its fixed cost. Consequently, AgriBank has invested in a new core banking and internet banking system within the last two (2) years. Its systems include Oracle's Flexcube and OBDx, a leading core banking system and internet banking system, respectively.

Five-year track record

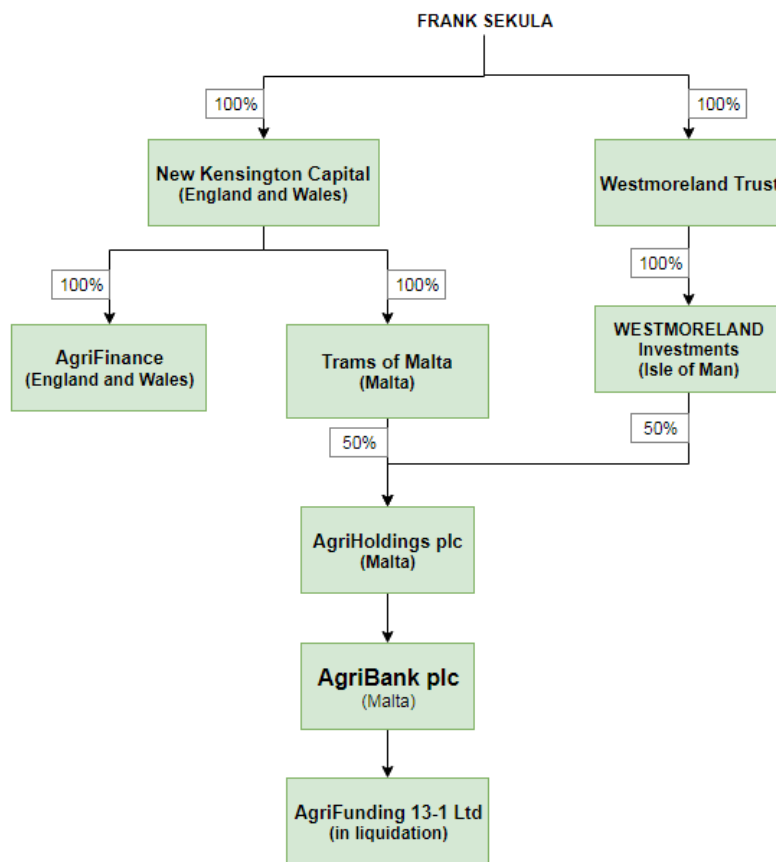
The Bank has been operating for more than five (5) years and has reached break-even. This track record is a base on which to diversify into other business lines. AgriBank has a strong management team in Roderick Psaila and Paul Grech, CEO and CFO respectively. Both are highly experienced with proven track records in banking and financial regulation. The Bank is headed by a Board of Directors assisted by a strong system of corporate governance.

8.3 Principal markets of the Issuer

The Issuer operates exclusively in and from Malta. The Issuer's subsidiary, AgriBank PLC, however, provides asset finance to farmers in the United Kingdom as further expanded in Section 8.5 hereunder.

8.4 Organisational Structure

The diagram below indicated the structure of AgriGroup as at the date of this Document.



8.5 Business Overview of AgriBank

AgriBank is a regulated credit institution dedicated to provide asset finance to the UK agricultural industry. Its main business is the provision of asset finance to land owning farmers in the UK to fund the purchase of agricultural machinery and equipment, the construction of buildings, the purchase of land and the construction of on farm energy (“OFE”) projects. Typical products are structured as financial leases, hire purchase agreements and secured loans.

In fiscal year 2018, the Bank will offer a new range of banking services to corporate clients primarily based in Malta. The Bank has decided to introduce these services because it believes that the current competitors of the Bank are not adequately servicing the demands of the market which is expanding due to the growth of the Maltese economy. AgriBank has upgraded its banking systems and begun expanding its personnel to efficiently deliver these new products and services. The initial services on offer will be the provision of bank accounts and payment processing in both Euro and foreign currencies.

8.5.1.1 Customers

AgriBank targets mid-sized UK farmers who require asset finance products. This is done through, AgriFinance, which manages relationships with AgriBank’s existing client base and a network of high quality agricultural finance brokers. Customers are categorised as sole traders, partnerships and limited companies. Lending is a personal obligation of sole traders, a joint and several obligation of partnerships and jointly and severally guaranteed by the shareholders of limited companies.

AgriBank also lends selectively to farming contractors who perform services to UK agriculture such as contract farming, drilling, spraying or combining, and high-quality agricultural machinery rental companies.

AgriBank is generally a secondary bank to its clients, as it has never offered typical “high street” banking services such as current accounts, overdrafts, credit cards or global payments. Typical customers have an asset finance contract with AgriBank to improve financial flexibility by reducing the drawings on their core overdraft facility.

8.5.1.2 Products

AgriBank structures its asset finance products as financial leases, hire purchase agreements and secured loans. Terms of agreements are for up to seven years with the majority of agreements set for periods of between 48 and 60 months. All agreements are paid by direct debit. Some agreements are settled early each year with interest and fees paid through to maturity. In some cases, farmers are rebated a portion of the interest and fees due through to maturity to incentivize them to finance replacement equipment with the Bank.

8.5.1.3 Hire Purchase Agreements (“HP”)

HP allows title in the asset financed to be retained by AgriBank for the term of the agreement with the asset hired by the borrower. The risk of loss or damage rests with the customer who is also responsible for repair and maintenance as well as insurance for replacement value. At the end of the agreement, the borrower has the option to purchase the asset.

8.5.1.4 Financial Leases

Financial leases allow title in the financed assets to be retained by AgriBank for the term of the agreement with the asset leased to the borrower. The risk of loss or damage rests with the lessee who is also responsible for repair and maintenance as well as insurance for replacement value. At the end of the agreement, the borrower can act as sale agent for the asset and retain a percentage of the sales proceeds.

8.5.1.5 Secured Loans

Secured loans are typically secured by land and other assets. Secured loans are used to structure more complex financings such as OFE projects where the loan is secured by the land and equipment used for the project and key contracts.

The amount financed depends on the value of the asset being financed. A typical tractor can cost more than £80,000. The amount financed can be for up to 90% of the fair market value of the equipment, however the average loan to value for the portfolio is lower. AgriBank often tailors the repayment profile

of its products to fit with the seasonality of the customers' cash flow.

AgriBank finances OFE projects so that it can step in and run the project in the event of default. Consequently, AgriBank takes a security interest in the land where it sits including a right of way, the equipment and the key contracts which drive the economics of the project. These projects are often underpinned by governmental subsidies and supported by traditional farming operations where they are located through personal guarantees of the owner(s). The principal repayment periods are generally set to match the period of governmental support.

AgriBank only extends funding in the form of unregulated agreements by the Consumer Credit Act. Unregulated agreements exceed £25,000 in amount for sole traders or partnerships or are used exclusively for business purposes. Any amount lent to limited companies is considered an unregulated agreement.

8.5.1.6 Competition

Demand for agricultural asset finance continues to grow steadily while many UK banks have increased their activities in the sector along with several foreign banks.

Most UK clearing banks are organized with asset finance and relationship banking being delivered separately, or more commonly with asset finance being delivered to clients through brokers who are completely independent from the Bank.

8.5.2 Maltese Corporate Banking Market

8.5.2.1 Growing Economy in Malta

Malta has recorded economic growth rates which are approximately double the EU average placing Malta in a top three position in terms of economic growth rates in the EU. This is due to both local consumption and foreign direct investment. The sectors driving the economy are tourism, financial services, gaming and manufacturing/trade. Credit rating agencies recently upgraded the country's credit ratings.

8.5.2.2 Banking Sector Capacity

Management believes the current demand for financial services by existing and new companies is not being met by the current capacity of the banking sector. The growing needs of the financial services sector include accounting, legal, marketing, advisory and corporate banking services. The supply for corporate banking is not expanding because existing market players have reached capacity and new players are focused on delivering specialized services to non-Maltese based clients.

8.5.2.3 Customers

AgriBank shall service all Maltese corporates from all sectors of the economy. However, initially, the Bank intends to target the gaming sector for three primary reasons: the sector is regulated; constantly growing (in 2016 the sector increased by 12% over 2015);¹ and can be highly remunerative.

AgriBank plans to expand its offering to most sectors, while maintaining an attention to detail in offering services and pricing.

AgriBank will generally remain a secondary bank to its clients, particularly as it will not offer certain corporate banking services such as overdrafts and letters of credit.

8.5.2.4 Products

AgriBank intends to differentiate its product offering by delivering high levels of customer service rather than by the lowest pricing.

Initially, the Bank will deliver the following products:

- Euro denominated current accounts with internet access; and

¹Malta Gaming Authority, Annual Report 2016

- Foreign currency payment processing.

8.5.2.5 Competition

There are currently twenty seven (27) licensed credit institutions in Malta of which only thirteen (13) offer corporate banking services. New entrants in the market have invested heavily in infrastructure to offer effective corporate banking services while many existing players have decided not to expand their corporate banking. Consequently, corporate banking capacity has not grown with the increased demand for corporate banking services of the Maltese economy.

8.6 Business development strategy

Maintain a sustainable agricultural loan book

AgriBank currently has a loan book exceeding £18m million consisting of approximately 220 finance agreements with a healthy net interest margin. The Bank has an existing client base of creditworthy customers who are regular users of agricultural asset finance. Apart from ongoing marketing campaigns, AgriBank has developed a network of high quality agricultural finance brokers who regularly introduce new business to the bank.

Diversify into corporate banking in Malta

AgriBank plans to diversify its business by offering corporate services in Malta. The Directors of the Bank, however, appreciate that, apart from its upgraded systems, further human resources are required in order for it to be able to service this sector efficiently.

Actively Manage Risk

AgriBank will continue to actively manage credit risk using its proven internal systems which consist of origination via AgriFinance, its UK servicing arm, and its Credit Risk Committee. The Bank will manage the money laundering and financing of terrorism risks of the corporate banking business through an on-boarding Committee that will screen new clients.

Closely Monitor Overheads

Management will continue to tightly manage its overhead structure and cost base to ensure profitability.

Increase Capital

The Bank intends to increase its capital base through the issue of the Subordinated Bond which shall qualify as Tier II Capital. Thus, whilst the Bank's core functions are denominated in Pound Sterling (£) the Bond Issue is denominated in Euro (€) in view of the fact that the reporting currency to the MFSA is the Euro (€), thereby mitigating further currency risk.

9 TREND ANALYSIS

9.1 Trend information of the Issuer

The Issuer is dependent on the business prospects of AgriBank and, therefore, the trend information of AgriBank (detailed below) has a material effect on its financial position and prospects.

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

9.2 Trend information of the Bank

AgriBank was set up as a regulated credit institution dedicated to providing asset finance to the UK agricultural industry. Its main business is the provision of asset finance to land owning farmers in the UK for funding the purchase of agricultural machinery and equipment, financing the construction of buildings, purchasing land and financing on farm energy projects. Typical products are structured as financial leases, hire purchase agreements and secured loans. As from 1 October 2017, AgriBank has introduced corporate banking business services to companies operating in Malta. Consequently, the trend analysis of AgriBank focuses on the agricultural industry and the corporate banking business services.

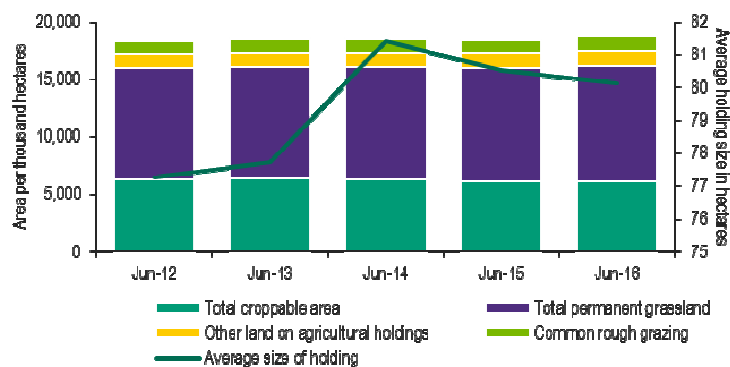
9.3 The agricultural industry

9.3.1 Overview of the agricultural industry, with a focus on the UK

According to European Parliamentary Research Service (2016)² agriculture is a strategic economic and societal sector for the EU given that the agri-food sector adds ca. €420 billion in value per year and provides more than 47 million jobs in the European agro-food sector (roughly equivalent to 7% of the workforce, making it a key employment sector). Additionally, it manages more than 50% of EU territory and is the fourth-largest export sector in the EU economy. In the global context, the EU agri-food sector has potential to perform even better in the future.

As per the 2016 “Agriculture in the United Kingdom” report prepared by DEFRA, the UK climate and topography consists of arable farming (crops) and pastoral farming (livestock). Arable farming is concentrated in the south and east of the UK where the climate is dryer and the soil is deeper. Pastoral farming is concentrated in the west and north of the UK where it is wetter and the topography is more severe.

Total agricultural area in the UK



Source: DEFRA (2017), Agriculture in the United Kingdom

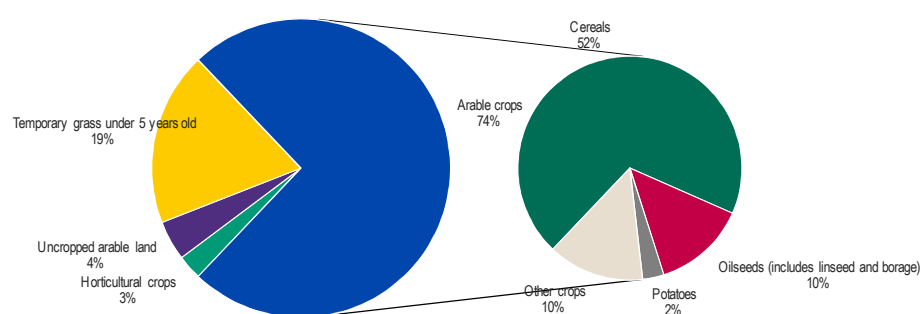
Asset out in the above table, the total agricultural area stood at 18.7 million hectares as at 30 June 2016, representing an increase of 1.7% between 30 June 2012 and 30 June 2016 (DEFRA, 2016). As the

² European Parliamentary Research Service (EPRS), (2016), Access to credit and financial instruments in agriculture, [http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/586677/EPRS_BRI\(2016\)586677_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/586677/EPRS_BRI(2016)586677_EN.pdf) accessed on 10 August 2017

number of total agricultural holdings in the UK decreased from 222,000 holdings as at 30 June 2010 to 218,000 as at 30 June 2016, the average area per holding increased from 77 hectares to 80 hectares between 30 June 2010 and 30 June 2016 respectively. This is high compared to the EU where the average area per holding is 16.1 hectares (2015, Eurostat)³.

The 18.7 million hectares of agricultural area are principally composed of croppable area (6.1 million hectares) and permanent grassland (10.1 million hectares), whereby croppable area consists primarily of arable crops, which in turn is principally made up of cereals, as set out in the chart below.

Breakdown of croppable area, by type of crop, as at 30 June 2016

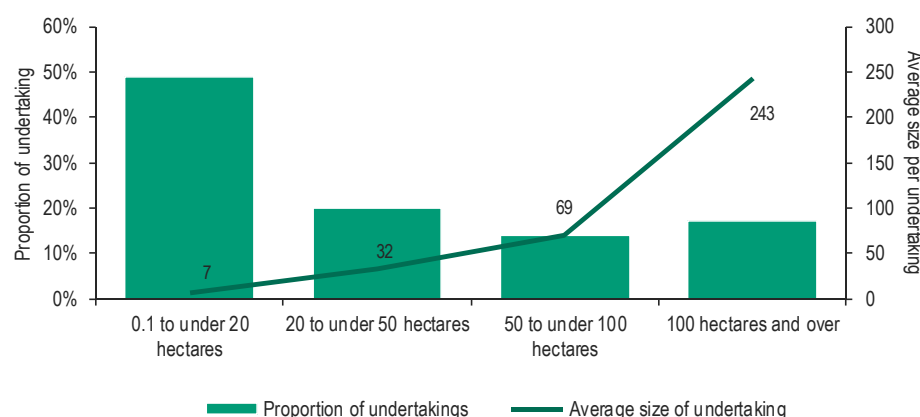


Source: DEFRA (2017), Agriculture in the United Kingdom

The croppable area of 6.1 million hectares as at 30 June 2016 was held by 100 holdings, representing an average holding of 61 hectares. As set out in the below table, 50% of holdings held croppable area of an average of 6.5 hectares, whilst 17% of holdings held croppable area of an average of 243 hectares (DEFRA, 2016).

Breakdown of croppable area, by area held

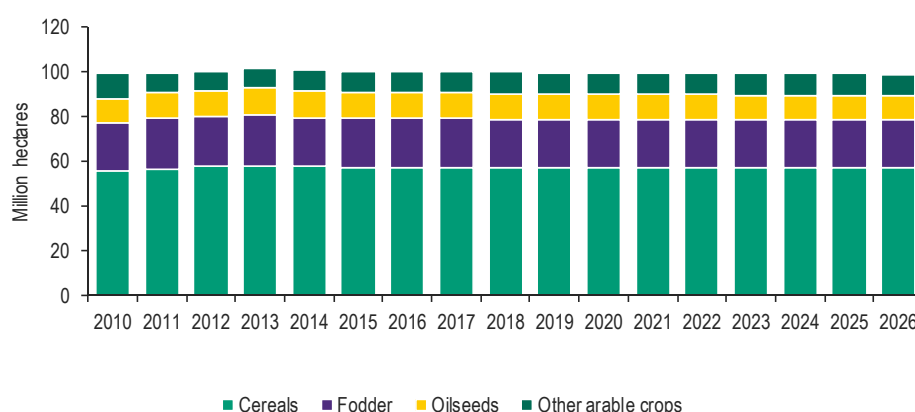
³http://ec.europa.eu/eurostat/statistics-explained/index.php/Farm_structure_statistics (accessed on 10 August 2017)



Source: DEFRA (2017), Agriculture in the United Kingdom

According to the “EU Agricultural Outlook” published in 2016 by the Directorate-General for Agriculture (DG AGRI) and Rural Development and the Joint Research Centre (JRC), the utilised arable crop area in the EU is expected to remain relatively constant at 100 million hectares between 2016 and 2026 (DG AGRI and JCR, 2016). This, together with stagnating yield growth, limits further expansion in production. As set out in the table below, utilised arable crops consists of cereals (57%), oilseeds (11%), fodder (22%), and other arable crops (9%), which include rice, sugar beet, roots and tubers and protein crops. EU domestic demand for cereals and oilseeds remains mainly driven by increased feed use as demand growth for first-generation biofuel production slows down. The medium-term outlook for arable crops also illustrates solid world demand creating opportunities for increased EU cereal exports.

Utilised arable crops in the EU, split by type



Source: EU Agricultural Outlook; Prospect for the EU agricultural markets and income 2016-2026, as prepared by the Directorate-General for Agriculture (DG AGRI) and Rural Development and the Joint Research Centre (JRC), 2016

9.3.2 Government support and Brexit

Since the UK’s accession to the (then) European Economic Community in 1973, the EU has had a fundamental impact on UK agriculture through the Common Agricultural Policy (CAP), given that the CAP governs the financial support measures and programmes entitlements to farmers operating in the EU. The CAP covers areas such as farming, environmental measures and rural development, and also regulates the organisation of EU agricultural markets. In addition, nine EU policies govern the trade arrangements between the UK and the rest of the EU and third parties, and as a result of the free movement of labour, the agri-food sector in the UK employs a high number of EU nationals.

Four basic regulations underpin the CAP: (i) rural development; (ii) financing, management and monitoring; (iii) direct payments; and (iv) the single Common Market Organisation (CMO). Together, these regulations make up the CAP in its current form and provide an EU framework which regulates direct payment support to farmers, market support measures and rural development programmes.

As a result of the UK's vote to leave the EU in mid-2016, the UK will no longer fall under the CAP. Apart from the impact Brexit shall have on the UK upon leaving the EU, the no vote resulted in a much weaker pound and also triggered a pronounced drop in Government bond yields. Leaving the CAP and the EU will have fundamental implications for the agricultural sector in the UK, given that subsidy payments paid in 2016 to UK farms totalled £2.9 billion according to DEFRA.⁴ Despite this, as per the May 2017 publication "Brexit: agriculture", published by the House of Lords, the UK Government has committed to match current levels of CAP funding until 2020. In the long term the UK has an opportunity to review and improve its agriculture, environment, and food policy, so as to better meet the needs of the agriculture sector, the environment and consumers. However, in the short term, the UK Government will need to work closely with the agricultural industry to help it respond to critical challenges, which include: forging new trading arrangements with the EU and the rest of the world; providing regulatory stability and clarity; addressing the future of funding for the agricultural sector; and ensuring access to labour.

9.3.3 Farm Business Income

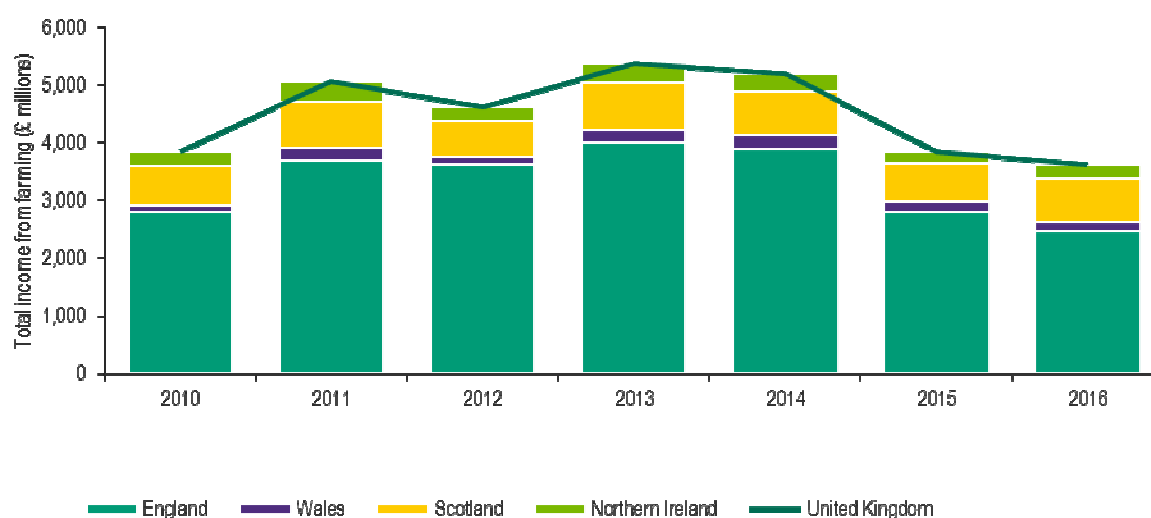
The profitability of UK farming in Pounds Sterling terms had been on an upward trend until 2013, and furthermore, the weakening of the Pound Sterling against the Euro and US dollar has helped in stabilising prices for both inputs and outputs. In fact, DEFRA (2017) states that the average producer price of agricultural products in 2016 fell minimally by 0.5% compared to the previous year while the average price of agricultural inputs decreased by 2.1% in the same period.

The UK experienced reasonable growing and harvest conditions due to the fairly typical weather conditions in 2016. Furthermore, the volume of all outputs fell 2.5% from the high levels experienced in 2015. This was mainly driven by a fall of crops and livestock products.

As set out in the chart below, DEFRA figures show that total income from farming stood at £3.6 billion in real terms in 2016, representing a 7.5% decrease when compared to the previous year. This fall was partly offset by an 18% increase (£2.6 billion) in payments under the Basic Payment Scheme as a result of the less favourable Euro/GBP exchange rate.

Total income from farming activities in the UK

⁴<http://cap-payments.defra.gov.uk/SearchResults.aspx> accessed on 11/8/17



Source: DEFRA (2017), Agriculture in the United Kingdom

9.3.4 Machinery and equipment used within the UK agricultural industry

According to the 2016 “Statistical Abstract”, prepared by the British Banking Association (BBA) the UK agriculture is highly dependent on machinery and equipment as most farms are highly mechanised, with the tractor being the key component in most farming operations. Farms are dependent on machinery and equipment due to the completion of certain tasks being reliant on weather conditions. Most farms purchase new machines and hold them through the expiry of dealer warranties or purchase machines second-hand and hold them until their reliability can no longer be assured. Older machines are generally sold to emerging markets where reliability is less important.

An estimated £3.0 billion of agricultural machinery and equipment is purchased in the UK each year, of which £1.0bn is purchased in cash, £1.0 billion is financed by manufacturer schemes and the remaining £1.0bn is competed for by large clearing banks, niche banks such as AgriBank and specialist finance providers. The size of the market grows steadily each year as the price of the new equipment increases with inflation. Although CEMA (the European Association of Agricultural Machinery Industry, 2015) saw a sharp decline in sales of agricultural machinery across major producers including the UK in 2015, the value of buildings, plant, machinery and vehicles for the agricultural industry grew from £30 billion in 2011 to £34.1 billion in 2015 (DEFRA, 2017)⁵.

UK agriculture has been diversifying by investing in OFE projects. Typical OFE projects include wind farms, anaerobic digester power plants, solar installations and biomass boilers. OFE projects are supported by the UK Government through Feed-in Tariffs (FiTs) and Renewable Heat Incentive payments (RHI) typically paid over 20 years which are indexed to inflation.

OFE projects are attractive asset finance opportunities as they require substantial investments in hard assets, benefit from governmental schemes, are backed by traditional farming operations and have substantial equity backing. Since 2010, the percentage of UK farms investing in OFE projects has increased from 5% to 40%.

9.3.5 Lending to UK agricultural sector

For most EU small and medium-sized enterprises (SMEs), access to credit is a restraining factor (European Parliamentary Research Service, 2016). Meeting the conditions to unlock sources of finance in the agricultural industry, consequently, becomes more difficult.

As set out in the table below, the period 2009 to 2012 registered relatively low lending to farms and other agricultural businesses by high street retail banks, given that the financial crisis had finally taken its toll on the real economy and has sent the European economies into recession. Following this debt crisis, bank

⁵<https://www.gov.uk/government/statistics/agriculture-in-the-united-kingdom-2016>

lending to farms and other agricultural businesses is now on the increase and total volume of borrowing secured by this crucial part of the economy has grown by circa 50%, from £8.7 billion in 2011 to £13.5 billion in 2015. Moreover, high street banks provided loans and overdrafts totalling £13.9 billion to agricultural, hunting and forestry businesses in 2015, a 12% increase on the £12.4 billion total in 2014. Total lending to these businesses in 2015 was at the highest level on record, as illustrated in the table below.

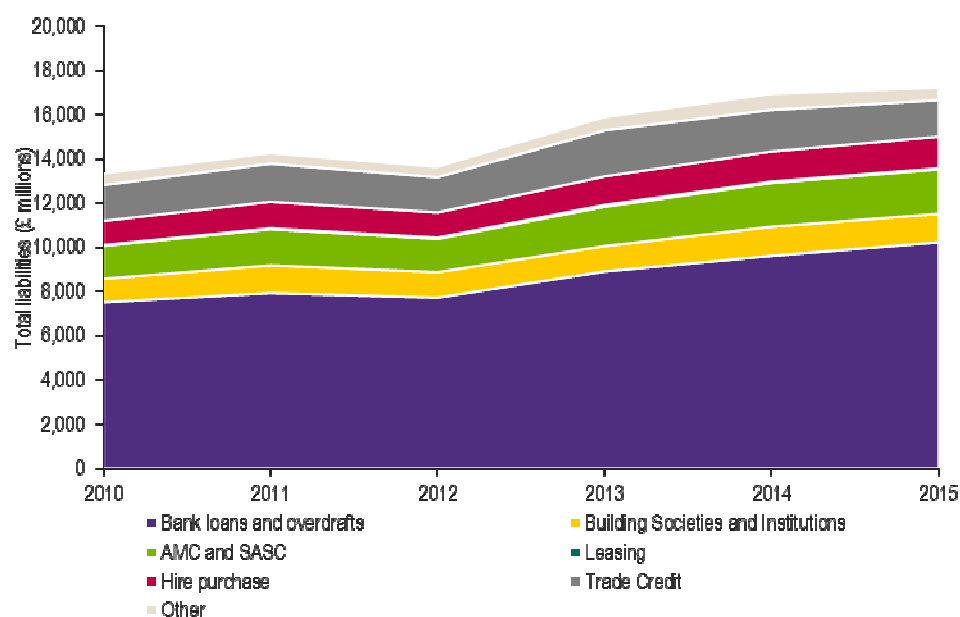
High street retail banks' advances to agriculture, hunting, forestry & fishing

£ millions								
Region	2009	2010	2011	2012	2013	2014	2015	CAGR
South East	1,307	1,388	1,361	1,344	1,515	1,631	1,701	4%
South West	1,097	1,152	1,239	1,280	1,432	1,923	2,016	11%
East Anglia	778	787	833	972	1,041	1,282	1,389	10%
East Midlands	636	701	789	788	875	1,176	1,562	16%
West Midlands	826	943	1,034	1,031	1,079	1,203	1,444	10%
Yorkshire & Humberside	538	583	604	598	705	867	951	10%
North West	466	428	451	607	672	965	1,053	15%
Northern	416	440	461	443	561	721	762	11%
Wales	833	887	919	929	995	1,209	1,164	6%
Scotland	1,102	1,083	1,034	1,036	1,126	1,309	1,420	4%
Total	7,999	8,392	8,725	9,028	10,002	12,285	13,462	9%

Source: Annual Statistical Abstract, as prepared by the British Banking Association (BBA), 2016

This increase in lending is also evident from the chart below, given that the UK agricultural market has increased its total liabilities by a CAGR of 5% between 2010 and 2015, where total liabilities amount to £17.207 billion (DEFRA, 2017). These were primarily made of bank loans and overdrafts - the average proportion between 2010 and 2015 was 57% (£8.650 billion) of total liabilities, increasing at a CAGR of 6% from 2010 to 2015.

Total liabilities in the UK agricultural industry split by type



Source: DEFRA (2017)

This increase in retail bank lending was supported by a drop in the interest rates. However, based on a 10 year future swap rate, the expectation is that interest rates shall increase going forward.

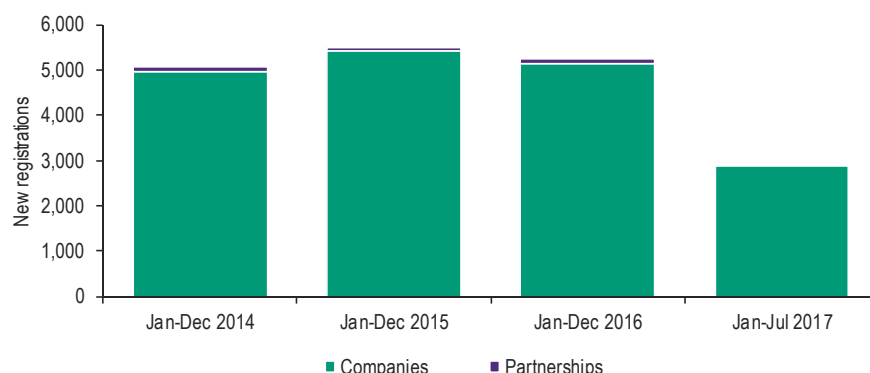
9.3.6 Maltese corporate banking services

As per the Malta Financial Services Authority (MFSA) 2016 Annual Report, the banking sector encompasses 27 credit institutions which are categorised by three groups, namely core domestic banks, non-core domestic banks and other banks. Based on the information available on their website, 13 credit institutions (or 50% of total credit institutions) offer corporate banking services to companies operating in Malta. Despite this, opening a bank account in Malta is a cumbersome and bureaucratic process, one which is currently deterring or impeding companies from opening a bank account in Malta (Rhi, 2015)⁶. The Directors have identified this niche market and look forward to further developing the corporate banking services to Maltese entities, targeting also gaming companies. The Directors understand that this requires a different approach to the on-boarding process since the profile of the target client is considered as being wholly different to the type of client that the Bank has currently on its books. Consequently, the directors are committed to the development of a robust on-boarding process and maintenance of a strong and efficient on-going monitoring system that fully satisfies the obligations of the Bank as a subject person in terms of the statutory obligations in the fight against money laundering and financing of terrorism.

With over 55,000 active companies operating in Malta, as at 31 December 2016 registered in the Registry of Companies (2016 MFSA Annual Report), the number of companies registered in Malta keep on increasing on an annual basis as evidenced in the chart below:

⁶<http://movingonupaway.com/guide-opening-bank-account-malta/> accessed on 11 August 2017

New registrations

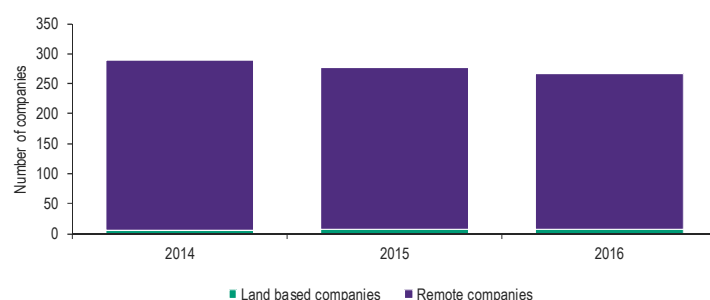


Source: MFSA newsletters January 2014 to July 2017

As a result, the Directors consider that there exists plenty of scope to expand its customer base as well as diversifying their current business, both in terms of spread of business risk and exchange rate risk. Consequently, AgriBank will continue building on its existing vigilant controls. Moreover, given that the gaming industry is heavily regulated by the Malta Gaming Authority, it is for this purpose that the Directors would like to develop corporate banking services to such companies, due to the robust due diligence that would have already been undertaken by these authorities prior to the granting of the licence. In fact, during 2016, the MGA made substantial investments in its internal processes and systems in order to strengthen its due diligence function (MGA Annual Report, 2016). Prior to issuing, renewing or approving of a licence, the Authority ensures that Malta-based operators, both remote and land-based, are fit and proper to conduct gaming operations in and from Malta and that such operations are not used as a façade for money laundering or terrorist financing, amongst other objectives.

As set out below, the number of gaming companies in operation has decreased slightly from 289 companies in 2014 to 266 companies in 2016. The MGA places a strong focus on effective enforcement. In fact, in 2016, 21 licences were cancelled by the Enforcement Unit due to regulatory breaches by the respective gaming operators and two licences were suspended. There were various reasons for cancellation and suspension of licences, but they are mostly related to the non-submission of the required documents (Player Liability Reports, Interim Financial Statements and Audited Financial Statements) and to the failure by operators to pay gaming tax or licence fee due.

Number of gaming companies in operation



Source: 2016 Malta Gaming Authority Annual Report

The gaming industry is estimated to have generated just over €1 billion in terms of gross value added in 2016. This represented a 12% growth over 2015, when the industry had already increased its gross value added by a similar amount. In fact, despite the decrease in number of gaming companies in operation, the number of licences in issue (remote) increased from 469 in 2014 to 513 in 2016. The gaming industry in Malta is expected to continue to grow markedly in 2017 and 2018. Results of surveys undertaken by the MGA indicate an expected growth in revenue and employment, ranging between 5% and 15% in 2017 and 2018 respectively, for existing remote gaming operators. This will, most likely, increase further through new investors in Malta, attracted especially by the revamped regulatory environment.

10 HISTORICAL AND PROJECTED FINANCIAL INFORMATION

10.1 Financial information on the Issuer

The historical financial information of the Issuer is set out in the audited financial statements, for the financial years ended 30 June 2015 to 30 June 2017 as audited by Deloitte Audit Limited, Deloitte Place, Mriehel Bypass, Mriehel, Birkirkara, BKR3000, Malta. There has not been any significant change in the financial or trading position of the Issuer, which has occurred from the date of its latest audited financial statements.

Although the Issuer prepared consolidated accounts for the financial year ended 30 June 2017, for the financial years ended 30 June 2015 and 30 June 2016 the Issuer has availed itself of the exemption from drawing up consolidated accounts granted in terms of Article 173 of the Companies Act (Chapter 386 of the Laws of Malta) on the grounds that it is a parent of a small group. Consequently, this section sets out a proforma consolidation of the AgriGroup (which includes the Issuer and its subsidiaries AgriBank and AgriFunding), for the financial year ended 30 June 2015, consolidated audited financial statements for the years ended 30 June 2016 and 30 June 2017 and the projections for the financial years ending 30 June 2018 to 2020.

AgriGroup's statement of financial position

Consolidated statement of financial position as at 30 June

GBP000	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Forecast	2020 Forecast
Assets						
and cash equivalents	7,037	7,528	4,200	5,937	6,707	8,551
Held to maturity investments	-	-	178	178	178	178
Available-for-sale investments	-	-	-	435	1,655	2,466
Minimum reserve account	-	-	-	137	361	411
Finance lease receivables	13,436	12,384	12,039	11,648	10,495	9,502
Loans and receivables	1,811	5,219	6,132	6,310	7,411	8,351
Intangible assets	169	251	309	306	258	212
Property, plant and equipment	158	127	99	172	118	73
Deferred tax	581	516	550	463	312	42
Other assets	729	742	300	286	286	286
Prepayments and accrued income	256	185	332	351	338	332
Total assets	24,178	26,953	24,139	26,222	28,117	30,404
Liabilities						
Amounts owed to banks	8,526	3,910	-	-	-	-
Amounts owed to customers	8,942	16,046	16,990	17,612	19,442	21,523
Debt securities in issue	1,060	1,200	930	820	440	270
Other liabilities	51	33	120	120	120	120
Accruals	203	410	606	689	891	806
Current tax	92	-	-	-	-	-
Subordinated debt	-	-	199	1,739	1,752	1,765
Total liabilities	18,873	21,599	18,845	20,980	22,645	24,485
Equity						
Share capital	80	80	80	80	80	80
Shareholders' advances	6,420	6,420	6,420	6,420	6,420	6,420
General banking risk reserve	11	30	15	15	15	15
Accumulated losses	(1,206)	(1,176)	(1,220)	(1,272)	(1,043)	(595)
Total equity	5,305	5,354	5,294	5,242	5,472	5,919
Total liabilities and equity	24,178	26,953	24,139	26,222	28,117	30,404

Euro income, expenditure, assets and liabilities for FY2018, FY2019 and FY2020 are translated to GBP at a rate of 0.91

AgriGroup's income statement

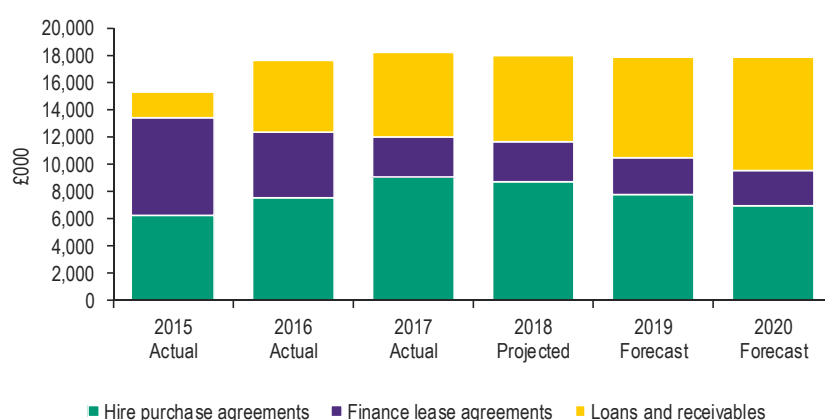
Consolidated income statement for the years ending 30 June

GBP000	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Forecast	2020 Forecast
Revenue						
Interest income	2,016	2,065	1,805	1,863	1,782	1,777
Interest expense	(828)	(826)	(719)	(636)	(625)	(602)
Net interest income	1,188	1,240	1,086	1,324	1,167	1,175
Fee and commission income	25	118	226	525	1,328	1,401
Fee and commission expense	(231)	(185)	(220)	(288)	(315)	(329)
Net fee and commission expense	(206)	(68)	6	240	711	1,072
Other operating income	-	-	-	0	2	5
Net operating income	982	1,172	1,093	1,565	1,880	2,252
Personnel expenses	(482)	(479)	(517)	(675)	(756)	(789)
Administrative and other expenses	(757)	(408)	(453)	(525)	(577)	(590)
Depreciation and amortisation	(99)	(55)	(74)	(116)	(115)	(103)
Net impairment losses	(401)	(116)	(234)	(213)	(52)	(52)
Total expense	(1,740)	(1,058)	(1,278)	(1,530)	(1,500)	(1,535)
(Loss)/profit before tax	(758)	114	(186)	35	381	717
Income tax credit/(charge)	168	(66)	34	(87)	(152)	(269)
(Loss)/profit for the year	(590)	49	(151)	(52)	229	448
Key performance indicators						
Net interest margin (%)	6.9%	7.5%	6.1%	7.3%	6.5%	6.6%

Euro income, expenditure, assets and liabilities for FY2018, FY2019 and FY2020 are translated to GBP at a rate of 0.91

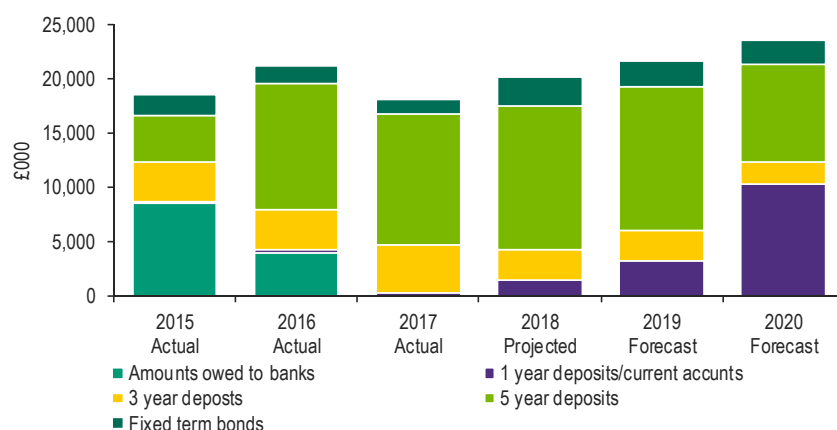
As illustrated in the chart below, AgriGroup's lending portfolio (including impairment provisions) increased from £15.2 million as at 30 June 2015 to £18.2 million as at 30 June 2017, and is expected to decrease to £17.9 million as at 30 June 2019 and remain constant going forward. Despite this increase in the lending portfolio, interest income decreased from £2.0 million in FY2015 to £1.8 million in FY2017, with effective interest rates decreasing from 12% to 10% during the same period. This decrease in interest income is partly due to the increase in lending from high street retail banks, which resulted in AgriGroup lowering its interest rates in order to remain competitive. Moreover, AgriGroup recorded a shift in the composition of its portfolio between FY2015 and FY2017, whereby finance lease agreements, which attract higher interest rates, were replaced with secured loans, which attract lower interest rates. Going forward, although the lending portfolio is expected to remain stable at £17.9 million, the portfolio composition is expected to be principally composed of hire purchases and secured loans, and as a result, although the effective interest rate is expected to remain constant at 10%, interest income is expected to decrease from £2.0 million in FY2018 to £1.8 million in FY2020.

Breakdown of AgriGroup's lending portfolio



Historically, the AgriGroup's lending portfolio has been funded largely by wholesale funding. However, following the repayment of the Macquarie facility during FY2017, AgriGroup's deposits as at 30 June 2017 consist primarily of term deposits and fixed term bonds denominated in Pounds Sterling, which are offered to UK online investors using price comparison websites. Although the funding portfolio decreased from £18.5 million as at 30 June 2015, which included £8.5 million in wholesale funding, to £17.9 million in deposits and debt securities as at 30 June 2017, interest expense decreased at a faster rate, from £0.8 million in FY2015 to £0.7 million in FY2017. This mainly resulted from the repayment of the Macquarie facility, the cost of which than that of customer deposits held by AgriBank.

Breakdown of AgriGroup's deposits



As the projections assume that the lending portfolio shall stabilise at around £17.9 million, maturing deposits will only be replaced to the extent required to fund the lending portfolio. Moreover, it is assumed that between 1 July 2018 and 31 December 2020, the AgriGroup shall replace its medium- and-long term

deposits and fixed term bonds with short term deposits. Through this shift in deposit mix, the effective interest rate shall decrease from 3.7% in FY2017 to 2.7% in FY2020.

The financial projections assume that as of October 2017, the AgriGroup has introduced a new business line with the provision of general banking services to corporate clients in addition to providing loans and financial services to farmers. AgriGroup intends to provide corporate bank accounts in euro denomination and provide corporate banking services to e-commerce companies and other corporates. AgriGroup is projecting to attract 500 corporate clients and 85 gaming companies by 30 June 2020, and as a result shall increase net fee and commission income from to £1.1 million in FY2020, through onboarding fees, annual maintenance fees and transaction fees.

It is through the introduction of this new business line that AgriGroup is planning to diversify its business and reduce the overall risks. This plan is earmarked at generating long-term profitability, whilst also developing its customer base.

As the AgriGroup's operational costs are expected to grow over the next three years in order to cater for the introduction of this new business line. Personnel expenses are expected to increase from £0.5 million in FY2017 to £0.8 million in FY2020, principally due to the introduction of additional staff members as well as an additional non-executive director.

Administration expenses are expected to increase from £0.5 million in FY2017 to £0.6 million, principally due to:

- (i) the setting up of a call centre assistance for internet banking, due diligence fees, correspondent banking costs and software support costs;
- (ii) increases in the cash contribution to the Depositor Compensation Scheme; and
- (iii) bond issue and ongoing costs.

In FY2015 the AgriGroup registered a loss of £0.6 million, due to: (i) net impairment losses of £0.4 million arising from a bad debt write off; (ii) change in the IT system; and (iii) and a change in the ultimate shareholding of the AgriGroup which resulted in higher legal costs. Following this restructuring exercise and implementation of the new IT system, the AgriGroup registered a profit of £0.05 million in FY2016.

Despite recording significant savings in operational costs in FY2017, a loss of £0.2 million was recorded, arising principally from an increase in the net impairment loss by £0.1 million in FY2017 and a lower gain on the difference of exchange of £0.2 million in FY2017.

10.2 Capital adequacy and liquidity ratios

Capital adequacy and liquidity ratios

GBP000	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast
Total own funds (£000)	5,209	5,260	5,501	6,834	7,135	7,576	7,947	8,425
Total own funds (€000)	7,296	6,364	6,130	7,510	7,841	8,326	8,733	9,258
Tier I total capital ratio (%)	28%	25%	23%	21%	23%	26%	29%	31%
Total capital ratio (%)	28%	25%	23%	29%	30%	32%	34%	35%
Tier 1 leverage ratio (%)	21%	19%	21%	19%	19%	20%	26%	27%
Liquidity coverage ratio	142%	151%	251%	265%	261%	156%	153%	159%

[EURGBP exchange rate assumed in projections: 0.91]

* The Malta Financial Services Authority requires AgriBank to hold a minimum of €6,000,000 in

own funds. Since AgriGroup's functional currency is GBP and its reporting currency to MFSA is Euro, the Group was adversely hit by the decrease in GBP-EUR exchange rate during FY2017. The Bank's own funds shall include an unsecured subordinated debt of €226,000 issued on 22 June 2017 to the shareholder. Going forward, the total own funds includes the unsecured subordinated bond of €2,000,000 which the Issuer shall subscribe to, through the use of proceeds which the Issuer proposes to make following full subscription of the Bonds.

****The minimum capital ratio imposed by the Malta Financial Services Authority on AgriBank is 10%.**

***** The minimum leverage ratio imposed by the Malta Financial Services Authority on AgriBank is 10%.**

******The minimum liquid-asset ratio imposed by the Malta Financial Services Authority on AgriBank is 100%.**

11 MANAGEMENT AND ADMINISTRATION

11.1 The Board of Directors

The management and administration of the Issuer is vested in the Board, which is responsible for the overall management and direction of the Issuer, establishing policies and guidelines for the management of the Issuer, and through the board of directors of AgriBank⁷, appoint all executive officers and other key members of management and staff. *Inter alia*, the Board of Directors directly or via the board of directors of AgriBank:

- (a) Sets business objectives, financial plans and general parameters within which the Board, the Board Committees and management are to function;
- (b) Ensures that systems and procedures are in place to identify and manage significant business risks and exposures;
- (c) Ensures that adequate and effective systems of internal control are in place, and that compliance therewith is monitored on a regular basis; and
- (f) Sets appropriate business standards and codes of corporate governance and ethical behaviour for all Directors, members of board committees and employees, and monitors their performance.

The meetings of the Board of Directors are currently held on a regular basis and normally set at between 4-6 week intervals. Members of senior management, who are themselves Directors and invariably include the Chief Executive Officer of the Bank and the Chief Financial Officer of the Bank, attend all Board meetings. The Board of Directors might also request that other employees or professional advisors attend such meetings.

Situations of potential conflicts of interest amongst members of the Board of Directors are specifically regulated in the Issuer's Articles of Association. In terms of the Articles of Association, whenever a conflict of interest situation arises, whether real or potential, the conflict is to be declared. The Articles of Association of the Issuer also provide that in the event that one of the Directors has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such Director shall not be entitled to vote on any decisions taken in connection therewith. The same policy applies for the board of the Bank.

The members of the Board of Directors bring to the Issuer and the Bank a variety of backgrounds, experiences and expertise.

In terms of the Memorandum of Association, the Board shall be composed of at least two (2) Directors and not more than eight (8) Directors. As at the date of this Document, the Board is composed of seven (7) Directors who are responsible for the overall direction and management of the Company.

As at the date hereof, the Board of the Issuer is composed of the individuals listed in Section 7.1 of this Company Admission Document.

None of the Directors have been:

- (i) convicted in relation to fraud or fraudulent conduct in the last five (5) years;
- (ii) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- (iii) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- (iv) disqualified by a court from acting as director or manager in the last five (5) years.

The Directors believe that the Issuer's current organizational structure is adequate for its present activities. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

11.2 Executive Directors

⁷The composition of the Board of AgriBank mirrors that of the Issuer.

The Executive Directors of the Issuer are entrusted with the Company's day-to-day management and are also directors of AgriBank. The Executive Directors of the Issuer are Mr Roderick Psaila, and Mr Paul Grech.

11.3 Non-Executive Directors

The Non-Executive Directors' main functions are to monitor the operations of the Executive Directors and other senior management and officials of AgriGroup, their performance, as well as to review any proposals tabled by the Executive Directors.

The Non-Executive Directors are Dr Joseph Borg, Mr Frank Sekula, Mr Mario Vella, Mr Victor Rizzo Giusti, and Mr Stephen Muscat.

11.4 Directors' service contracts

The fees received by each Director in regard to his services to the Applicant, consist of fixed annual fees that are payable by the Bank out of the assets of the Issuer, and such fees do not have a variable component and are not performance related. No remunerative package is due by the Issuer to the Directors.

11.5 Conflicts of Interest

To the extent known or potentially known to the Issuer as at the date of this Document, there are no other potential conflicts of interest between any duties of the Directors and Senior Management of the Issuer and their private interests and/or their duties which require disclosure in terms of law. Situations of potential conflicts of interest amongst members of the Board of Directors are specifically regulated in the Issuer's Articles of Association. In terms of the Articles of Association, whenever a conflict of interest situation arises, whether real or potential, the conflict is to be declared. The Articles of Association of the Issuer also provide that in the event that one of the Directors has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such Director shall not be entitled to vote on any decisions taken in connection therewith.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment are handled in the best interest of the Issuer, AgriBank, and the AgriGroup as a whole according to law. The fact that the Audit Committee is constituted with a majority of independent Non-Executive Directors (vide composition of the Audit Committee in Section 13.1 hereunder), provides an effective measure to ensure that transactions vetted by the Audit Committee are determined at an arm's-length basis.

Additionally, the Audit Committee, has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer and AgriBank as stipulated in the Subordinated Bond terms of issue which are to be found in Annex F hereto. To this effect, the Issuer and AgriBank are to submit to the Audit Committee quarterly accounts, as well as at least quarterly comparisons of actuals against projections.

11.6 Loans to Directors

There are no loans outstanding by the Issuer, AgriBank and, or any company forming part of AgriGroup to any of its Directors, nor any guarantees issued for their benefit by the said entities.

11.7 Removal of Directors

The present directors shall remain in office until they resign or are removed in accordance with Article 140 of the Companies Act or until they are due for retirement as outlined in Section 16.1.5 herein.

11.8 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Companies Act or by the Articles of Association expressly reserved for the shareholders in general meeting. The powers of the Directors are better described in Section 16.1.6 hereunder.

The Directors' main functions are to monitor the AgriGroup operations as well as to ensure that the interests of the Bondholders are upheld at all times.

11.9 Aggregate emoluments of Directors

Pursuant to the Issuer's Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are approved by the shareholders in a general meeting.

The remuneration of Directors consists of a fixed annual fee which is currently paid out of the assets of AgriBank, and such fee does not have a variable component and is not performance related.

For the current financial year ending on 30 June 2018, it is expected that the Issuer will not pay any emolument to the Directors but instead, this will continue to be paid by AgriBank.

11.10 Employees

The Issuer does not have any employees of its own and is therefore reliant on AgriBank for administrative support.

11.11 Working Capital

As at the date of the Company Admission Document, the Directors of the Issuer are of the opinion that the working capital available to the Issuer is sufficient for the attainment of its objectives and the carrying out of its business for the next twelve (12) months of operations.

12 MAJOR SHAREHOLDERS

The Issuer was registered and incorporated on the 19th July 2012 in terms of the Companies Act with company registration number C57008. As at the date of this Document, the Authorised Share Capital of the Issuer is of fifty million Pounds Sterling (£50,000,000), divided into fifty million (50,000,000) ordinary shares of one Pound Sterling (£1.00) each.

The Issued Share Capital of the Company is of eighty thousand and one Pounds Sterling (£80,001), divided into eighty thousand (80,000) ordinary 'A' shares of one Pound Sterling (GBP1.00) each fully paid up, and 1 (one) Ordinary 'B' share of one Pound Sterling (£1.00) fully paid up.

Westmoreland Investments Limited and Trams of Malta Limited each hold fifty per cent (50%) of all the voting and participating Ordinary 'A' Shares currently in issue in the capital of the Issuer. Mr Roderick Psaila, bearer of Maltese identity card numbered 476571(M), is the holder of the sole non-voting and non-participating Ordinary 'B' Share currently in issue in the Issuer. Accordingly, direct control of the Issuer is vested equally in Westmoreland Investments Limited and Trams of Malta Limited so that the Issuer is not controlled by any one single entity.

Shareholding of Westmoreland Investments Limited

The registered holder of all shares in Westmoreland Investments Limited is Westmoreland Trust, a trust administered by Duncan Lawrie Offshore Services Limited for the benefit of Mr Frank J. Sekula, holder of British Passport numbered 521188026.

Shareholding of Trams of Malta Limited

All the voting and participating Ordinary A Shares in Trams of Malta Limited are registered in the name of, and are held by, New Kensington Capital Ltd (registered number 06731634) a company incorporated in England and Wales whose registered office is at 2, New Burlington Street, London W1S 2JE. DF Corporate Services Limited, is the registered holder of one (1) non-voting and non-participating Ordinary B Share in Trams of Malta Limited. New Kensington Capital Ltd is ultimately beneficially owned by Mr Frank J Sekula.

Shareholding of AgriBank PLC

All voting and participating ordinary 'A' shares in AgriBank PLC are registered in the name of the Issuer. Westmoreland Investments Limited is the registered holder of one (1) non-voting and non-participating ordinary 'B' Share in AgriBank PLC

Arrangements ensuring Non-Abuse of Control

The control of the Issuer is vested equally in Westmoreland Investments Limited and Trams of Malta Limited, which excludes the possibility of control being abused by any one party.

Arrangements that may lead to Change of Control

As at the date of this Document, the Issuer is not aware of any existing arrangement that may lead to a change of control in the Issuer.

13 BOARD COMMITTEES

13.1 The Audit Committee

The Issuer has set up an Audit Committee on the 16th October 2017. The Board of Directors of the Issuer delegates certain responsibilities to the Audit Committee, the charter of which reflects the requirements stipulated in the Prospects Rules.

The Audit Committee's primary objective is to assist the Board of Directors in dealing with issues of risk, control and governance and in reviewing the Issuer's reporting processes, financial policies and internal control structures. The Audit Committee also oversees the conduct of the external audit and facilitates communication between the Issuer's Board, management and external auditors.

The Audit Committee is a sub-committee of the Board of Directors and is directly responsible and accountable to it. The terms of reference of the Audit Committee include:

- a. Monitoring of the financial reporting process;
- b. Monitoring of the audit and the annual and consolidated accounts;
- c. Maintenance of communication between the Board, management and the external auditor on the above-mentioned matters;
- d. Making of recommendations to the Board of Directors in relation to the appointment of the external auditor, and the approval of the remuneration and terms of engagement of the external auditor following appointment by the shareholders in general meeting;
- e. Monitoring and reviewing the external auditor's independence, and in particular the provision of additional services to the Issuer;
- f. Development and implementation of a policy on the engagement of the external auditor to supply non-audit services;
- g. Monitoring and reviewing of proposed transactions by the Issuer with related parties;
- h. Making recommendations to the Board of Directors as it deems fit; and
- i. Conducting or directing any investigation required to fulfil its responsibilities.

The Audit Committee shall at all times be composed of at least three (3) Directors, the majority of which shall be non-executive Directors. The Audit Committee of the Issuer is presently composed of Mr Stephen Muscat, Dr Joseph Borg, and Mr Mario Vella. Mr Stephen Muscat has been appointed as the Chairman of the Audit Committee.

Ms Analise Cauchi (bearer of Identity Card numbered 99489 M) has been appointed as secretary to the Audit Committee. Analise Cauchi is in her final year of studies in obtaining BSc in Accounting and Finance with the University of London. She joined Credit Europe Bank in 2008 as a call centre agent and moved to back office later on whilst she started studying accounts. In 2009, Analise joined Mediterranean Bank plc where she started as an accounts payable officer. She worked for a 6-year period with the bank which provided her with opportunities as the bank grew. In the last year with Mediterranean Bank plc, Ms Cauchi was responsible for the Belgian branch of the bank, MeDirect Bank SA. Her duties therein involved the preparation of management accounts and regulatory reporting. In August 2016, Analise joined AgriBank as a Finance Executive.

All Related Party transactions shall require the prior approval of the Audit Committee unless such approval is exempted in terms of the Prospects Rules.

Following the admission of the Bonds to the Prospects List the Audit Committee shall start meeting as often as required to undertake its role effectively, but not less than on a quarterly basis.

The Directors believe that the current set-up is sufficient to enable the Issuer in fulfilling the objectives of the Prospects Rules' terms of reference in this regard.

14 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Issuer complies with the Prospects Rules in their entirety and also with the stipulations of the said rules in relation to dealing restrictions. Save for the two (2) exceptions outlined hereunder, the Issuer also complies with 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 Issuer firmly believes that strong corporate governance will permit the Issuer to benefit from greater transparency in its activities as well as in its relations with the market, thereby enhancing integrity and confidence. Although the principles set-out in the Code are not mandatory, the Board has considered them to be in the best interests of the shareholders and the Investors in general.

Ultimate responsibility for good corporate governance remains with the Directors who have therefore resolved to adopt the Code and endorse it accordingly, except for those instances where particular circumstances exist that warrant non-adherence thereto, or at least postponement for the time being.

The Directors of the Issuer are of the view that, in light of the circumstances and particular business of the Issuer, the Issuer has a sufficient balance between, and mix of, executive and non-executive Directors on the Board, in order for it to be in compliance with the Code. The current composition and balance of the Board ensures that no individual or group of individuals can dominate the Board’s decision-making.

The Non-Executive directors have an important role in overseeing the executive or managing Directors and in dealing with situations involving conflicts of interests. Since Non-Executive Directors are not involved in the day-to-day running of the Issuer’s business, they are able to bring an independent judgment to bear on the various issues brought before the Board.

As at the date of this Company Admission Document, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

Principle 7: “Evaluation of the board’s performance”: Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board’s performance is always under the scrutiny of the shareholders of the Company.

Principle 8: “Committees”: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of a nomination and remuneration committees. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the Company’s Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

15 LITIGATION PROCEEDINGS

There have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering twelve (12) months prior to the date of the Company Admission Document which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer or of the AgriGroup.

16 ADDITIONAL INFORMATION

16.1 Memorandum and Articles of Association of the Issuer

16.1.1 Incorporation

The Issuer was incorporated on 19th July 2012 as a private limited liability company in terms of the Companies Act, with company registration number C 57008. The Issuer was subsequently converted into a public limited liability company on 2nd October 2017.

In terms of Clauses 4 of its Memorandum of Association, the Issuer is authorised to float its capital (including equity or debt) on Prospects, issue securities, and to borrow and raise funds through the issue of bonds.

The Memorandum and Articles of Association of the Issuer regulates matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors, as elaborated upon in Section 16.1.6 below.

16.1.2 Share capital

As at the date of this Document, the Authorised Share Capital of the Issuer is of fifty million Pounds Sterling (£50,000,000), divided into fifty million (50,000,000) ordinary shares of one Pound Sterling (GBP1.00) each.

The Issued Share Capital of the Company is of eighty thousand and one Pounds Sterling (£80,001), divided into eighty thousand (80,000) ordinary 'A' shares of one Pound Sterling (GBP1.00) each fully paid up, and 1 (one) Ordinary 'B' share of one Pound Sterling (£1.00) fully paid up.

The shares of the Company are not admitted to Prospects or on the MSE, nor has an application ever been filed for the shares of the Company to be quoted on any trading platform. There is no capital of the Company which has been issued to the public as from the date of incorporation to the date of the Company Admission Document, nor is it expected that the Company issues during the next financial year any shares to the public, whether fully or partly paid up, in consideration for cash or otherwise. There is no capital of the Company which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Company is to be put under option.

16.1.3 Objects

The Memorandum and Articles of Association of the Issuer are registered with the Registry of Companies, Malta. The principal object of the Issuer is to carry on the business of a finance company thereby to lend and advance money, give credit (on such terms as it may deem appropriate), grant or provide guarantees, hypothecs, privileges, charges, security interests or other security, exclusively to, or in favour of, companies or partnerships which form part of the same group of companies and partnerships as the Issuer (that is to the ultimate parent company, subsidiary companies, and to companies and partnerships which have more than or at least fifty per cent of their share capital owned directly or indirectly by the same parent or ultimate parent company or partnership as the Issuer). This Bond Issue falls within the objects of the Issuer.

Clause 4 of the Memorandum of Association contains the full list of objects of the Issuer.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of the Bond at the registered office of the Issuer as set out under the heading "Documents Available for Inspection" in Section 19 of this Company Admission Document and at the Malta Registry of Companies during the lifetime of the Company.

16.1.4 Voting rights

In terms of the Memorandum of Association of the Issuer, ordinary shares shall grant the right of one

(1) vote for every share held and are participating shares entitled to receive dividend distributions as deemed fit by the Board of Directors and shall rank *pari passu* in all respects including dividend and capital repayment rights.

16.1.5 Appointment and removal of Directors

Directors shall be appointed by means of an ordinary resolution of the shareholders of the Company in general meeting. An election of Directors shall take place every year at the Company's annual general meeting. All Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. The present directors shall remain in office until they resign or are removed in accordance with Article 140 of the Act.

16.1.6 Powers of Directors

The Directors are vested with the management of the Issuer and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and, in this respect, have the authority to enter into contracts, sue and be sued in representation of the Issuer. In terms of the Memorandum and Articles of Association, they may do all such things that are not by the Memorandum and Articles of Association reserved for the shareholders in a general meeting, subject to the Articles of Association of the Issuer, the Act, and to such regulations, being not inconsistent with the Articles of Association of the Issuer or the Act, as may be prescribed by the general meeting of the shareholders.

Directors may not vote on any contract, arrangement or investment in which they have a personal material interest, whether direct or indirect.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money to an unlimited amount and to grant as security therefor a hypothecation and/or other charges upon the whole or any part of the Issuer's property, present and future, subject to any limit which may be established in the Articles of Association and the overriding authority of the shareholders in a general meeting to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

16.1.7 Directors' interests

The Independent Non-Executive Directors of the Issuer have no beneficial interests in the share capital of the Issuer as at the date of the Company Admission Document. There are no assets which have been leased or otherwise transferred by or to the Issuer in which any of the Directors have any interest, direct or indirect, nor are any such leases or transfers being proposed. Mr Frank J. Sekula is the ultimate beneficial owner of the AgriGroup. Presently, none of the Executive Directors receive remuneration from the Issuer.

16.2 Holdings in excess of 5% of share capital

On the basis of the information available to the Company as at the date of the Company Admission Document, Mr Frank Sekula owns (indirectly) 100% of the total issued share capital of the Issuer.

16.3 Dividend Policy

The Issuer has adopted a dividend distribution policy whereby any dividends and/or other distributions received by the Issuer from AgriBank (*qua* its subsidiary) may be distributed to the shareholders of the Issuer (at the discretion of the Board of Directors of the Issuer) up to a maximum of fifty per cent (50%) of the dividends and/or other distributions so received by the Issuer from AgriBank together with any and all tax paid by AgriBank upon distribution of the dividends to the Issuer pursuant to the full imputation system applicable in terms of the Income Tax Act (Chapter 123 of the Laws of Malta) as may

be refunded to the Issuer by the tax authorities pursuant to the Issuer's application for such refund. The Issuer covenants not to amend the said dividend distribution policy throughout the term of the Bond Issue.

17 MATERIAL CONTRACTS

The Issuer or the AgriGroup have not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or any member of the AgriGroup being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds being issued pursuant to, and described in, Part Two to this Company Admission Document.

18 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

18.1 Accountant's report

Grant Thornton, a firm of Certified Public Accountants have issued the Accountants' Report dated 12 December 2017. The following are the details of the said expert:

Grant Thornton
Tower Business Centre,
Suite 3, Tower Street,
Swatar BKR 4013, Malta

18.2 Interest of experts and advisors

Save for the accountants' report on the consolidated profit forecast, the Company Admission Document does not contain any statement or report attributed to any person as an expert. The accountants' report on the consolidated profit forecast dated 12 December 2017 has been included in Annex A of the Company Admission Document in the form and context in which it appears with the authorisation of Grant Thornton of Tower Business Centre, Suite 3, Tower Street, Swatar BKR 4013, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

18.3 Statement of independence

The Corporate Advisor, the Legal Advisor, the Reporting Accountant and Financial Advisor, the Placement Agent, Manager and Registrar, and the Auditor are all independent from the Issuer. Save for the possible subscription for Bonds by the Placement Agent, Manager and Registrar in terms of the subscription agreement, and any fees payable to the Placement Agent, Manager and Registrar by the Issuer in connection with the Bond Issue, so far as the Issuer is aware, no person involved in the Issue, other than the Issuer, has an interest material to the Bond Issue.

19 DOCUMENTS AVAILABLE FOR INSPECTION

For the duration of the Company Admission Document, the following documents (or copies thereof) maybe inspected at the registered office of the Issuer during office hours:

- (i) Memorandum and Articles of Association of the Issuer;
- (ii) Memorandum and Articles of Association of AgriBank PLC;
- (iii) Audited financial statements of the Issuer for the years ended 30 June 2015, 2016 and 2017;
- (iv) Audited financial statements of AgriBank PLC for the years ended 30 June 2015; and
- (v) The consolidated profit forecast and accountants' report for the years ending 30 June 2018, 2019, 2020, 2021, and 2022;
- (vi) The NKC Subordinated Bond Terms of Issue;
- (vii) The Underwriting Agreement;
- (viii) The Amendment and Restatement Agreement;
- (ix) The Security Trust Deed;
- (x) The Pledge Agreement.

By not later than June 30 of each year the Issuer will upload its consolidated financial statements on its website www.agribankplc.com.

COMPANY ADMISSION DOCUMENT
PART TWO

20 RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY ON THE REDEMPTION DATE UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND/OR CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE. AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS COMPANY ADMISSION DOCUMENT, 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 A VIEW 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 THE ISSUER. 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 THAT COULD LEAD TO A DECLINE IN VALUE OF THE SECURITIES. NEITHER THIS COMPANY ADMISSION DOCUMENT 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 CORPORATE ADVISOR OR THE PLACEMENT AGENT, MANAGER AND REGISTRAR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE COMPANY ADMISSION DOCUMENT, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

20.1 Forward-looking statements

This Document contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Document and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors concerning, amongst other things, the Issuer's strategy and business plan, results of operations, financial condition, liquidity and prospects of the Issuer and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The actual results of operations, financial condition, liquidity and the strategic development of the Issuer may differ

materially from the forward-looking statements contained in this Document. In addition, even if the results of operations, financial condition and liquidity of the Issuer are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include:

- (i) Continued, sustained or worsening global economic conditions and in particular economic weakness in the areas in which the Issuer operates;
- (ii) Increased competition; and
- (iii) Increased regulation.

Potential investors are advised to read this Document in its entirety and, in particular, this Section titled “Risk Factors” for a further discussion of the factors that could affect the Issuer’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Document may not occur. All forward-looking statements contained in this Document are made only as at the date hereof. The Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

20.2 No Assurance of Active Secondary Market for the Bonds

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Bonds at any given time. The presence of a market is dependent upon the individual decisions of Investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or it will continue if one does develop. Furthermore, there can be no assurance that Bondholders will be able to sell their Bonds at or above the price at which the Issuer issued the Bonds or at all. The trading value of the Bonds may also be impacted by other factors such as the time remaining for maturity of the Bonds, the outstanding amount of the Bond, and the level, direction and volatility of market interest rates generally.

20.2.1 Effect of Future Public Offerings/Takeover/Merger Activity

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

20.2.2 No Prior Market for the Bonds

There has been no prior market for the Bonds within or outside Malta. Due to the absence of any prior market, there can be no assurance that the price at which the Bonds are issued will correspond to the price at which the Bonds will trade in the market. The market price of the Bonds could be subject to significant fluctuations in response to numerous factors, including the Issuer’s operating results and political and economic developments in or outside of Malta.

20.2.3 Interest Rates

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

20.2.4 Value of the Bonds

The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.

20.2.5 Ranking

The Bonds shall constitute the general, direct, unconditional, senior, secured obligations of the Issuer. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves. Save for such exceptions as may be provided by applicable law, the Bonds shall rank senior to all other present and future obligations of the Issuer. Subject to the permitted indebtedness provision (Section 20.2.6 of this Document) third party security interests may, by operation of any applicable law, be registered on all or some specific assets of the Issuer and therefore rank in priority to the Bonds against the assets of the Issuer affected by such security interest for so long as such security interests remain in effect.

20.2.6 Permitted indebtedness

The Issuer undertakes, for so long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to issue any further debt securities which rank senior or *pari passu* with the Bonds.

The following sets out a summary of the Issuer's Financial Indebtedness which as at 16th October 2017 amounted to six million, four hundred and twenty thousand Pounds Sterling (£6,420,000) which consist of two shareholders' loan from the two controlling shareholders of the Issuer. These shareholders' loans are both interest free and repayable at the option of the Issuer from amounts available for distribution by the Issuer and after settlement of all third party Financial Indebtedness.

Issuer's Borrowings as at 30 September 2017

Facility	Lender	Amount Outstanding	Security Held
Shareholders Loan	Trams of Malta Limited	£3,210,000	Unsecured
Shareholders Loan	Westmoreland Investment Ltd	£3,210,000	Unsecured
Total £6,420,000			

Besides the aforementioned shareholders' loan the Issuer has no further Financial Indebtedness.

"Financial Indebtedness" means any indebtedness in respect of: (a) monies borrowed; (b) any debenture, bond, note, stock or other security; (c) any acceptance credit; (d) the acquisition costs of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (e) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (f) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; and (g) any guarantees, indemnity or similar assurance against financial loss of any person.

20.2.7 Security

The value of the Pledge securing the obligations of the Issuer under the Bonds is dependent upon the recoverability of the Receivables. In the event that any of the Receivables are not recoverable by the Security Trustee, then the corresponding value of the Pledge shall be reduced accordingly and may, depending on the extent of the non-recoverable Receivables and in the event of a default by the Issuer under the Bonds, impact the repayment of the Bonds from the Receivables.

Furthermore, the Pledge created pursuant to the Pledge Agreement (vide Annex E hereof) over any receivables which are yet to come into existence is conditional upon the said receivables coming into

existence. Accordingly, in the event that the receivables do not come into existence, no pledge thereon can be said to be created or subsist.

20.2.8 Suitability

An investment in the Bonds may not be suitable for all recipients of this Document and Investors are urged to consult a licensed investment adviser licensed under the Investment Services Act as to the suitability or otherwise of an investment in any of the Bonds before making an investment decision. An informed investment decision can only be made by Investors after they have read and fully understood the risk factors associated with an investment in the Bonds and the inherent risks associated with the Issuer's business. In the event that an Investor in the Bonds does not seek professional advice and/or does not read and fully understand the provisions of this Document, there is a risk that the Investor may acquire an investment that is not suitable for his or her profile.

20.2.9 Bondholder's Currency of Reference

A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds and the Bondholder's currency of reference, if different.

20.2.10 Nature of the Subordinated Bond

The underlying Subordinated Bond will be unsecured and subordinated to the claims of all holders of senior indebtedness. The Subordinated Bond constitutes the general, direct, unconditional, subordinated and unsecured obligation of the Bank and shall at all times rank *pari passu*, without any priority or preference among themselves and with other subordinated debt. Thus the Subordinated Bond ranks after other outstanding, unsubordinated and unsecured obligations of the Bank, present and future.

Subordination means that the rights and claims of the Issuer as the bondholder in respect of the payment of capital and interest on the Subordinated Bond will, in the event of dissolution and winding up of the Bank, rank after the claims of all senior indebtedness and will not be repaid until all other senior indebtedness outstanding at the time has been settled. Subordination only comes into effect in the event of a dissolution and winding up of the Bank where the assets of the Bank are not sufficient to meet the claims of all the creditors of the Bank and a ranking of the creditors' claims becomes necessary.

The underlying Subordinated Bond (as defined in the Pledge Agreement) will qualify as a Tier II Capital instrument. As such, the relevant Maltese resolution authority may exercise the bail-in tool (as defined in terms of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms) in respect of AgriBank and the Subordinated Bond, which may result in a loss in value of the Subordinated Bond, whereby it may be subject to a write-down or conversion into equity. Since the Bonds are secured by the Subordinated Bond Receivables (as defined in the Pledge Agreement), this may result in a loss in value of the Security.

20.2.11 Modification by Bondholders' Meeting

The Issuer may from time to time wish to amend any of the terms and conditions of the Bond Issue. The Issuer shall ask for the approval of the Bondholders in accordance with the provisions of Section 23.16. These provisions permit a defined majority to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

20.2.12 Change of Law

The terms and conditions governing this Bond Issue are based on the Laws of Malta in effect as at the date of this Document. No assurance can be given as to the impact of any possible judicial decision or change in Maltese Law or administrative practice after the date of this Document and the effect this may have on the terms and conditions governing the Bonds.

20.2.13 Discontinuation of Prospects Admission

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

21 PERSONS RESPONSIBLE

This Document includes information given in compliance with the Prospects Rules for the purpose of providing prospective investors with information with regard to the Issuer and the Bonds. The Directors, whose names appear in Section 7.1 of the Company Admission Document: Part One, accept responsibility for the information contained in this Company Admission 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 Company Admission 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.

22 KEY INFORMATION

22.1 Reasons for the Issue and Use of Proceeds

The net proceeds from the Bond Issue, which are expected to amount to approximately one million, nine hundred thousand Euro (€1,900,000), will be advanced by the Issuer by subscribing in full to the Subordinated Bond to be issued by AgriBank for the purpose of increasing the Bank's Tier II Capital in line with capital adequacy requirements and for general financing requirements of the Bank in order to extend the Bank's service offerings. The Subordinated Bond will be unsecured and shall be issued with an interest rate and redemption value mirroring the Interest Rate, Redemption Value, interest payment dates and redemption date set on or about the dates set herein as the Interest Payment Date/s and Redemption Date.

In the event that the Issuer does not receive subscriptions for the full €2,000,000 in Bonds, the Issuer shall, subject to subscriptions reaching at least the Minimum Total Subscription Amount, proceed with the admission of the amount of Bonds subscribed for.

22.2 Estimated Offer Expenses and proceeds of the Issue

Professional fees and costs related to publicity, advertising, printing, admission, registration, management, registrar fees, selling commission and other miscellaneous costs incurred in connection with this Bond Issue, are estimated not to exceed one hundred thousand Euro (€100,000) and shall be borne by the Issuer. No Offer Expenses will be specifically charged to any Bondholder who subscribes for the Bonds. The amount of the Offer Expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to one million nine hundred thousand Euro (€1,900,000). There is no particular order of priority with respect to such expenses.

22.3 Issue Statistics

Issuer	AgriHoldings PLC, a public limited liability company registered and incorporated in terms of the Companies Act (Chapter 386 of the Laws of Malta) with company registration number C 57008;
Amount	€2,000,000
Application Forms made available	14 December 2017
Bond Issue Price	€100
Closing date for Applications to be received	21 December 2017
Denomination	Euro (€)
Events of Default	The events listed in Section 22.5 of this Part Two of this Company Admission Document
Form	The Bonds will be issued in full registered and dematerialized form and will be represented in uncertificated form by an appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD
Governing Law	The Bonds are governed by and shall be construed in accordance with Maltese Law
Jurisdiction	The Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and/or the Company Admission Document
Interest	4.875%
Interest Payment Dates	Annually on 31 December as from 31 December 2018 (the first interest payment date)
ISIN	
Issue	Bonds denominated in Euro having a nominal value of €100 each, which will be issued at par and

	shall bear interest at the rate of 4.875% per annum
Offer Period	From 14 December 2017 to 21 December 2017
Admission	Application has been made to the MSE for the Bond Issue to be considered admitted and traded on Prospects
Minimum Amount per subscription	Minimum of €2,000 and multiples of €100 thereafter
Plan of Distribution	The Bonds are open for subscription to all categories of investors. Prospective Applicants are to file their applications via the appointed Placement Agent, Manager and Registrar (Curmi & Partners Ltd)
Redemption Date	31 December 2024
Status of the Bonds	The Bonds shall constitute the general, direct, unconditional and senior secured obligation of the Issuer.
Security	The obligations of the Issuer under the Bonds shall be secured by the constitution of the Issuer in favour of the Bondholders of a Pledge over the Receivables. The Security Trustee shall hold the Pledge over the Receivables on trust for the benefit of all Bondholders and as security for the punctual performance of the Issuer's obligations under the Bonds.
Subscription	Multiples of one hundred Euro (€100)
Underwriting	Two hundred and twenty six thousand Euro (€226,000) worth of Bonds have been underwritten by New Kensington Capital Ltd in virtue of the Underwriting Agreement. No further Bonds are subject to any underwriting agreement or commitment.
Notices	Notices will be mailed to the Bondholders at their registered address and shall be deemed to have been served at the expiration of twenty four (24) hours after the letter containing the notice is posted, and in providing such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his/her/its registered address and posted

22.4 Interest of Natural and Legal Persons involved in the Issue

Save for any fees payable in connection with the Bond Issue to Curmi & Partners Limited as Placement Agent, Manager and Registrar so far as the Issuer is aware no person involved in the Issue, other than the Issuer, has an interest material to the Bond Issue.

22.5 Expected Timetable of Principal Events

Event	Date
1. Application forms available	14 December 2017
2. Offer Period	From 14 December 2017 to 21 December 2017
3. Commencement of interest on Bonds	28 December 2017
4. Announcement of basis of acceptance	27 December 2017
5. Issuance of Bonds	28 December 2017
6. Expected Admission of the Bonds to Prospects	28 December 2017
7. Expected start of trading on Prospects	28 December 2017
8. Expected dispatch of allotment advices and refunds of unallocated monies	29 December 2017

The Issuer reserves the right to close the offer of the Bonds before the 21 December 2017 at 12:00 CET in the event that the Bonds are fully subscribed prior to the said date and time. In such eventuality, the events set out in steps 3 to 8 above shall be brought forward although the number of working days between the respective events shall not be also altered.

23 INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the Terms and Conditions set out in this Company Admission Document: Part Two and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the Terms and Conditions of the Bonds hereafter described and to accept and be bound by the said Terms and Conditions.

23.1 General

Each Bond forms part of a duly authorised issue of secured bonds 2024 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €2,000,000. The issue date of the Bonds is expected to be the 12 December 2017.

The currency of the Bonds is the Euro (€).

The Bonds shall bear interest from and including the Issue Date at the rate of four decimal point eight seven five per cent (4.875%) per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 31 December 2018. Any Interest Payment Date falling 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 4.875%.

The Bonds shall be secured by virtue of the Pledge over the Receivables. The said pledge over the Receivables shall be held by the Security Trustee for the benefit of the Bondholders and to secure its obligations under the Bonds.

Subject to admission of the Bonds to the Prospects List of the MSE, the Bonds are expected to be assigned ISIN: [MT0001661207](#).

The issue of the Bonds is made in accordance with the requirements of the Prospects Rules.

The Bonds are expected to be admitted on the Prospects List on 12 December 2017 and dealing is expected to commence on 28 December 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

The Issuer reserves the right that should any Bonds be sold on the secondary market, such Bonds may be purchased by the Issuer, at the price they would be trading at the time, prior to the Bonds' Redemption Date. Provided that should the Issuer purchase the Bonds as aforesaid, the Issuer shall immediately issue an announcement to this effect.

All outstanding Bonds, not previously purchased and cancelled, shall be redeemed by the Issuer at par (together with interest accrued to the date fixed for redemption) on the Redemption Date.

Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated will be returned by the Placement Agent, Manager and Registrar without interest by direct credit into the Applicant's bank account as indicated by the Applicant in the Application Form within three (3) Business Days from the date of final allocation. Neither the Issuer nor the Placement Agent and Manager and Registrar will be responsible for any charges, loss or delays in transmission of the refunds to the extent that the said Issuer, Placement Manager and Registrar have acted diligently and with the expected reasonable due standard of care. In this regard, save as otherwise may be established by the applicable law, 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 (Chapter 373 of the Laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest (as detailed below) and in accordance with the ranking specified in Section 23.7 of this Company Admission Document: Part Two.

The Minimum Subscription amount of Bonds that can be subscribed for by Applicants is €2,000, and in multiples of €100 thereafter.

Two hundred and twenty six thousand (€226,000) out of the two million Euro (€2,000,000) Bonds on offer has been underwritten by New Kensington Capital Ltd pursuant to the Underwriting Agreement. No further Bonds are subject to any underwriting agreement or commitment.

In the event that the Bond Issue is not fully subscribed but subject to subscription reaching the Minimum Total Subscription Amount, the Issuer will proceed with the admission of the amount of Bonds subscribed for.

23.2 Security and Rights

The obligations of the Issuer under the Bonds shall be secured by a pledge on the Receivables held on trust by the Security Trustee for the benefit of all Bondholders. A pledge confers upon the creditor the right to obtain payment out of the asset pledged with privilege over other creditors as provided in Title XXIII of the Civil Code (Chapter 16 of the Laws of Malta). There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest and in accordance with the ranking specified herein.

By acquiring any of the bonds, whether on issuance or thereafter, Bondholders will be deemed to have acknowledged and accepted the security over the Bonds and the terms and conditions contained in each of the Security Trust Deed and the Pledge Agreement. In particular, each Bondholder shall be bound by the terms of the Security Trust Deed as if he/she had been a party thereto and as if the Security Trust Deed covenants on the part of each Bondholder to observe and be bound by all the provisions thereof. The Bondholders furthermore acknowledge that the Bonds may rank junior and subsequent to any prior ranking security interest arising by operation of the law.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE IN RESPECT OF THE IMPLICATIONS AND CONSEQUENCES OF AN ACQUISITION OF THE BONDS PARTICULARLY BUT NOT LIMITED TO LEGAL ADVICE IN CONNECTION WITH THE OBLIGATIONS AND COVENANTS SET OUT IN THE SECURITY TRUST DEED.

THE DESCRIPTION OF THE SECURITY TRUST DEED AND THE PLEDGE AGREEMENT IN SECTIONS 23.3 AND 23.4 OF THIS DOCUMENT DO NOT PURPORT TO BE COMPREHENSIVE DESCRIPTIONS OF THE SECURITY TRUST DEED AND THE PLEDGE AGREEMENT. INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO REVIEW THE FULL TEXT OF THE SECURITY TRUST DEED AND THE PLEDGE AGREEMENT SET OUT IN ANNEXES D AND E RESPECTIVELY OF THIS COMPANY ADMISSION DOCUMENT BEFORE DECIDING TO ACQUIRE ANY BONDS.

23.3 Security Trust Deed

Pursuant to the Security Trust Deed, the Security Trustee has accepted to act as security trustee for the benefit of the Bondholders *pari passu* in proportion to the Bonds held by them by accepting the Pledge over the Receivables as pledgee in terms of the Pledge Agreement. .

The main powers and functions of the Security Trustee are listed in Clause 8 of the Security Trust Deed. These include the power to monitor financial information relating to the Issuer, the power to engage any person or partnership to manage the security interests held on trust as well as the power to enforce or take any step or proceedings to enforce the covenants and provisions of the Security Trust Deed and/or the Pledge Agreement. The Security Trustee is not bound to take any such steps or proceedings to enforce the said covenants and provisions unless requested to do so in writing by not less than 75% in value of the Bondholders.

By acquiring the Bonds, the Bondholders *inter alia* agree:

- (i) to hold the Security Trustee harmless and fully indemnified for and against any loss, damage, cost or other liability it may incur by virtue of its failure to enforce or take any steps or proceedings to enforce the covenants and provisions of the Security Trust Deed in the event that it would have not received proper instructions in writing from at least 75% in value of the Bondholders; and
- (ii) not to exercise any right of set-off in respect of any amount payable by the Bondholders to the Issuer against any amount payable by the Issuer to the Bondholders.

All monies and/or assets held by the Security Trustee shall be held on trust and shall be applied for the following purposes and in the following order of priority in payment of:

- (i) all costs, charges, expenses and liabilities incurred and payments made in or about the exercise of the trust by the Security Trustee including all remuneration payable to the Security Trustee with interest thereon;
- (ii) the interest owing upon the Bonds *pari passu* and without any preference or priority; and
- (iii) the principal monies owing upon the Bonds *pari passu* and without any preference or priority.

The Security Trustee is bound to give to the Bondholders at least ten (10) days notice of every distribution made to them and is entitled to withhold payment of any monies due to be distributed to the Bondholders. Should the Security Trustee decide to withhold payment it shall place the same in a savings account with a bank. The amount which equals the amount of the principal monies withheld shall not carry interest while such monies are withheld (save for any interest allowed on the savings account in which the monies withheld are placed).

In terms of Clause 13 of the Security Trust Deed, the Security Trustee may at any time prior to exercising any power of discretion:

- (i) call a meeting of the Bondholders by giving them not less than seven (7) days notice in writing setting out the date, time, place of the meeting and the matters to be discussed thereat; or
- (ii) write to the Bondholders requesting their instructions or directions.

At such meeting of the Bondholders two (2) persons present in person or by proxy shall constitute a quorum and all decisions shall be passed by a simple majority of the persons present and voting (unless otherwise stated in the Security Trust Deed). The Bondholders are, in terms of the Security Trust Deed, entitled to require the Security Trustee to convene a meeting of the Bondholders provided that such request is made by at least 10% in value of the Bondholders at that time.

The Security Trustee may, in its absolute and uncontrolled discretion and shall, upon the request in writing of not less than 75% in value of the Beneficiaries, by notice in writing to the Company, declare that, in terms of the Company Admission Document, the Bonds to have become immediately payable.

The Security Trustee will not be liable for any default or breach of duty or trust committed by it or for any loss of profits unless such default or breach is caused by the fraud, wilful misconduct or gross

negligence on the part of the Security Trustee or by some act or omission in respect of which the Security Trustee cannot be indemnified under applicable law. Moreover the Security Trustee is exonerated from the obligations imposed on him by Article 1968(1) of the Civil Code.

The Security Trustee also has the power (without the prior written consent of the Bondholders) to vary, amend, add to or delete any or all provisions of the Security Trust Deed (whether of a beneficial or administrative nature), provided that such power shall not be exercised if, *inter alia*, it infringes the applicable law of the Security Trust Deed. Moreover, the Security Trustee is entitled to receive from the Issuer remuneration for acting as Security Trustee.

Furthermore, the Security Trustee may resign by giving not less than three (3) months notice in writing to the Issuer without assigning any reason whatsoever and without being responsible for any costs occasioned by such retirement. The Bondholders also have the power exercisable by a resolution passed at a meeting of Holders passed by 75% in value of the Bondholders to remove the Security Trustee. This is subject to the provisions of the Trust and Trustees Act (Chapter 331 of the Laws of Malta) regulating the resignation of a trustee. The Issuer has undertaken to use all reasonable endeavours to procure a new trustee to be appointed. The retirement or removal shall not become effective until such time as a successor trustee is appointed.

23.4 Pledge Agreement

As at the date of this Company Admission Document, the Security Trustee and the Issuer have entered into a Pledge Agreement thereby constituting the Pledge over the Receivables. Pursuant to the Pledge Agreement, the Issuer has pledged in favour of the Security Trustee, a number of receivables and related rights (existing at the time of the entry in the Pledge Agreement or which may come into existence thereafter).

The rights, powers and remedies of the Security Trustee following an Acceleration Event are listed in Clause 6 of the Pledge Agreement.

23.5 Plan of Distribution and Allotment

The Issuer has appointed Curmi & Partners Ltd as Placement Agent, Manager and Registrar for the purposes of this Bond Issue. Applications for subscriptions to the Bonds shall be made through the Placement Agent, Manager and Registrar during the Offer Period on a first-come-first-served basis. The Offer Period shall close immediately upon attaining full subscription or on the last day of the Offer Period, whichever is the earliest. Subscription to the Bonds must be accompanied by full price of the Bonds applied for in Euro and in cleared funds at the Issue Price. If the Application Form(s) and proof of payment of cleared funds do not reach the Placement Agent, Manager and Registrar by the close of the Offer Period, the Application will be deemed to have been declined. The provisions of this paragraph shall not apply to the Bonds underwritten by New Kensington Capital Ltd pursuant to the Underwriting Agreement.

The Bonds are open for subscription by all categories of investors. It is expected that notification of allotment will be announced to Bondholders within five (5) Business Days of the closing of the Offer Period. Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

23.6 Status and Ranking of the Bonds

The Bonds shall constitute the general, direct, unconditional senior and secured obligations of the Issuer.

23.7 Rights attaching to the Bonds

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

- i. the payment of interest;
- ii. the payment of capital;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of Section 23.6 hereof;
- iv. attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond Issue; and
- v. enjoy all such other rights attached to the Bonds emanating from the Company Admission Document.

23.8 Interest

The Bonds shall bear interest from and including the Issue Date at the rate of four decimal point eight seven five per cent (4.875%) per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 31 December 2018. Any Interest Payment Date falling 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 4.875%.

Each Bond will cease to bear interest from and including its due date for 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 any of which events interest shall continue to accrue at the rate specified above plus eight per cent (8%), but in any event not in excess of the maximum rate of interest allowed by Maltese Law. In terms of article 2156 of the Civil Code (Chapter 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.

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.

23.9 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 4.875%.

23.10 Registration, Form, Denomination and Title

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 body corporates) 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.

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.

Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account with the CSD will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to secured bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

The Bonds will be issued in fully registered form, in denominations of any integral multiple of one hundred Euro (€100) per Bond, provided that on subscription the Bonds will be issued for a minimum of two thousand Euro (€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 two thousand Euro (€2,000) to each underlying client.

Any person in whose name a Bond is registered, in accordance with this Section, may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "Transferability of the Bonds" as per the stipulations of the Company Admission Document.

23.11 Pricing

The Bonds are being issued at the nominal value of one hundred Euro (€100) per Bond.

23.12 Payments

Payment of the principal amount of the Bonds will be made in euro by the Issuer to the person in whose name such Bonds are registered, in accordance with Section 23.10 above, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in euro. The Issuer shall not be responsible for any charges, loss or delay in transmission. If no such euro-denominated bank account number is provided, or in the event that the bank account details on the Application Form are incorrect or inaccurate, Bondholders will receive payment by means of a cheque mailed to their address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form. Upon payment of the Redemption Value, the Bonds shall be considered as effectively and legally redeemed and the appropriate entry shall be made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment of interests will be made against the instructions of the usufructuary/ies while redemption proceeds will be paid on the joint instructions of the usufructuary/ies and the bare owner/s. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bareowner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in euro. The Issuer shall not be responsible for any charges, loss or delay in transmission. If no such euro-denominated bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, Bondholders will receive payment by means of a cheque mailed to their address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.

All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) and to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this Section 23.12. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

23.13 Redemption and Purchase

Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with accrued interest, if any) on 31 December 2024. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese Law and which is payable by the Bondholders.

Subject to the provisions of this Section 23.13, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

All Bonds so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold.

23.14 Acceleration Events

The Bonds shall become immediately due and repayable at their principal amount, together with any accrued interest, if any of the following events (each an “**Acceleration Event**”) shall occur:

- i. the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer, by any Bondholder; or
- ii. the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- iii. 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
- iv. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- vi. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent;
- vii. the Issuer, at any point in time throughout the term of the Bond Issue, pledges the shares held by it in AgriBank; or
- viii. there shall have been entered against the Issuer a final judgement by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of one million euro (€1,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgement without its having been satisfied or stayed.

23.15 Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Prospects List, shall be transferable only in whole (in multiples of one hundred Euro (€100)) in accordance with the rules and regulations of Prospects and the MSE applicable from time to time. If Bonds are transferred in part, such an attempted partial transfer will not be cleared and the transferee thereof will not be registered as a Bondholder or claim from the Issuer any purported benefit therefrom.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may, from time to time, properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person. Provided always that if a Bond is transmitted in furtherance of this paragraph, a person will not be registered as a Bondholder unless such transmission is made in multiples of one hundred Euro (€100).

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 registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer/transmission has been made.

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.

23.16 Meetings of Bondholders

The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of any of the following: (i) considering and approving any matter affecting their interest, including the amendment, modification, waiver, abrogation or substitution of any of the Terms and Conditions of the Bonds and the rights of the Bondholders, whether or not those rights arise under the Company Admission Document; (ii) considering and approving the exchange or substitution of the Bonds by, or the conversion of the Bonds into, shares, debentures or other obligations or securities of the Issuer; and (iii) obtaining the consent of Bondholders on other matters which in terms of the Company Admission Document require the approval of a Bondholders' meeting in accordance with the below.

A meeting of Bondholders shall be called by the Directors of the Issuer 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 Company Admission Document 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 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

The amendment or waiver of any of the Terms and Conditions of Issue of the Bonds may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

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 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 at the commencement of the meeting, 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.

Any one of the Directors of the Issuer shall also chair meetings of Bondholders.

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 that decisions are required to be taken 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 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.

The voting process shall be managed by the Issuer's Company Secretary under the supervision and scrutiny of the auditors of the Issuer.

The proposal placed before a meeting of Bondholders shall only be considered approved by the simple majority 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.

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.

23.17 Authorisations and Approvals

The Directors of the Issuer authorised the Bond Issue and the publication of the Company Admission Document pursuant to a Board of Directors' resolution passed on 16 October 2017.

23.18 Admission to Trading

The Malta Stock Exchange has authorised the admission of the Bonds to Prospects pursuant to the Prospects Rules by virtue of a letter dated 12 December 2017.

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Company Admission Document to be admitted and traded on its Prospects List.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 12 December 2017 and trading is expected to commence on 28 December 2017. Dealing may commence prior to notification of the amount allocated being issued to Applicants.

23.19 Representations and Warranties of the Issuer

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

- i. it is duly incorporated and validly existing under the Laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;
- ii. it has the power to execute, deliver and perform its obligations under the Company Admission Document and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions or the Company Admission Document; and
- iii. no litigation, arbitration or administrative proceedings are taking place, pending or, to the knowledge of its officers, threatened against it which could have a material adverse effect on its business, assets or financial conditions.

The Company Admission Document contains all relevant material information with respect to the Issuer and all information contained in the Company Admission Document is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer, its business and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Company Admission Document misleading or inaccurate in any material respect.

23.20 Bonds held jointly

In respect of any Bonds held jointly by several persons (including husband and wife), the joint holders shall nominate one (1) of their number as their representative and his/her name will be entered in the register with such designation. By default, the person whose name shall be inserted in the field entitled “Applicant” on the Application Form, or the 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. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

23.21 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-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right

to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond, which shall be due to the bare owner subject to the rights of usufruct.

23.22 Governing law and jurisdiction

The Bonds are governed by and shall be construed in accordance with Maltese Law. Any legal action, suit or proceedings against the Issuer and arising out of or in connection with the Bonds and/or the Company Admission Document shall be brought exclusively before the Maltese courts.

23.23 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 Bondholder at his/her/its registered address and posted.

24 TAXATION

24.1 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 there from or made on their disposal. The following is a summary of the anticipated tax treatment applicable to the Bonds and to Bondholders in so far as taxation in Malta is concerned at the time of issue of this Company Admission Document. 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 issue of the Company Admission Document, in respect of a subject on which no official guidelines exist. Prospective 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 prospective 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.

24.2 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 (Chapter 123 of the Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 10% of the gross amount of the interest where the Bondholder is a collective investment scheme that is a prescribed fund, in terms of Maltese legislation, or at the rate of 15% of the said gross amount in other cases.

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 if paid net of tax. No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient’s tax liability or available as a refund.

In the case of a valid election made by an eligible 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 Bond interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Malta Commissioner for 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 (Chapter 123 of the Laws of Malta).

In terms of Article 12(1)(c) of the Income Tax Act (Chapter 123 of the Laws of Malta), Bondholders who are not resident in Malta and satisfying the applicable conditions set out in the Income Tax Act (Chapter 123 of the Laws of Malta) 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.

24.3 Exchange of Information

Persons that are not resident in Malta should note that payment of interest to individuals and certain entities residing in any other EU Member State or in other States that have concluded an appropriate

agreement with Malta may be reported to the Malta Commissioner for Revenue. The Commissioner for Revenue may, in turn, automatically or on request, exchange the information with the competent authorities of the state where the recipient of the interest is resident.

24.4 Foreign Account Tax Compliance Act

The United States (US) enacted the Foreign Account Tax Compliance Act, 2010 (FATCA) that generally imposes a reporting regime and withholding requirements with respect to certain US source payments (including dividends and interest), gross proceeds from the disposition of property that can produce US source interest and dividends and certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The US entered into an intergovernmental agreement with Malta on 6 December 2013 regarding the implementation of FATCA. Payments effected by the Issuer on or with respect to the Bonds are not expected to be subject to withholding under FATCA except to the extent that any Bondholder fails to comply with its obligations under FATCA. However, FATCA may affect payments made to custodians or intermediaries, if any, in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It may also affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Bondholders should choose any custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Bonds are discharged once it has effected payment as stipulated in this Company Admission Document and therefore the Issuer has no responsibility for any amount thereafter transmitted through the payment chain. FATCA require participating financial institutions, as defined, to satisfy applicable due diligence and reporting requirements in terms of the intergovernmental agreement entered into by Malta together with the relevant regulations and guidelines issued by the Commissioner for Revenue. Consequently, certain confidential information in relation to the Bondholders and/or other relevant persons may be reported to the Commissioner for Revenue and automatically exchanged pursuant to these requirements. FATCA is rather complex and each Bondholder should consult his own tax advisor to obtain a more detailed explanation of FATCA and to determine how it might affect such holder in his specific circumstance.

24.5 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 (Chapter 123 of the Laws of Malta), 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", and that such Bonds are held as a capital asset and not for trading purposes, no Maltese income tax on capital gains should be chargeable in respect of any capital gain arising on the transfer of the Bonds.

24.6 Duty on Documents and Transfers

Gains that arise on the transfer of the Bonds, when such Bonds are not held as a capital asset by the Bondholder, may be taxable in the hands of the Bondholder in accordance with the applicable provisions of the Income Tax Act (Chapter 123 of the Laws of Malta) and Duty on Documents and Transfers Act (Chapter 364 of the Laws of Malta).

No Maltese duty on documents and transfers should be chargeable on the issue of the Bonds. After the issue, future transfers of the Bonds may be dutiable at the applicable rate or rates according to the provisions of Maltese Law, specifically the Duty on Documents and Transfers Act(Chapter 364 of the Laws of Malta), unless appropriate exemptions apply.

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.

25 TERMS AND CONDITIONS OF THE BOND ISSUE

The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Prospects List of the MSE. In the event that the Bonds are not admitted to the Prospects List of the MSE, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such returns will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint applications, the address of the first named applicant) indicated in the Application Form. The Issuer shall not be responsible for any charges, and any loss or delay in transmission to the extent that the said Issuer has acted diligently and with the expected reasonable due standard of care.

The Issuer has established the aggregate minimum subscription level for the Bond Issue at one million five hundred thousand Euro (€1,500,000) (the "Minimum Total Subscription Amount").

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

The contract created by the Issuer's acceptance of an Application filed by a prospective Bondholder shall be subject to all the terms and conditions set out in this Company Admission Document: Part Two and the Memorandum and Articles of Association of the Issuer.

Any person, whether natural or legal, shall be eligible to submit an Application and any one (1) person, whether directly or indirectly, should not submit more than one (1) Application Form. If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions on their behalf. Such representative may be requested to submit the relative power of attorney/ resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and/or the Placement Agent, Manager or Registrar, but it shall not be the duty or responsibility of the Placement Agent, Manager or Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.

Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application Form shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/assigning the application form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

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

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

It is the responsibility of any person outside Malta, wishing to make any Application, to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consent, observing any other formality required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

Subject to all other terms and conditions set out in the Company Admission Document, 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, and/or this Company Admission Document, and/or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted. In the case of joint Applications, reference to the Applicant is a reference to each Applicant, and liability therefor is joint and several.

The Issuer has not sought assessment of the Bonds by any independent credit rating agency.

The Bonds will be issued in multiples of €100. The minimum amount of Bonds that can be subscribed for by each Applicant is €2,000.

Subject to all other terms and conditions set out in the Company Admission Document, the Issuer reserves the right to revoke the issue at any time before the closing of the Offer Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.

The Offer Period shall close immediately upon attaining full subscription or on the last day of the Offer Period, whichever is the earliest. It is expected that notification of allotment will be announced to Bondholders within five (5) Business Days of the closing of the Offer Period.

In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five (5) Business Days from the date of final allocation. The Issuer shall not be responsible for any charges, and any loss or delay in transmission. Completed Application Forms are to be lodged with the Placement Agent, Manager and Registrar or any of the Authorised Financial Intermediaries.

All Application Forms must be accompanied by the full price of the Bonds applied for in Euro. Payment may be made either in cash or by cheque payable to "The Registrar – AgriHoldings PLC Bond Issue". In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application. The provisions of this paragraph shall not apply to the Bonds subject to the Underwriting Agreement payment for which shall be construed as settled in terms of the Underwriting Agreement.

For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Legal Notice 180 of 2008), as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the “Members’ Code of Conduct” appended as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Chapter 440 of the Laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

By completing and delivering an Application Form, the Applicant:

- i. agrees and acknowledges to have had the opportunity to read the Company Admission Document and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- ii. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant’s address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- iii. authorises the Placement Agent, Manager and Registrar and the Directors of the Issuer to include his/her/its 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 such Applicant and further authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Chapter 440 of the Laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Company Admission Document. The requests must further be signed by the Applicant to whom the personal data relates;
- iv. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Company Admission Document and, accordingly, agree/s that no person responsible solely or jointly for the Company Admission Document or any part thereof will have any liability for any such other information or representation;
- v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- vi. agrees to provide the Placement Agent, Manager and Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- vii. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Placement Agent, Manager and Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;
- viii. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- ix. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) and that he/she/it is not accepting the invitation set out in the Company Admission Document from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “United States”) or

on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

- x. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form and in the case of monies by direct credit, into the Applicant's bank account as indicated by the Applicant on the Application Form;
- xi. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
- xii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted by the Issuer) at the Bond Issue Price subject to the Company Admission Document, the terms and conditions thereof, and the Memorandum and Articles of Association of the Issuer;
- xiii. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured he/she/it will not be entitled to receive a registration advice, or be registered in the register of debentures or enjoy or receive any rights in respect of such Bonds unless and until payment in cleared funds for such Bonds is received and accepted by the Issuer and/or the Placement Agent, Manager and Registrar (which acceptance shall be made in the absolute discretion of the Issuer and/or the Placement Agent, Manager and Registrar and may be on the basis that the Issuer and/or the Placement Agent, Manager and Registrar is indemnified against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of such remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer and/or the Placement Agent, Manager and Registrar of such late payment in respect of such Bonds, the Issuer and/or the Placement Agent, Manager and Registrar 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 the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);
- xiv. agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese Law and that he/she/it submits to the exclusive jurisdiction of the Maltese courts and agrees 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;
- xv. warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has 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 Terms and Conditions;
- xvi. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent/s or legal guardian/s of the minor;
- xvii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and
- xviii. agrees that, in all cases, any refund of unallocated Application monies will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any changes, loss or delay in transmission. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such refund will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.

COMPANY ADMISSION DOCUMENT
ANNEXES

ANNEX A – CONSOLIDATED PROSPECTIVE FINANCIAL INFORMATION AND ACCOUNTANT’S REPORT

Summary of significant assumptions

1. Introduction

The consolidated projected statement of financial position and the consolidated projected income statement of AgriHoldings PLC, AgriBank PLC and AgriFunding 13-1 Ltd (together “AgriGroup”) for the five year period from 1 July 2017 to 30 June 2022 (“the consolidated prospective financial information”) have been prepared to provide financial information for the purpose of inclusion in the Company Admission Document of AgriHoldings PLC dated 12 December 2017. The consolidated prospective financial information, set out on pages 63 to 68 and the assumptions below are the sole responsibility of the Directors of AgriHoldings PLC.

The consolidated prospective financial information has been prepared on the basis of a bond issue of €2,000,000 at a nominal value of €100 per bond offered by AgriHoldings PLC.

The consolidated prospective financial information for the five year period ending 30 June 2022 has been based on the projections of the AgriGroup covering the period 1 July 2017 to 30 June 2022.

The consolidated prospective financial information is intended to show a possible outcome based on a mixture of best-estimate assumptions as to future events which the Directors expect to take place and hypothetical assumptions about future events and management actions which are not necessarily expected to take place. Events and circumstances frequently do not occur as expected and therefore actual results may differ materially from those included in the consolidated prospective financial information. Attention is drawn, in particular, to the risk factors set out in the Company Admission Document which describe the primary risks associated with the business and operations to which the consolidated prospective financial information relates.

The consolidated projected financial information is not intended to and does not, provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position and cash flows of the AgriGroup in accordance with International Financial Reporting Standards as adopted by the EU.-

The Directors have exercised due care and diligence in adopting the assumptions below. The consolidated prospective financial information was formally approved on 12 December 2017 by the Directors of the Issuer and the stated assumptions reflect the judgements made by the directors at the date. The assumptions that the Directors believe are significant to the consolidated prospective financial information are set out in Section 3 of this Annex A.

2. Significant accounting policies

The significant accounting policies of AgriHoldings PLC are set out in its audited financial statements for the year ended 30 June 2017. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the consolidated prospective financial information.

3. Basis of preparation and principal assumptions

The principal assumptions relating to the environment in which the AgriGroup operates, and the factors which are exclusively outside the influence of the Directors and which underlie the consolidated prospective financial information are the following:

- there will be no material adverse events originating from market and economic conditions;
- there will be no material adverse events originating from the UK leaving the EU as well as the reform on the common agricultural policy currently in place;
- the AgriGroup will continue to enjoy the confidence of its customers;

- licence requirements and passporting rights will not change materially throughout the period covered by the projections;
- interest rates will not change materially throughout the period covered by the projections;
- the basis and rates of taxation will not change materially throughout the period covered by the projections; and
- the rate of inflation will not exceed that experienced in the last few years.

The principal assumptions relating to the environment in which the AgriGroup operates and the factors which the Directors can influence and which underlie the prospective consolidated financial information, are the following:

3.1 Net interest income

The AgriGroup's projected interest income for the five years up to 30 June 2022 is based on the assumption that the AgriGroup will continue providing loans and financial services to farmers. The projections are based on the assumption that the lending portfolio, excluding impairment provision, will remain constant at £18.3 million, with the portfolio composition made up primarily of hire purchase agreements, finance leases and secured loans. It is expected that the lending portfolio shall generate an average interest rate of 10%

The projections have been prepared on the basis that as from FY2021 the lending portfolio shall be funded largely by short term deposits and equity. In fact, the projections assume that on maturity of current deposits and bonds, the AgriGroup shall replace its medium term deposits and fixed term bonds with short term deposits, and as a result decrease its effective interest rate to 3%. Despite this, the projections assume that as from FY2019, interest rates shall increase by 10% on the previous year's interest rate, in line with market expectations.

3.2 Net fee and commission expense

As of October 2017, the AgriGroup shall introduce a new business line with the provision of general banking services to corporate clients. AgriGroup is projecting to attract 750 corporate clients and 105 gaming companies by 30 June 2022, with an average deposit of €10,000 per customer, hence generating fee and commission income through on-boarding fees, annual maintenance fees and transaction fees. Fee and commission expenses are expected to primarily comprise of Target 2 costs, SWIFT costs and marketing costs.

The projections assume that the deposits made by corporate customers shall be invested primarily in sovereign debt. Following a three year period operating in this segment, the projections assume that trends would be analysed by management (such as churn rates and amounts withdrawn) and subsequently only part of the cash float would be invested in sovereign debt, with the remaining balance used to fund the lending portfolio of AgriBank.

3.3 Administrative expenses

Administrative expenses consist primarily of payroll costs and directors' fees, IT costs, professional fees, office rental costs, regulatory and compliance fees and other corporate and general overheads. Administrative expenses are based on historical trends, but are expected to increase in FY2018, due to the introduction of the new business line.

Depreciation and amortisation are calculated using the straight line method to allocate the cost of all items comprised within property, plant and equipment and intangible assets respectively to their residual values over their estimated useful lives. Intangible assets consist primarily of the AgriGroup's banking software.

3.4 Net impairment loss

A provision of 2% on the lending portfolio has been assumed in the projections for FY2018. The projections have been prepared on the basis that this provision shall increase year on year, reaching 4% by FY2025.

3.5 Taxation

Current taxation is provided for at 35% of chargeable income for the period.

3.6 Capital and Reserves

The AgriGroup's capital and reserves are expected to increase over the projection period as a result of retention of profits. No dividends have been assumed in the consolidated prospective financial information during the first three years. It is the AgriGroup's intention to distribute dividends thereafter, subject to the availability of profit, with dividends capped at 50% of distributable profits.

4. Conclusion

The Directors believe that the assumptions on which the prospective financial information is based are reasonable.

Approved by the Board of Directors on 12 December 2017 and signed on its behalf by:



Joseph Borg



Victor Rizzo Giusti



Stephen Muscat



Roderick Psaila

Paul Grech



Frank J. Sekula



Mario Vella

Consolidated income statement for the years ending 30 June

GBP000	2017 Actual	2018 Projected	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast
Revenue						
Interest income	1,805	1,960	1,792	1,777	1,783	1,782
Interest expense	(719)	(636)	(625)	(602)	(452)	(319)
Net interest income	1,086	1,324	1,167	1,175	1,331	1,462
Fee and commission income	226	529	1,028	1,401	1,637	1,771
Fee and commission expense	(220)	(288)	(316)	(329)	(330)	(327)
Net fee and commission expense	6	240	711	1,072	1,307	1,443
Other operating income	-	0	2	5	7	8
Net operating income	1,093	1,565	1,880	2,252	2,645	2,913
Personnel expenses	(517)	(675)	(756)	(789)	(817)	(845)
Administrative and other expenses	(453)	(525)	(577)	(590)	(555)	(603)
Depreciation and amortisation	(74)	(116)	(115)	(103)	(94)	(85)
Net impairment losses	(234)	(213)	(52)	(52)	(52)	(52)
Total expense	(1,278)	(1,530)	(1,500)	(1,535)	(1,518)	(1,586)
(Loss)/profit before tax	(186)	35	381	717	1,126	1,328
Income tax credit/(charge)	34	(87)	(152)	(269)	(431)	(483)
(Loss)/profit for the year	(151)	(52)	229	448	696	845

Consolidated statement of financial position as at 30 June

GBP000	2017 Actual	2018 Projected	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast
Assets						
Balances with Central Bank of Malta and cash and cash equivalents	4,200	5,937	6,707	8,551	3,571	5,059
Held to maturity investments	178	178	178	178	178	178
Available-for-sale investments	-	435	1,655	2,466	3,196	3,722
Minimum reserve account	-	137	361	411	330	349
Finance lease receivables	12,039	11,648	10,495	9,502	9,165	8,839
Loans and receivables	6,132	6,310	7,411	8,351	8,636	8,910
Intangible assets	309	306	258	212	167	121
Property, plant and equipment	99	172	118	73	38	11
Deferred tax	550	463	312	42	-	-
Other assets	300	286	286	286	286	286
Prepayments and accrued income	332	351	338	332	330	329
Total assets	24,139	26,222	28,117	30,404	25,896	27,803
Liabilities						
Amounts owed to banks	-	-	-	-	-	-
Amounts owed to customers	16,990	17,612	19,442	21,523	16,576	17,578
Debt securities in issue	930	820	440	270	50	-
Other liabilities	120	120	120	120	120	120
Accruals	606	689	891	806	369	371
Current tax	-	-	-	-	388	483
Subordinated debt	199	1,739	1,752	1,765	1,778	1,791
Total liabilities	18,845	20,980	22,645	24,485	19,281	20,344
Equity						
Share capital	80	80	80	80	80	80
Shareholders' advances	6,420	6,420	6,420	6,420	6,420	6,420
General banking risk reserve	15	15	15	15	15	15
Accumulated losses	(1,220)	(1,272)	(1,043)	(595)	100	945
Total equity	5,294	5,242	5,472	5,919	6,615	7,460
Total liabilities and equity	24,139	26,222	28,117	30,404	25,896	27,803

Capital adequacy and liquidity ratios

GBP000	2015 Actual	2016 Actual	2017 Actual	2018 Projected	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast
Total own funds (£000)	5,209	5,260	5,501	6,834	7,135	7,576	7,947	8,425
Total own funds (€000)	7,296	6,364	6,130	7,510	7,841	8,326	8,733	9,258
Tier I total capital ratio (%)	28%	25%	23%	21%	23%	26%	29%	31%
Total capital ratio (%)	28%	25%	23%	29%	30%	32%	34%	35%
Tier 1 leverage ratio (%)	21%	19%	21%	19%	19%	20%	26%	27%
Liquidity coverage ratio	142%	151%	251%	265%	261%	156%	153%	159%

APPLICATION NUMBER

SECURED BONDS 2024

APPLICANT			
<input type="checkbox"/> Non-resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Corporate	<input type="checkbox"/> CIS
TITLE (MR/MRS/MS/...)		FULL NAME& SURNAME / REGISTERED NAME	
ADDRESS			POSTCODE
ID CARD/PASSPORT NO. / COMPANY REG. NO.		<input type="checkbox"/> Please register me for e-portfolio	MOBILE NO. (mandatory for e-portfolio registration)
ADDITIONAL (JOINT) APPLICANTS			
TITLE (MR/MRS/MS/...)		FULL NAME & SURNAME	ID CARD/PASSPORT NO.
TITLE (MR/MRS/MS/...)		FULL NAME & SURNAME	ID CARD/PASSPORT NO.
MINOR'S PARENTS/LEGAL GUARDIANS			
TITLE (MR/MRS/MS/...)		FULL NAME & SURNAME	ID CARD/PASSPORT NO.
TITLE (MR/MRS/MS/...)		FULL NAME & SURNAME	ID CARD/PASSPORT NO.
I/WE APPLY TO PURCHASE AND ACQUIRE THE AMOUNT SET OUT BELOW:			
Amount in figures €		MSE Account Number	
<p>AgriHoldings PLC 4.875% Senior Secured Bonds 2024 (the "Bonds") (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par) as defined in the Company Admission Document dated the [DATE], payable in full upon application under the Terms and Conditions of the Bonds as set out in the Admission Document.</p>			
RESIDENT – WITHHOLDING TAX DECLARATION (to be completed only if a resident of Malta)			
<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).			
NON-RESIDENT DECLARATION FOR TAX PURPOSES (to be completed only if not a resident of Malta)			
TAX COUNTRY		TOWN OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. NUMBER		ISSUE DATE	
<input type="checkbox"/> I/We am/are NOT resident in Malta but I/we am/are resident in the European Union. <input type="checkbox"/> I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union.			
INTEREST, REFUND AND REDEMPTION MANDATE			
BANK		IBAN	
<p>I/we have fully understood the instructions for completing this Application Form, and am/are making this Application Form on the basis of the Company Admission Document, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us and which I/we fully accept.</p>			
_____ Signature/s of Applicant/s (All parties are to sign in case of a joint application)		_____ Date	
FINANCIAL INTERMEDIARY'S STAMP		FINANCIAL INTERMEDIARY'S CODE	

NOTES ON HOW TO COMPLETE THE APPLICATION FORM AND OTHER INFORMATION

The following notes are to be read in conjunction with the Company Admission Document dated the [DATE] regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions of the Application in the Company Admission Document dated [DATE]. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Company Admission Document.
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 Cell (2) and complete Cell (7). The relative box in Cell (1) must also be marked appropriately.
4. Applicants are to insert full personal details in Cell 2. 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 Cells (2) and (3) but the person whose name appears in Cell (2) 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 Cell (8) or as otherwise indicated by the Bondholder/s during the term of the Bond.

Upon submission of an Application Form, Bondholders who opt to have an online e-Portfolio facility (by marking the relative box in Panel B), will receive by mail at their registered address a handle code to activate the new e-Portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Secured Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio are found on <https://eportfolio.borzamalta.com.mt/Help>.
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 (as the case may be) 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 Cell (1) 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 Cell (2). 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 CELL (2). 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.
9. Applicants who are deemed to be 'Retail Investors' must complete and sign a Suitability and Appropriateness Test.
10. Payment must be made in Euro, in cleared funds to 'Curmi & Partners - Clients' Account'. If a cheque is not honoured on the first presentation, the Issuer and Placing Agent reserve the right to invalidate the relative Application.
11. 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 Cell (1)) will have final withholding tax (currently 10%), deducted from interest payments. In terms of section 23 of the Company Admission Document, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
12. 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.
13. 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.
14. 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 Cell (8). Interest and redemption proceeds will be credited to the account indicated in Cell (8) or as otherwise amended by the Bondholder/s during the term of the Bond.
15. Subscription lists for the Applicants will close on 21 December 2017 at 12.00CET. 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 Company Admission Document. 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 the Company Admission Document, 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.
16. 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 advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

ANNEX C – AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex MSD1102, Malta	+35621347331

ANNEX D – SECURITY TRUST DEED

This Trust Deed is made on the 12 December 2017,

BETWEEN:

1. AgriHoldings PLC, a public limited liability company registered under the laws of Malta with company registration number C 57008 and with registered office situated at Level 1, SkyParks Business Centre, Malta International Airport, Luqa LQA4000, Malta, duly represented hereon by Mr Roderick Psaila (bearing Identity Card numbered 476571(M)) as duly authorised, hereinafter referred to as the **“Company”**; and

2. Equiom (Malta) Limited, a limited liability company registered under the laws of Malta with company registration number C57173 and with registered office situated at Centris Business Gateway, Ground Floor, Triq il-Palazz l-Ahmar, Mriehel, Birkirkara BKR3000, Malta, duly represented hereon by Dr Edward Saliba (bearing Identity card numbered 496876(M)) as duly authorised, hereinafter referred to as the **“Security Trustee”**.

WHEREAS:

A. By virtue of a Company Admission Document dated 12 December 2017 (the **“Company Admission Document”** or the **“Document”**), the Company intends to issue €2,000,000 in value of Bonds, as defined in the Company Admission Document, subject to the terms and conditions contained in the said Company Admission Document;

B. The Company has covenanted that all and any Bonds issued by virtue of the Company Admission Document shall constitute the secured obligations of the Company and the security shall be held by a security trustee for the benefit of all Bondholders;

C. The Security Trustee is authorised to act as security trustee thereby holding the security granted or to be granted by the Company on trust for the benefit of all Bondholders;

NOW THEREFORE IT IS AGREED AND DECLARED AS FOLLOWS:

1. DEFINITIONS

1.1 In this Deed:

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

“Beneficiaries” means a Bondholder whose interest in the Trust Property is recognised by the Security Trustee by means of an appropriate entry in the register of Bondholders maintained by the CSD, and **“Beneficiary”** shall be construed accordingly;

“Deed” means this trust deed, as the same may be amended, replaced or updated from time to time;

“Pledge Agreement” means the pledge agreement and schedules thereto, to be executed on or around the date of this Deed, whereby the Company shall constitute a pledge on the Receivables in favour of the

Security Trustee for the benefit of the Beneficiaries, subject to the terms and conditions contained therein, as the same may be amended from time to time;

“Receivables” shall have the same meaning as that attributed to it in the Pledge Agreement;

“Secured Obligation” means the obligations of the Company under the Bonds, in particular the obligation of the Company to pay interest and principal as the same may be due in respect of the Bonds, subject to the terms and conditions contained in the Company Admission Document;

“Security Interest” means the pledge on the Receivables and any other document, real or personal right which the Security Trustee and the Company agree at any time to be comprised within the Security Interest for the purposes of this Deed;

“Trust Period” means the period ending on the earlier of:

- a) the day when the Trust Property has been distributed in its entirety;
- b) the day when the Company has fulfilled its obligations to pay principal and interest in terms of the Issue;

“Trust Property” means initially the undertaking to grant the Security Interest as stated in Clause 2 of this Deed, and subsequently the rights emanating from this Deed.

1.2 Any reference to the Company and/or the Security Trustee includes a reference to its/their duly authorised delegates.

1.3 References to Clauses or Recitals are references to clauses or recitals of this Deed.

1.4 The headings to the clauses of this Deed are for convenience only and shall not affect the construction or interpretation hereof.

1.5 In this Agreement, unless the context otherwise requires, any reference to the singular shall include the plural and vice versa, the use of the masculine pronoun shall include the feminine, the use of the neutral pronoun shall include the masculine or the feminine as the case may be and any reference to any Statute, Law or Regulation having the force of Law or any section thereof includes reference to any modification thereto or re-enactment of such Statute, Law or Regulation having the force of Law for the time being in force.

1.6 Capitalised terms used herein shall have the same meaning as set out in the Company Admission Document unless the context requires or unless expressly defined herein.

2. UNDERTAKING TO SECURITY TRUSTEE – TRUST PROPERTY

2.1 The Company undertakes and binds itself to grant to the Security Trustee the Security Interest in the manner and at the times and under the conditions contained in this Deed and the Security Trustee:

2.1.1 accepts this undertaking and declares a trust thereon for the benefit of all of the Beneficiaries;

and

2.1.2 agrees and undertakes to receive the Security Interest on trust for the benefit of all of the Beneficiaries.

3. DECLARATION OF TRUST

3.1 Subject to the provisions of this Deed and applicable law:

3.1.1 The Trust Property is held by the Security Trustee on trust for all the Beneficiaries *pari passu* according to the rights and interests held by each of the Beneficiaries in the Trust Property as evidenced by the register of Bondholders;

3.1.2 Any sums received by the Security Trustee pursuant to its rights in the Security Interest shall be received by the Security Trustee on trust to apply them to indemnities, costs and charges in accordance with this Deed and thereafter to distribute and apply them in accordance with rights and interests of each Beneficiary as set out in this Deed;

3.1.3 The Security Trustee shall make additional declarations of trust whenever additional property is received under these trusts and such declarations of trust shall be on the same terms as stated herein and shall form an integral part hereof;

3.1.4 The trust established under this Deed is to be known as the “**AgriHoldings Bond Issue Trust**” or the “**Trust**”.

4. DEED BINDING ON ALL BENEFICIARIES

4.1 The terms and conditions of this Deed shall, upon subscription or purchase of any Bond, be binding upon any Beneficiary as if he had been a party hereto and as if this Deed covenants on the part of each Beneficiary to observe and be bound by all the provisions hereof, and the Security Trustee is hereby authorised and required to do the things required of it by this Deed.

5. BENEFICIARIES

5.1 The register of the Bondholders shall be maintained by a central securities depository and shall serve as conclusive evidence of the entitlement of each Beneficiary under this Deed.

5.2 The Company hereby agrees to provide the Security Trustee, at any moment in time, with full access to the register of Bondholders thereby providing the Security Trustee with full and unrestricted information in respect thereof. Furthermore, the Company hereby undertakes in favour of the Security Trustee that it shall pay all and any charges and levies that may, from time to time, be levied by the central securities depository for the services performed by the same in connection with the Bonds and the register of Bondholders.

6. COVENANTS BY THE COMPANY

6.1 The Company covenants in favour of the Security Trustee that at all times during the continuance of this Deed:

6.1.1 it will maintain its corporate existence as a company duly organised and existing and in good standing under the laws of Malta;

6.1.2 it will, at all times during the term of the Bond Issue, observe and fully discharge its obligations and undertakings under the Company Admission Document;

- 6.1.3 it will, promptly upon the happening of an Acceleration Event, notify the Security Trustee of such event;
- 6.1.4 it shall, at all times and without cost or expense to the Security Trustee, use its best endeavours to, or to cause to, maintain, preserve and keep in proper condition the Security Interest;
- 6.1.5 it shall not, throughout the term of the Bond Issue, pledge the shares held by it in AgriBank;
- 6.1.6 the Company will keep proper books of account which shall, at all reasonable times, be open to inspection by the Security Trustee or any person appointed thereby for that purpose, and will furnish to the Security Trustee or any such agent all such information relating to the business or affairs of the Company as they shall require in accordance with International Financial Reporting Standards as adopted by the EU and will deliver to the Security Trustee at least five (5) days before the annual general meeting of the Company each year, a copy of the balance sheet and profit and loss account of the Company certified by the auditors of the Company and copies of the auditors' and directors' report thereon together with copies of any other documents required by law to be attached thereto. The Security Trustee may but shall not be required or bound to carry out any independent audit or other verification of any book of account, balance sheet, profit and loss account, certificates or information furnished to it by the Company;
- 6.1.7 the Company shall carry on its business in a proper and efficient manner;
- 6.1.8 the Company shall forthwith on receipt of same, deliver to the Security Trustee all orders, directions, notices and other things whatsoever affecting or likely to adversely affect the Security Interest and the Company shall be entitled to retain a copy thereof, at its own expense;

7. REPRESENTATIONS AND WARRANTIES

7.1 The Company represents and warrants in favour of the Security Trustee that relies upon such representations and warranties, that, for the duration of the Deed:

- 7.1.1 it is duly incorporated and validly registered under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;
- 7.1.2 it has the power to execute, deliver, and perform its obligations under this Deed;
- 7.1.3 all necessary corporate action has been duly taken to authorise the execution, delivery and performance of the same;
- 7.1.4 this Deed constitutes the legally valid and binding obligations of the Company;
- 7.1.5 the execution of the Deed and the performance of the Company's obligations hereunder do not (a) contravene any existing applicable law, statute, rule or regulation or any judgment, decree or permit to which the Company is subject, (b) conflict with, or result in any breach of any terms of, or constitute a default or acceleration event under any bond or other instrument to which the Company is a party or is subject or by which it or its property is bound, (c) contravene any provisions of the Company's memorandum and articles of association;
- 7.1.6 no litigation, arbitration or administrative proceedings are pending or, to the knowledge of the Company, threatened against the Company which could have a material adverse effect on its business, assets or financial condition;
- 7.1.7 the Company Admission Document contains all material information with respect to the Company and all information contained therein is, in every material respect, correct and true and not misleading and there are no facts in relation to the Company, its respective businesses and financial position, the omission of which would, in the context of the Issue make any statement made in the Company Admission Document misleading or inaccurate in any material respect;
- 7.1.8 no Acceleration Event has occurred and is continuing.

8. POWERS AND FUNCTIONS

8.1 The Security Trustee shall, in addition and without prejudice to all statutory powers, have the powers and immunities set out in this Deed. No power conferred on the Security Trustee shall be exercised so as to conflict with the beneficial provisions of this Deed.

8.2 The Trustee shall not distribute to or hold all or any of the Trust Property for the benefit of any person who is not a Beneficiary.

8.3 The Security Trustee may, in its absolute discretion and without further notice, enforce or take any step or proceedings to enforce the covenants and provisions in this Deed, and may in its absolute and uncontrolled discretion waive on such terms and conditions as it shall deem expedient any of the covenants and provisions contained in this Deed and/or the Pledge Agreement to be performed and observed on the part of the Company. The Security Trustee may but shall not be bound to take any such steps or proceedings to enforce the said covenants and provisions unless requested to do so in writing by not less than 75% in value of the Beneficiaries. The Beneficiaries shall hold the Security Trustee harmless and fully indemnified for and against any loss, damage, cost or other liability it may incur by virtue of its failure to enforce or take any steps or proceedings to enforce the covenants and provisions in this Deed in the event that it has not received proper instructions in writing from at least 75% in value of the Beneficiaries.

8.4 The Security Trustee shall have the power, but shall have no obligation, to monitor financial information relating to the Company, on behalf of the Beneficiaries, as may be forwarded to the Security Trustee by the Company on an annual basis.

8.5 The Security Trustee may, at any time during the Trust Period, accept (but shall not be bound to so accept) additional money, investments or other property of whatever nature and wherever situate, paid or transferred to it by any person. Such additional money, investments or other property shall be held upon trust with and subject to the powers and provisions of this Deed.

8.6 The Security Trustee shall have the powers and discretions granted to it pursuant to the Pledge Agreement and any other document relating to or regulating the Security Interest.

8.7 Without prejudice to the powers and the reliefs conferred upon trustees under applicable law, the Security Trustee shall have the following powers:

8.7.1 The Security Trustee may employ and pay, at the expense of the Company, any agent in any part of the world to transact any business in connection with this Trust without being responsible for the fraud, dishonesty or negligence of such agent if employed in good faith;

8.7.2 The Security Trustee may hold all or any part of the Trust Property in the name of any person or partnership, as nominee, on such terms as the Security Trustee thinks fit;

8.7.3 The Security Trustee may engage any person or partnership to manage the Trust Property without being liable for any consequent loss;

8.7.4 The Security Trustee may, without being liable for any consequent loss, delegate to any person the operation of any bank or other account;

8.7.5 The Security Trustee may, by deed revocable or irrevocable, delegate to another trustee or any other person the exercise of all or any Trust and powers conferred on such trustee (other than the power of delegation conferred by this sub-Clause) notwithstanding the fiduciary nature of such trusts and powers;

8.7.6 To delegate, whenever it thinks fit, any of its powers and discretions under this Deed to any person/s (including but without limitation, any officer/employee/agent of the Security Trustee) believed by it to be competent and responsible and to delegate all or any of the trust powers and duties vested in it under this Deed to such person/s (including any such officer/employee/ agent as aforesaid) as it shall think fit without incurring any liability for the default of any person to whom such discretions, powers or duties are delegated;

8.7.7 The Security Trustee may rely on the advice, opinion, direction, report, statement, certificate or other information by any advocate, broker, surveyor, valuer, accountant, auditor or other professional

person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Company or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice, opinion, direction, report, statement, certificate or other information, or by reason of the same not being authentic. The Security Trustee may but shall not be bound to make any investigation or inquiry into any matters stated in such advice, opinion, direction, report, statement, certificate or other information.

8.8 The Security Trustee shall be under no obligation to insure any of the Trust Property or any deeds, documents of title, certificates, bonds or other evidence in respect thereof, or to require any other person to maintain any such insurance.

8.9 The Security Trustee shall be empowered to execute any document for the constitution of the Security Interest for the benefit of the Beneficiaries. Until the end of the Trust Period, the Security Trustee shall be empowered to carry out any transaction and to execute any such document required pursuant to and/or conducive to the Security Interest, including but not limited to, any amendment thereto and waiver to any terms thereof.

9. FINANCIAL TRANSACTIONS BY SECURITY TRUSTEES

9.1 Neither the Security Trustee nor any director, officer or employee of the Security Trustee shall, by reason of the fiduciary position of such Security Trustee, be in any way precluded from making any commercial contracts or entering into any commercial transactions with the Company and/or any of its shareholders or beneficiaries, whether directly or through any subsidiary or associated company, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Company, and without prejudice to the generality of these provisions it is expressly declared that such contracts and transactions include any contract or transaction in relation to the placing, underwriting, purchasing, subscribing for or dealing with or lending money upon or making payments in respect of any stock, shares, debenture stock, debentures or other securities of the Company or any contract of banking or insurance with the Company and neither the Security Trustee nor any such director, officer or employee shall be accountable to the Beneficiaries for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions, and the Security Trustee and any such director, officer or employee shall also be at liberty to retain the same without accounting therefor.

10. ACKNOWLEDGEMENT OF SECURITY

10.1 The execution of this Deed by the Security Trustee and the publication thereof by virtue of the Company Admission Document shall constitute notice to each of the Beneficiaries of the security created in favour of the Beneficiaries.

11. PROCEDURE UPON ACCELERATION EVENT

11.1 The Security Trustee may, in its absolute and uncontrolled discretion and shall, upon the request in writing of not less than seventy-five per cent (75%) in value of the Beneficiaries, by notice in writing to the Company, declare that, in terms of the Company Admission Document, the Bonds have become immediately payable.

11.2 Provided that in the event of any breach by the Company of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature, beyond the control of the Company, the Security Trustee may, but shall be under no obligation to do so, give the Company such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the

Beneficiaries. Provided that, in the circumstance contemplated by this Clause, the Security Trustee shall at all times act on and in accordance with any instructions it may receive from a simple majority in value of the Beneficiaries present and voting at a meeting of Beneficiaries.

11.3 The Security Trustee shall not be bound to take any steps to ascertain whether any Acceleration Event 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 Acceleration Event or condition, event or circumstance has happened and that the Company is observing and performing all the obligations, conditions and provisions on its part contained in the Company Admission Document and this Deed.

11.4 All monies received or recovered by any of the Beneficiaries after the occurrence and during the continuance of an Acceleration Event shall be held on trust for the Security Trustee and be applied by the Security Trustee in favour of the Beneficiaries *pari passu* according to the rights and interests held by each Beneficiary in the Trust Property as evidenced by the register of Bondholders.

11.5 The Beneficiaries acknowledge that the Security Trustee shall not be bound to take any steps or institute any proceedings or to take any other action to enforce the security constituted by the Security Interest unless the Security Trustee shall have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

11.6 The Security Trustee shall be entitled to make deductions and withholdings (on account of taxes or otherwise) from payments to the Beneficiaries hereunder which it is required by any applicable law to make, and to pay all taxes which may be assessed against it in respect of the Security Interest, in respect of anything done by it in its capacity as trustee or otherwise by virtue of its capacity as trustee. Neither the Company nor the Security Trustee shall be under any obligation to pay any additional amounts in the event of a withholding or deduction required by applicable law and the Secured Obligations shall be discharged upon receipt by the Beneficiaries of such amounts as are due to them but subject to any valid withholdings or deductions having been made from such amounts.

12. DISTRIBUTION BY SECURITY TRUSTEE

12.1 All monies arising from any calling in or collection hereunder and all monies received by the Security Trustee hereunder at any time shall be held by the Security Trustee (subject to any prior ranking claims thereon, if any) upon trust to apply the same for the following purposes and in the following order of priority in payment of:

12.1.1 All costs, charges, expenses and liabilities incurred and payments made in or about the exercise of the trust in relation to this Deed by the Security Trustee including all remuneration payable to the Security Trustee with interest thereon as hereinafter provided;

12.1.2 The interest owing upon the Bonds *pari passu* and without any preference or priority;

12.1.3 The principal monies owing upon the Bonds *pari passu* and without any preference or priority.

12.2 The Security Trustee shall give to the Beneficiaries at least ten (10) days notice of every distribution made by it to the Beneficiaries. The Security Trustee shall be entitled, at its discretion, to withhold payment of any monies due to be distributed to any Beneficiaries. Any monies the payment whereof is for the time being withheld by the Security Trustee pursuant to this Clause shall be placed by it at the risk of the person or persons entitled thereto in a savings account with a bank. The amount which equals the amount of any principal monies for the time being withheld from the person or persons registered or entitled to be registered as the Beneficiaries of the Bonds shall not carry interest while such monies are being withheld (save any interest allowed on the savings account in which such monies are placed). The receipt of the Bondholder or of the first named joint Bondholders for any monies paid by the Security Trustee in respect of the Bonds shall be a good discharge to the Security Trustee for those monies.

13 MEETINGS OF BENEFICIARIES

13.1 The Security Trustee at any time and at the cost of the Company prior to exercising any power or discretion hereunder may:

13.1.1 Call a meeting of Beneficiaries by giving such Beneficiaries not less than seven (7) days notice in writing setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat; or

13.1.2 Write to all Beneficiaries requesting their instructions or directions.

Provided that the Security Trustee shall not be liable for any action it may deem necessary to take prior to acting in accordance with paragraphs 13.1.1 or 13.1.2 above.

13.2 In the event that there are more than two (2) Beneficiaries at any meeting of Beneficiaries, two persons present in person or by proxy shall constitute a quorum. Unless this Deed otherwise determines, all decisions taken at meetings of Beneficiaries shall be passed by simple majority of those present and voting.

13.3 Upon request made at any time by Beneficiaries holding at least ten per cent (10%) of the outstanding value of the Bonds, the Security Trustee shall call a meeting of Beneficiaries.

13.4 The Security Trustee shall not be bound to act on behalf of the Beneficiaries under this Deed unless it receives duly authorised instructions or directions as stipulated in this Deed.

13.5 Nothing in this Deed shall be construed as meaning that the Security Trustee is bound to act in the manner specified in this Clause unless so required by this Deed.

14. RESTRICTIONS ON EXERCISE OF CERTAIN RIGHTS

14.1 The Security Trustee and the Company note that in terms of the Company Admission Document, the Bondholders agree not to exercise any right of set-off in respect of any amount payable to by the Bondholders to the Issuer against any amount payable by the Issuer to the Bondholders.

15. PROTECTION OF THE TRUSTEE GENERALLY

15.1 The Security Trustee shall not be liable for any default or breach of duty or trust committed by its act or omission or that of any of the former or current trustee or any of the Security Trustee's agents or advisers or for any loss or depreciation in value or loss of profits howsoever caused which may be suffered in respect of the capital or income of the Trust Property, unless such default or breach is, or such loss or depreciation in value or loss of profit is caused by:

(i) fraud, wilful misconduct or gross negligence on the part of the Security Trustee which is sought to be made liable; and/or

(ii) some act or omission in respect of which that Security Trustee cannot under the applicable law for the time being of this Deed lawfully be exonerated from personal liability by the terms of this Deed. The Security Trustee shall not be liable for any error of judgment committed in good faith unless it shall be proved that it was grossly negligent in ascertaining the pertinent facts.

15.2 The Security Trustee, (which shall include each director, employee, shareholder, delegate and agent thereof) shall be indemnified out of the Trust Property:

15.2.1 against any liability incurred by him in defending any proceedings in connection with his duties as a Security Trustee, in which judgement is given in his favour or in which he is acquitted; and

15.2.2 against all claims, liabilities, costs, damages and expenses (including legal fees) to which it may be or become subject by reason of its activities as Security Trustee so long as the said activity or circumstance does not involve fraud or wilful misconduct or gross negligence on the part of the Security Trustee.

15.3 The Security Trustee may purchase and maintain insurance, to the extent and in such a manner in its absolute discretion it deems appropriate, on behalf of itself, against any liability that may be asserted or expenses that may be incurred by any such person in connection with the activities of the Trust, regardless of whether the Security Trustee has the right to be indemnified out of the Trust Property under the provisions of the Trust or by law.

16. RELEASE OF POWERS

16.1 The Security Trustee may by deed (and so as to bind successive trustees of this Trust) release or restrict the future exercise of all or any of the powers conferred on it by this Trust.

17. INFORMATION TO BENEFICIARIES

17.1 The Security Trustee shall, so far as is reasonable and within a reasonable time of receiving a request in writing to that effect, provide full and accurate information as to the state and amount of the Trust Property, including the accounts of the Trust.

18. REMUNERATION TO SECURITY TRUSTEE

During the continuance of this Deed, the Security Trustee shall be entitled to receive and the Company shall be obliged to pay such reasonable remuneration as they may agree in writing between them. The Security Trustee shall be entitled to be indemnified for all reasonable costs and expenses incurred in carrying out the Trust.

19. RESIGNATION OF SECURITY TRUSTEE AND APPOINTMENT OF NEW OR ADDITIONAL TRUSTEE

19.1 Subject to the provisions of article 20(2) of the Act, the Security Trustee may resign as Security Trustee by giving not less than three (3) months notice in writing to the Company without assigning any reason whatsoever and without being responsible for any costs occasioned by such retirement. The Bondholders shall have the power exercisable by a resolution passed at a meeting of Bondholders passed by seventy-five per cent (75%) in value of the Bondholders to remove the Security Trustee. The Company undertakes that in the event of the Security Trustee giving notice, or being removed, under this Clause it will use all reasonable endeavours to procure a new trustee to be appointed. The retirement or removal shall not become effective until such time as a successor trustee is appointed.

20. TERMINATION

20.1 The Security Trustee shall only be discharged from all liabilities and obligations which it has under this Deed upon the redemption on the Maturity Date of the principal amount of the Bonds and payment of all interest thereunder and re-imbursement of all expenses incurred by, and payment of, remuneration due to the Security Trustee under this Deed.

21. EXCLUSION OF IMPLIED DUTIES

21.1 The Security Trustee shall not have or incur any obligation, duty or responsibility, whether fiduciary or otherwise, to the Company or to any of the Beneficiaries, as the case may be, except those expressly specified in this Deed and the Bonds to the effect that the Security Trustee has such a duty or responsibility.

21.2 For all intents and purposes it is being expressly stipulated that the Security Trustee shall not be bound to initiate and or maintain any legal or judicial proceedings against any defaulting Debtors (as defined in the Pledge Agreement) under the Pledge Agreement and the decision whether to initiate and or maintain any such action shall be in the absolute discretion of the Security Trustee qua pledgee. The Security Trustee is hereby being exonerated in the most ample manner from the obligation imposed by article 1968(1) of the Civil Code.

22. AMENDMENTS TO THIS DEED

22.1 The Trustee may at any time or times during the Trust Period by deed or deeds and without the prior written consent of the Beneficiaries, vary, amend, add to or delete any or all of the provisions of this Deed (whether of a beneficial or administrative nature) including the trusts, powers and discretions and the administrative powers herein declared and contained provided that:

22.1.1 no such variation, amendment, addition or deletion shall infringe the applicable law of this Deed; and

22.1.2 no such variation, amendment or addition shall be permitted to the provisions of this Clause 22, but it shall be permissible to delete this Clause in its entirety.

23 APPLICABLE LAW, FORUM AND PLACE OF ADMINISTRATION

23.1 The applicable law of this Deed shall be that of Malta. All rights under this Deed and its construction and effect shall be subject to the jurisdiction of the courts, and construed according to the laws, of Malta. The courts of Malta shall be the forum for the administration of these trusts.

Roderick Psaila
For and on behalf of
the Company

Dr Edward Saliba
For and on behalf of
the Security Trustee

ANNEX E – PLEDGE AGREEMENT

This Pledge Agreement (the “Agreement”) is made on the 12 December 2017:

BETWEEN

1. AgriHoldings PLC, a public limited liability company registered under the laws of Malta with company registration number C57008 and with registered office situated at Level 1, SkyParks Business Centre, Malta International Airport, Luqa LQA4000, Malta, duly represented hereon by Mr Roderick Psaila (bearing Identity Card numbered 476571(M)) as duly authorised, hereinafter referred to as the “**Pledgor**”; and

2. Equiom (Malta) Limited, a limited liability company registered under the laws of Malta with company registration number C57173 and with registered office situated at Centris Business Gateway, Ground Floor, Triq il-Palazz l-Ahmar, Mriehel, Birkirkara BKR3000, Malta, duly represented hereon by Dr Edward Saliba (bearing Identity Card numbered 496876(M)) as duly authorised, hereinafter referred to as the “**Pledgee**”

(the Pledgor and the Pledgee are hereinafter collectively referred to as the “**Parties**”)

3. AgriBank PLC, a public limited liability company registered under the laws of Malta with company registration number C 57008 and with registered office situated at Level 1, SkyParks Business Centre, Malta International Airport, Luqa LQA4000, Malta, duly represented hereon by Mr Roderick Psaila (bearing Identity Card numbered 476571(M)) as duly authorised, hereinafter referred to as “**AgriBank**” appearing hereon limitedly for the purposes of acknowledging the creation of the Pledge over the Receivables and in general for the purposes in terms of its undertaking in terms of Clause 4.2 herein.

WHEREAS

A. By virtue of a Company Admission Document dated 12 December 2017 (the “**Company Admission Document**” or the “**Document**”), the Company intends to issue €2,000,000 in value of Bonds, subject to the terms and conditions contained in the said Company Admission Document;

B. The Pledgor shall, pursuant to the Company Admission Document, covenant that all and any Bonds issued by virtue of the Company Admission Document shall constitute the senior secured obligations of the Pledgor and the security shall be held by a security trustee for the benefit of all Bondholders;

C. The Pledgee has in terms of a security trust deed entered into with the Pledgor on or about the date of this Agreement (the “**Security Trust Deed**”), agreed to and is thereby authorised to act as security trustee for and on behalf of the Bondholders and therefore to *inter alia* hold the Security Interest to be created and granted by the Pledgor on the Receivables, on trust for the benefit of all Bondholders;

E. The Pledgor and the Pledgee have agreed to enter into this Agreement so as to establish a pledge over the Receivables as well as the terms and conditions under which such pledge shall be granted including the release and termination of such pledge.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. INTERPRETATION

1.1 In this Agreement (including the preamble):

“Acceleration Event” has the meaning given to that term in the Company Admission Document;

“Beneficiaries” has the same meaning given to that term in the Deed;

“Deed” means the security trust deed dated 12 December 2017 entered into by and between the Pledgor and the Pledgee, qua security trustee, as the same may be amended from time to time;

“Delegate” means any delegate, agent, attorney, or co-trustee appointed by the Pledgee;

“Future Receivables” the receivables consisting of Other Receivables which are at the date and time of execution of this Agreement not as yet in existence and due by AgriBank to the Pledgor but which may come into existence and be payable during the term of this Agreement;

“Maturity Date” means the 31 December 2024;

“Indebtedness” means all money or liabilities due, owing or incurred to the Bondholders by the Pledgor under the Bonds issued pursuant to the Company Admission Document (including without limitation, under any amendments, supplements or restatements of the Company Admission Document) at present or in the future, together with all interest accruing thereon (if any);

“Notification” means the notification to be provided by the Pledgor to each Debtor pursuant to this Agreement, substantially in the forms contained in Schedule 1 hereof and the term ‘Notify’ shall be construed accordingly;

“Operating Lease Agreement” means the agreement entered into on the 15 June 2017 (as may be amended from time to time) by and between AgriBank and the Pledgor, regulating the lease by AgriBank from the Pledgor of the Oracle IT software system (including all its functions) used by AgriBank in its banking operations in terms of which AgriBank has agreed to pay sixty three thousand, eight hundred and fifty three Euro (€63,853) every six (6) months, subject to any revisions as may become applicable by mutual agreement between AgriBank and the Pledgor;

“Other Receivables” means (a) any proceeds accruing from a sale of the shares held by the Pledgor in AgriBank, (b) any distributions to which the Pledgor may become entitled by virtue of its holding of shares in AgriBank, and (c) any monies whether by way of principal, interest or other costs and fees which may become due to the Pledgor by AgriBank before or after the entry into this Agreement other than the Subordinated Bond Receivables;

“Receivables” means

- (a) the Subordinated Bond Receivables;
- and
- (b) the Other Receivables.

Provided that, Receivables shall not include:

- (a) any dividends payable or which may become payable by AgriBank to the Pledgor;
- (b) any and all monies payable or which may become payable by AgriBank to the Pledgor in terms of the Operating Lease Agreement;

“Related Rights” means rights attaching to, deriving from or exercisable by virtue of the Receivables;

“Secured Assets” means the Receivables and the Related Rights;

“Secured Parties” means the Bondholders.

1.2 In this Agreement, unless the context otherwise requires, a reference to a Secured Asset shall include: (a) any part of that Secured Asset; and (b) any proceeds of that Secured Asset.

1.3 In this Agreement, unless the context otherwise requires, any reference to the singular shall include the plural and vice versa, the use of the masculine pronoun shall include the feminine, the use of the neutral pronoun shall include the masculine or the feminine as the case may be and any reference to any Statute, Law or Regulation having the force of Law or any section thereof includes reference to any modification thereto or re-enactment of such Statute Law or Regulation having the force of Law for the time being in force.

1.4 The headings in this Agreement are used and inserted for convenience only and shall be ignored in the interpretation of this Agreement.

1.5 Capitalised terms used herein shall have the same meaning as set out in the Company Admission Document unless the context requires or unless expressly defined herein.

2. CONSTITUTION OF THE PLEDGE

2.1 The Pledgor hereby pledges to the Pledgee, who accepts, the Secured Assets of the Pledgor as a continuing security for the due and punctual payment of the Indebtedness.

2.2 This pledge confers upon the Pledgee the right to obtain payment out of the Secured Assets with privilege over other creditors as provided by the Civil Code (Chapter 16 of the Laws of Malta) in virtue of the special privilege accorded by law under section 2009(a) of the said Code as well as the right of retention over the Secured Assets which entitles the Pledgee in his capacity as creditor to retain the benefits of this Agreement until such time as the full amount of the Indebtedness shall have been fully repaid and all obligations of the Pledgor under the Bonds have been fully discharged in accordance with the terms and conditions contained therein.

2.4 With respect to any Future Receivables , the Pledgor and the Pledgee agree to the following:

2.4.1 The Pledgor shall:

- (a) inform the Pledgee of the coming into force of any contract or arrangement giving rise to such Future Receivable;
- (b) deliver to the Pledgee such agreement, contract or other document pursuant to which the said Future Receivable is created;
- (c) take any action whatsoever, including signing any and all documentation as may be required in the circumstances to further perfect the pledge over such Future Receivable in favour of the Pledgor.
- (d) Notify AgriBank by means of a notification letter substantially in the form of the draft letter in Schedule 1 hereto, with the updated list of Secured Assets in the form of the Schedule 2 updated by the Parties in accordance with Clause 2.4.2. hereof.

2.4.2. The Parties further agree that they shall immediately, following the creation of a Future Receivable update Schedule 2 hereof to include such Future Receivables as part of the Secured Assets for all intents and purposes of this Agreement.

2.5 Without prejudice to the generality of Clause 2.4.1, the Pledgor undertakes that, upon issuance of the Subordinated Bond, it shall within fourteen(14) days therefrom register a pledge over the Subordinated Bond in favour of the Pledgee, register the said pledge with the registrar of companies in the Republic of Malta, cause the annotation of the pledge in the register of debentures/ register of bondholders held by AgriBank and deliver to the Pledgee any and all certificate/s issued by AgriBank to Pledgor evidencing title to the Subordinated Bond.

2.6 Nothing in this Agreement shall be construed as placing on the Pledgee any liability whatsoever in respect of any obligations or payments relating to any of the Secured Assets or to any rights, accruing,

offered or arising as aforesaid, and the Pledgor shall at all times indemnify and hold harmless the Pledgee against and from all demands made against it, payments made by it, and costs, expenses, damages, losses or other liabilities incurred or suffered by it at any time in respect of any such obligations or payments as aforesaid.

2.7 It is expressly agreed that this pledge is being granted to the Pledgee as security for payment of the Indebtedness.

2.8 AgriBank hereby acknowledges and accepts the creation of the Pledge over the Receivables.

3. REPRESENTATIONS AND WARRANTIES

3.1 The Pledgor represents and warrants to the Pledgee that:

(a) it is the sole owner of the Secured Assets (and in the case of Future Receivables, that it shall be the sole owner of such Future Receivables) and that the Secured Assets are/shall be(as the case may be) free from all and any encumbrances other than the pledge created as a result of this Agreement;

(b) save for the acknowledgements or notifications specified in this Agreement it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement, that it be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in the Republic of Malta or that any stamp, registration or similar tax or charge be paid in the Republic of Malta on or in relation to this Agreement and that this Agreement is in proper form for its enforcement in the courts of the Republic of Malta;

(c) there is no document which confers the exclusive right to the disposal of the Receivables; and

(d) none of the Secured Assets are affected by, or are the subject of a precautionary or executive warrant of seizure issued by the Courts of Malta.

4. COVENANTS

4.1 The Pledgor covenants and agrees with the Pledgee:-

(a) to warrant and to defend the right, title and interest of the Pledgor and the Pledgee in and to the Secured Assets against the claims and demands of all persons whomsoever;

(b) that it will not sell, assign, transfer, pledge or encumber in any other manner any of the Secured Assets or suffer to exist any warrant or encumbrance on the Secured Assets except a pledge contemplated hereby in favour of the Pledgee or with the prior consent of the Pledgee.

(c) that it shall provide the Pledgee with the aggregate sum of all Receivables promptly upon request by the Pledgee, and in any case, on a quarterly basis;
and

4.2 AgriBank hereby covenants and undertakes in favour of the Pledgee to:

(a) immediately inform the Pledgee of it entering into any contract or arrangement with the Pledgor which may give rise to any Future Receivable;

(b) provide the Pledgee with any and all information it may require in connection the creation of any Future Receivable;

(c) immediately upon receipt of the notification mentioned under Clause 2.4.1 (d), it shall acknowledge the inclusion of additional receivables as part of the Secured Assets.

5. TERMINATION AND RELEASES

5.1 Once the Pledgee is satisfied, acting reasonably, that all the Indebtedness has been paid in full, the Pledgee shall, at the request and cost of the Pledgor, take any action which may be necessary to release the Secured Assets from the security constituted by this Agreement and to notify AgriBank of the said release.

6. RIGHTS, POWERS AND REMEDIES

6.1 Until an Acceleration Event occurs all rights, discretions, obligations and powers attaching to the Secured Assets will be exercised by the Pledgor as the Pledgor may from time to time reasonably direct, provided that the Pledgor shall not be entitled to direct that the rights, obligations and powers attaching to the Secured Assets be exercised in a manner which the Pledgee reasonably considers to be prejudicial to the interests of the Secured Parties under this Agreement. For all intents and purposes it is being expressly stipulated that repayment of all monies, whether by way of principal, interests or other costs and fees due by AgriBank to the Pledgor are to continue to be collected by the Pledgor or to be directly effected by AgriBank into the account designated by the Pledgor. The Pledgee is hereby being exonerated in the most ample manner from the obligation imposed by article 1968(1) of the Civil Code.

6.2 After an Acceleration Event occurs the Pledgee shall be entitled to:

- (a) demand that the Receivables be transferred to it in payment of the Indebtedness;
- (b) exercise all and any remedies available to the Pledgee under the laws of Malta; and
- (c) pursuant to Clause 12.1, exercise or direct the exercise in the name of the Pledgor of the rights and powers attached to any Secured Assets in such manner as it considers fit. For all intents and purposes it is being expressly stipulated that the Pledgee shall not be bound to initiate and or maintain any legal or judicial proceedings against AgriBank in case of it defaulting on any payments due to the Pledgor and the decision whether to initiate and or maintain any such action shall be in the absolute discretion of the Pledgee. The Pledgee is hereby being exonerated in the most ample manner from the obligation imposed by article 1968(1) of the Civil Code.

6.3 After an Acceleration Event occurs the Pledgor shall:

- (a) comply, or procure the compliance, with any directions of the Pledgee in respect of the exercise of any rights and powers exercisable in relation to such Secured Assets; and
- (b) if the Pledgee so requests, promptly deliver to the Pledgee a form of proxy or other authority (in each case, in such form as the Pledgee shall reasonably require) appointing such person as the Pledgee shall select to be the proxy of the Pledgor or otherwise enabling such person as the Pledgee shall select to exercise such rights and powers as shall be specified (whether generally or specifically) in the relevant notice.

6.4 The Pledgee shall not be under any duty to ensure that any payments or other monies payable in respect of those Secured Assets are duly and promptly paid or received by the Pledgor or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, rights, or otherwise on or in respect of or in substitution for, any of those Secured Assets.

6.5 The Pledgor will forward copies of all notices, documents and other communications received by it or its nominee in connection with the Secured Assets to the Pledgee promptly following receipt, upon request of the Pledgee.

6.6 These rights and remedies are in addition to the remedies granted to the Pledgee under Maltese law and, in so far as it is necessary to do so, the Pledgor authorises the Pledgee to avail itself of all and any of the above remedies in protection of or enforcement of its rights.

6.7 It is further acknowledged that the grant of the rights in Clause 6.1 above is in no way a release or restitution by the Pledgee to the Pledgor of the Secured Assets and the Pledgee shall continue to be entitled to exercise its right of retention over the Secured Assets, subject to any authorities it may grant the Pledgor from time to time, until the termination of this Agreement.

7. RESERVED MATTERS

7.1 Notwithstanding the provision of Clause 6.1 above, it is agreed that the Pledgor shall provide written notice to the Pledgee before authorising or otherwise allowing to subsist any of the following matters: (a) any waiver or renunciation or non-enforcement of any rights in respect of the Receivables; and (b) any amendment to any of the terms regulating the Receivables.

8. IRREGULARITIES IN OTHER SECURITY - TIME FOR PAYMENT INDEMNITY

8.1 This Agreement shall not be extinguished, discharged or otherwise affected by the total or partial invalidity or unenforceability or any irregularity or defect in any security the Pledgee may now or at any time hold in respect of all or any of the Indebtedness, and the Pledgee shall have full power at its discretion to give time for payment to any person (whether physical, corporate or unincorporate) giving such other security or not to enforce or avail itself of such other security without prejudice to the Pledgor's liability hereunder.

9. CURRENCY CONVERSION

9.1 For the purpose of or pending the discharge of any of the Indebtedness, the Pledgee may convert any monies received, recovered or realised by it under this Agreement (including the proceeds of any conversion under this Clause) from their existing currency of denomination into such other currency of denomination as the Pledgee considers necessary and any such conversion shall be effected at the then prevailing Pledgee's spot selling rate of exchange for such other currency against the existing currency and, for the avoidance of doubt, it is hereby being expressly agreed that references in this Clause to currency include funds of that currency and the Pledgee may convert funds of one currency into different funds of the same currency.

10. APPLICATION OF PROCEEDS

10.1 Following the happening of an Acceleration Event all payments arising in relation to the Secured Assets including the proceeds of any sale of all or any part of the Secured Assets and received by the Pledgee under this Agreement, shall be credited to the account of the Pledgee held on trust for the Beneficiaries under the Deed and applied in accordance with the terms of the Deed in permanent proportionate reduction of the Indebtedness.

11. NEGLIGENCE IN REALISATIONS

11.1 Saving the provisions of the second paragraph of Clause 6.2, the Pledgee shall not be liable in respect of any neglect by the Pledgee or by any agent, or receiver appointed by the Pledgee in connection with the enforcement or otherwise of any security which the Pledgee may from time to time hold from the Pledgor or from any other person. This Clause excludes liability for ordinary negligence only and nothing herein shall be deemed to exclude any liability for gross negligence or wilful default.

12. ATTORNEY

12.1 The Pledgor, by way of security, irrevocably and severally appoints the Pledgee and any person nominated for the purpose by the Pledgee (in writing and signed by an officer of the Pledgee) as its

attorney (in connection with and for the purpose of the security under this Agreement, with full power of substitution and delegation) in its name and on its behalf to act, execute, and deliver and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Agreement, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Pledgee under this Agreement or otherwise for any of the purposes of this Agreement, and the Pledgor covenants with the Pledgee to ratify and confirm all such acts or things made, done or executed by that attorney. Such power of attorney shall only be exercisable following the occurrence of an Acceleration Event or if the Pledgor has failed to comply with its further assurance obligations pursuant to Clause 13 hereof or a perfection obligation pursuant to this Agreement.

13. FURTHER ASSURANCES AND AGREEMENTS

13.1 The Pledgor must, promptly following request, at its own expense, take whatever action the Pledgee may reasonably require for:

- (a) creating, perfecting or protecting any security intended to be created by or pursuant to this Agreement;
- (b) facilitating the realisation of any Secured Asset;
- (c) facilitating the exercise of any right, power or discretion exercisable by the Pledgee or any Receiver or any of their respective delegates or sub-delegates in respect of any Secured Asset.

13.2 Actions taken by the Pledgor pursuant to Clause 13.1 above shall include:

- (a) the re-execution of or accession to this Agreement; and
- (b) the giving of any notice, order or direction and the making of any filing or registration, which, in any such case, the Pledgee may think expedient.

14. CERTIFICATES CONCLUSIVE

14.1 A certificate, determination, notification or opinion of the Pledgee stipulated for in this Agreement or as to any rate of interest or any other amount payable under this Agreement will be conclusive and binding on the Pledgor, except in the case of manifest error.

15. NOTICES

15.1 All notices or other communications under this Agreement shall be in writing addressed as follows:

To the Pledgor:

Address: AgriHoldings PLC, Level 1, SkyParks Business Centre, Malta International Airport, Luqa LQA4000, Malta, Attn: Mr Roderick Psaila

Fax: (+356) 20926100

Email: agriholdings@agribankplc.com

To the Pledgee:

Address: Equiom (Malta) Limited, Centris Business Gateway, Ground Floor, Triq il-Palazz l-Ahmar, Mriehel, Birkirkara BKR3000, Malta, Attn: Dr Edward Saliba

Fax: (+356) 21340916

Email: EdwardSaliba@equiomgroup.com

To AgriBank:

Address: AgriBank PLC, Level 1, SkyParks Business Centre, Malta International Airport, Luqa LQA4000, Malta, Attn: Mr Roderick Psaila

Fax: (+356) 20926100

Email: RPsaila@AgriBankPLC.com

and once given or made shall be irrevocable and shall be deemed to have been duly given or made:-

- (a) in the case of a communication by letter or by cable when received; and
- (b) in the case of a communication by telex or facsimile when sent.

15.2 Any changes to any of the above shall be notified to the parties by notice in accordance with this Agreement.

16. SEVERANCE AND MODIFICATION OF CLAUSES

16.1 If any of the Clauses or part thereof of this Agreement is or becomes invalid or unenforceable for any reason whatsoever, the validity of the remaining Clauses or part/s thereof will not in any way be affected or impaired.

16.2 If any invalid or unenforceable Clause or part thereof of this Agreement would not be enforceable or invalid if its form or effect were modified in any way, it shall be deemed to have the modified form or effect provided that the Pledgee gives its consent.

17. GOVERNING LAW AND JURISDICTION

17.1 This Agreement and any matter arising from or in connection with it (including non-contractual obligations) shall be governed by and construed in accordance with the laws of Malta.

17.2 The Courts of Malta have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement as well as non-contractual obligations) (a “**Dispute**”).

18. MISCELLANEOUS

18.1 The Pledgee declares that, for all intents and purposes of law, it is holding the pledge created by virtue of this Agreement and all rights arising therefrom, on trust as security trustee for the benefit of the Beneficiaries.

18.2 This Agreement may be executed by one or more of the Parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Pledgor and the Pledgee.

18.3 Failure by one or more parties (“**Non-Signatories**”) to execute this Agreement on the date hereof will not invalidate the provisions of this Agreement as between the other parties who do execute this Agreement. Such Non-Signatories may execute this Agreement (or a counterpart thereof) on a subsequent date and will thereupon become bound by its provisions.

Mr Roderick Psaila
For and on behalf of
The Pledgor

Dr Edward Saliba
For and on behalf of
the Pledgee

Mr Roderick Psaila
For and on behalf of
AgriBank

Schedule 1 – Notification

AgriBank PLC
Level 1, SkyParks Business Centre
Malta International Airport
Luqa LQA4000
Malta

Att: Roderick Psaila

12 December 2017

Notice of Pledge

Reference is hereby made to the Pledge Agreement dated 12 December 2017 entered into by and between AgriHoldings PLC (C57008) (*qua* **'Pledgor'**) and Equiom (Malta) Limited (C57173) (*qua* **'Pledgee'**) to which you are also a party (the **'Pledge Agreement'**).

Capitalised terms used herein shall be construed as bearing the same meaning as set out in the Pledge Agreement.

You are hereby informed that any and all amounts which may become due by AgriBank PLC to AgriHoldings PLC in respect of the Security Assets listed in the attached updated Schedule 2 are now to be considered pledged in favour of the Pledgee (acting as security trustee for the Bondholders) as security for the repayment by the Pledgor of the Indebtedness.

This notice is being sent to you in accordance with Clause 2.4.1 (d) of the Pledge Agreement.

You are hereby being requested to acknowledge receipt of this notification and the contents hereof in discharge of your obligations under Clause 4.2 (c) of the Pledge Agreement.

Regards,

Roderick Psaila
For and on behalf of
AgriHoldings PLC

Schedule 2 – Secured Assets other than the Subordinated Bond Receivables

[TO BE UPDATED IN ACCORDANCE WITH CLAUSE 2.4.2 OF THE PLEDGE AGREEMENT]

ANNEX F – SUBORDINATED BOND TERMS OF ISSUE



€1,900,000 (ONE MILLION NINE HUNDRED THOUSAND EURO)

SUBORDINATED NOTES ISSUE

-

TERMS OF ISSUE

Dated: 28 December 2017

AgriBank PLC, (hereinafter referred to as the “**Issuer**”) is a public limited liability company duly registered under the laws of Malta with company registration number C 57067 and with its registered office situated at Level 1, Skyparks Business Centre, Malta International Airport, Luqa LQA 4000, as the issuer of:

NOTES IN THE AGGREGATE

PRINCIPAL AMOUNT OF

€1,900,000

Approved by the Board of Directors

1. The Directors of AgriBank PLC whose names appear in these Terms of Issue accept the 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 these Terms of Issue is in accordance with facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

IMPORTANT INFORMATION

NOTHING IN THIS DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THIS DOCUMENT DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, ANY OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES 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 FOLLOWING DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES LAWS OF A RELEVANT JURISDICTION/S. ADDITIONALLY, THE NOTES HAVE NOT BEEN NOR WILL THEY BE REGISTERED.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFERING OR SALE OF SECURITIES BY THE ISSUER. IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT, AND ANY PERSONS WISHING TO APPLY FOR THE NOTES, TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE PLACEES SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND IMPLICATIONS OF SO APPLYING AND ANY APPLICABLE TAXES AND FISCAL IMPLICATIONS IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

PROSPECTIVE PLACEES SHOULD NOT CONSTRUE THE CONTENTS OF THIS DOCUMENT AS CONSTITUTING OR OTHERWISE PROVIDING LEGAL, TAX OR FINANCIAL ADVICE. ANY PROSPECTIVE PLACEE SHOULD CONSULT HIS/HER OWN PROFESSIONAL ADVISERS AS TO THE LEGAL, TAX, FINANCIAL AND/OR OTHER IMPLICATIONS OR MATTERS RELEVANT TO THE SUITABILITY OR OTHERWISE OF THE NOTES FOR THE PROSPECTIVE PLACEE. ACCORDINGLY, A PROSPECTIVE PLACEE SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE NOTES AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION OF ALL THE INFORMATION CONTAINED IN THESE TERMS OF ISSUE AND CONSULTATION WITH HIS/HER OWN INDEPENDENT ADVISORS.

THE NOTES SUBJECT OF THIS OFFER ARE COMPLEX INSTRUMENTS AND ACCORDINGLY ARE ONLY SUITABLE FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT.

EXEMPTION FROM PROSPECTUS DIRECTIVE: THIS NOTES ISSUE IS EXEMPTED FROM THE OBLIGATION TO PUBLISH A PROSPECTUS ACCORDING TO ARTICLE 3(2) PARAGRAPHS (b), (c) AND (d) OF THE PROSPECTUS DIRECTIVE. THEREFORE A PROSPECTUS IN LINE WITH THE PROVISIONS OF THE PROSPECTUS DIRECTIVE, AND GENERALLY EUROPEAN UNION LAW AND MALTESE LAW, WILL NEITHER BE WRITTEN, NOR EXAMINED, NOR PUBLISHED.

SUMMARY

The following constitutes the summary (hereinafter the “**Summary**”) of the essential characteristics and risks associated with the Issuer and the Notes to be issued under these terms of issue (hereinafter referred to as the “**Terms of Issue**”). This Summary does not purport to be complete and should be read as an introduction to these Terms of Issue. Any decision by a prospective Placee to invest in the Notes should be based on consideration of these Terms of Issue as a whole including any annexes thereto.

1. Summary of the Notes

Section	Description
Issuer	AgriBank PLC
Placement and Distribution	The Notes will not be offered to the public but will be privately placed by the Issuer and/or its agents.
Listing/Admission to Trading	No application for admission to trading of the Notes on any Regulated Market or MTF has been made however the Issuer may in the future at its discretion decide to apply for admission of the Notes (solely or together with other notes/debt instruments to be which the Issuer may decide to issue) to trading on a Regulated Market or MTF.
Reason of Issue/Use of Proceeds	This issue of subordinated debt, is aimed at further strengthening the Issuer’s Tier II capital requirements as required by European and Maltese banking regulations <i>inter alia</i> CRR and CRD IV and in accordance with the conditions imposed on the Issuer in terms of the banking license granted to the Issuer by the Malta Financial Services Authority to operate as a credit institution in terms of the Banking Act (Chapter 371 of the Laws of Malta).
Currencies	Notes will be denominated in EURO (€).
Nominal Value of Notes	The nominal value of the Note will amount to one million nine hundred thousand Euro (€1,900,000).
Minimum Holding	The minimum holding of Notes for each Placee at any time shall be one million nine hundred thousand Euro (€1,900,000).
Issue Price	The issue price of the Notes shall be the nominal value of each Note.
Maturity Date	Notes will mature on the 31 December 2024.
Form of Notes	Notes will be issued in certificated form on the basis of a resolution having been adopted by the Board.
Interest Rate	Notes will bear a fixed annual interest income of four point eight seven five per cent (4.875%) through the entire term of the Notes and will become due and payable on that basis and subject to these Terms of Issue yearly in arrears.

Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 and all amendments thereto.
Redemption	Notes may only be redeemed pursuant to the terms and conditions of these Terms of Issue.
Redemption Value	Notes shall be redeemed at the nominal value of each Note.
Transferability	The Notes shall be freely transferable subject to the provisions of the Terms of issue with respect to notice to the Bank.
Taxation	All payments of principal and interest in respect of the Notes will be made subject to any applicable withholding or deductible obligations imposed by the Laws of Malta as the applicable law of the Issuer and these Terms of Issue.
Acceleration Events	The Notes are being issued without any acceleration or early repayment rights.
Ranking of the Notes	The Notes are debt obligations of the Issuer and constitute the Issuer's subordinated and unsecured and unguaranteed obligations. The Notes shall therefore be subordinate to and shall rank after any present and future senior and unsubordinated debts and other obligations of the Issuer. The Notes shall rank <i>pari passu</i> without any priority or preference among themselves and with other subordinated debt.
Security/Guarantees	The Notes are unsecured and unguaranteed.
Governing Law	The Notes will be governed by the Laws of Malta.
Jurisdiction	The courts of Malta shall have exclusive jurisdiction on any legal proceedings arising in connection with the Notes.

2. Summary of Risk Factors

Risk	Definition
Risk Relating to the Issuer	The Issuer is engaged in the business of banking and financial services. Exposure to credit risk, liquidity risk, interest rate risk, foreign currency risk, operational risk and concentration risk arises in the normal course of business.
General	<p>An investment in the Notes involves certain risks including those described hereunder. Prospective Placees should carefully consider, with their own independent financial and other professional advisers, the risk and other investment considerations as well as all the other information contained in these Terms of Issue. In addition, Placees ought to be aware that the risk may combine and thus accumulate.</p> <p>This document may contain forward-looking statements. No guarantee can be given that future results or expectations covered by such statements will be achieved. These statements by their nature involve substantial risks and uncertainties that may be beyond the Issuer's control.</p> <p>Any adverse changes to the projected profits of the investments undertaken by the Issuer, or to the financial position and business prospects of the Issuer could adversely</p>

	<p>affect the Issuer's business and the results of its operations.</p> <p>Negative changes in the credit quality of the Issuer's borrowers and counterparties or a general deterioration in European or global economic conditions, or arising from systemic risks in the financial systems could affect the recoverability and value of the Issuer's assets and require an increase in the provision for impairment losses and other provisions.</p> <p>Risk arising from an uneven distribution of counterparties in credit or any other business relationship or from a concentration in business sectors or geographical regions which is capable of generating loss large enough to jeopardize the Issuer's solvency.</p>
Forward-looking Statements	<p>The risk that the Issuer will encounter difficulty in raising funds to meet financial commitments. This may result from the Issuer's inability to realize a financial asset quickly at close to its fair value or obtain adequate funding which could have a material adverse effect on the financial performance of the Issuer.</p>
Strategic & Business Risk	<p>Risk arising from the extent to which interest-earning assets and liabilities mature or re-price at different times. Such a mismatch may have a negative impact in the financial performance of the Issuer.</p>
Credit Risk	<p>Exposure arises as a result of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.</p>
Concentration Risk	<p>The risk covering the losses arising from inadequate or failed internal processes and systems, the inability to retain key personnel, and unforeseen external events. The impact of such losses on the Issuer may be substantial.</p>
Liquidity Risk	<p>The Issuer's overall performance and results may also be adversely affected by external factors beyond the Issuer's control. These include changes in economic conditions, business cycles, volatility in financial markets and increased competitive pressure in the financial services sector. Negative changes in overall local and international economic conditions, inflation, consumer and business spending, recession, unemployment, limited credit availability and such other factors that are beyond the Issuer's control, may also negatively affect the performance of the Issuer.</p>
Interest Rate Risk	<p>The risk that negative publicity regarding the Issuer's business practice whether true or not, will cause a decline in the customer base, costly litigation or revenue reductions. Negative publicity can result from the Issuer's actual or alleged conduct in any number of activities, including lending practices, corporate governance and actions taken by government regulators in response to those activities. Although the Issuer takes steps to minimize reputation risk in dealing with customers, the Issuer is inherently exposed to this risk.</p>
Foreign Currency Risk	<p>The risk that negative publicity regarding the Issuer's business practice whether true or not, will cause a decline in the customer base, costly litigation or revenue reductions. Negative publicity can result from the Issuer's actual or alleged conduct in any number of activities, including lending practices, corporate governance and actions taken by government regulators in response to those activities. Although the Issuer takes steps to minimize reputation risk in dealing with customers, the Issuer is inherently exposed to this risk.</p>
Operational Risk	<p>The existence of an orderly and liquid market for the Notes depends on a number of factors including the presence of willing buyers and sellers of the Issuer's Notes at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Furthermore there can be no assurance that an investor will be able to sell the Notes at or above the price at which they are issued or at all. Moreover the value of the Notes may be affected by investors' general appraisal of the Issuer's creditworthiness. Such perceptions may be influenced by the ratings given to the Issuer's outstanding securities by international rating agencies. Any downgrading of the Issuer's rating by a rating agency could result in a reduction in the value of the Notes.</p>
External Risk	<p>No prediction can be made about the effect which any future public offers of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Notes prevailing from time to time.</p>
Reputational Risk	

Market Risk	<p>The Notes are unsecured and subordinated to the claims of all holders of senior and/or unsubordinated indebtedness. The Notes constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i>, without any priority or preference among themselves and with other subordinated obligations of the Issuer. Thus the Notes shall rank after other present and future outstanding, unsubordinated and unsecured obligations of the Issuer. The Subordinated Notes will qualify as Tier II capital for regulatory capital purposes. As such, the relevant Maltese resolution authority may exercise the bail-in tool (as defined in terms of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms) in respect of AgriBank and the Subordinated Loan, which may result in a loss in value of the Notes, whereby they may be subject to a write-down or conversion into equity as further amplified herein.</p>
Impact of Future Offers	<p>In case of insolvency of the Issuer, the Placee may lose part or all of their claims to repayment of their invested capital. The Notes are not secured by the Depositor Compensation Scheme Regulations (Subsidiary Legislation 371.09).</p>
Subordinated Notes	<p>Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.</p> <p>The terms and conditions of the Notes are based on the law of Malta in effect as at the date of the Note Issuance. No assurance can be given as to the impact of any possible judicial decision or change in the applicable laws or administrative practice after the date thereof.</p>
Issuer's Solvency	<p>The Note Issue volume corresponds to the maximum total amount of Notes offered in terms of this offer but is shall not be interpreted as an indication of any the Issuer's intention not to make a future offer/s of notes/similar debt instruments. The actual volume of notes/debt instruments to be issued by the Issuer shall depend on the market conditions and may change during the term of the Notes. The Issuer is from now reserving the right to issue further notes and similar debt instruments under the same or different terms to those stipulated herein, including more advantageous terms for prospective investors participating in such future issues.</p>
Market Interest Rates	<p>Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/ EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/ EU and 2013/36/EU, and Regulations (EU) No. 1093/2010 and (EU) No. 648/2012, of the European Parliament and of the Council (known as the "BRRD") entered into force on 2 July 2014. ACT No. XXI of 2015, amending (<i>inter alia</i>), the Malta Financial Services Authority Act (Cap. 345, laws of Malta), the Investment Services Act (Cap. 370, laws of Malta) and the Banking Act (Cap. 371, laws of Malta), establishes the Resolution Authority and the Resolution Committee ("the Resolution Authorities") in accordance with the requirements of the BRRD as well as provides for matters ancillary or incidental to the establishment thereof.</p>
Laws and Regulations	<p>The BRRD is designed to provide the Resolution Authorities with a set of tools to intervene early and quickly in the affairs of an unsound or failing bank so as to ensure the continuity of the bank's critical financial and economic functions, whilst minimising the impact of a bank's failure on the economy and financial system.</p> <p>Pursuant to the BRRD, the Resolution Authorities may intervene using one or more resolution tools in the event that all of the following conditions are met: (a) a bank is</p>

	<p>failing or likely to fail; (b) there is no reasonable prospect that alternative private sector measures would prevent the failure of a bank; and (c) a resolution action is in the public interest.</p> <p>One of the resolution tools is the <i>bail-in</i> tool whereby Resolution Authorities are, amongst others, empowered to write down or convert into common equity certain liabilities of a failing bank (including Tier II capital instruments such as the Notes). The <i>bail-in</i> tool ensures that not only shareholders but also creditors of the failing institution suffer appropriate losses and bear an appropriate part of the costs arising from the failure of the institution.</p> <p>The Resolution Authorities will have to exercise their <i>bail-in</i> powers in a way that results in: (i) common equity Tier I capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses; (ii) thereafter, the principal amount of other capital instruments (additional Tier I capital instruments and Tier II capital instruments such as the Notes) being written down on a permanent basis or converted into common equity Tier I capital instruments in accordance with their order of priority; and (iii) thereafter, other eligible liabilities being written down on a permanent basis or converted into common equity Tier I capital instruments in accordance with a set order of priority.</p> <p>The extent to which the Notes may become subject to a <i>bail-in</i> will depend on a number of factors, and it will be difficult to predict when, if at all, a <i>bail-in</i> will occur particularly since, as at the date of these Terms of Issue, none of the conditions prescribed in (a)-(c) above subsist within the Issuer.</p>
Offer Volume	
Banking Resolution and Recovery Directive/BRRD	<p>Prospective investors should, nonetheless, consider the risk that in the event that the Issuer becomes subject to a <i>bail-in</i>, the principal amount of the Notes including any accrued but unpaid interest, may be: (i) partially or fully lost in the case of a write down to absorb the Issuer's losses; or (ii) if a conversion takes place, their investment in the Notes may be partially or fully converted into Tier I capital to recapitalise the Issuer.</p> <p>In the event that the Issuer becomes subject to a <i>bail-in</i>, this shall not constitute an acceleration event and the Placee will have no further claims in respect of any amounts so written off or converted into Tier I capital as aforesaid.</p>
Other Regulatory Matters	<p>The Issuer is subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure their compliance with economic and other objectives and limit their exposure to risk.</p> <p>The Issuer is also required to comply with applicable know-your-customer, anti-money laundering and counter- terrorism financing laws and regulations. To the extent that the Issuer fails or is perceived to fail to comply with these and other applicable laws and regulations, its reputation could be materially damaged, with consequent adverse effects on its business, financial condition, results of operations and prospects.</p> <p>Any failure or delay in receiving any required regulatory approvals or changes in the regulatory environment could ultimately place increased regulatory pressure on the Issuer, and could have a material adverse effect on its business, financial condition, results of operation and cash flow, particularly in the case of an adverse impact resulting from regulatory developments which could expose its business to a number of risks as well as limit growth, curtail revenues and impact the Issuer's service offerings. Moreover, there is a risk of non-compliance associated with the complexity of regulation. Failure to comply with current or future regulation could expose the Issuer's business to various sanctions, including fines or the withdrawal of authority to conduct certain lines of business.</p>

3. Summary in Respect of the Issuer

Issuer Incorporation Details Board of Directors, Auditors and Advisers

Issuer	<p>AgriBank PLC is a public limited liability company registered and incorporated in terms of the Companies Act (Chapter 386 of the Laws of Malta).</p> <p>AgriBank PLC is licensed by the MFSA to operate as a credit institution in terms of the Banking act (Chapter 371 of the Laws of Malta).</p>
Board of Directors	<p>Dr Joseph Borg Frank J. Sekula Paul Grech Roderick Psaila Stephen Muscat Victor Rizzo Giusti Mario Vella</p>
Auditor	<p>Deloitte Audit Ltd</p>
Legal Advisors	<p>Deguarra Farrugia Advocates</p>

DEFINITIONS

Term	Definition
Application Form	The Issuer's official form of application of subscription for Note/s, a specimen of which is attached hereto as Annex I;
Board of Directors/Directors	The board of directors of the Issuer.
Business Day	Any day on which Banks in Malta are open for business.
Certificated Note	A Note issued in a physical and certificated form.
CRD	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.
Interest	The fixed annual rate of interest amounting to four point eight seven five per cent (4.875%) payable by the Issuer to the Placee on the Note/s subscribed for and allotted to the Placee as further specified in these Terms of Issue.
Issuer/Bank	AgriBank PLC
Issue Date	The date on which the Issuer allots a Note in favour of the Placee by registering the Placee in the Register, following acceptance by the Issuer of the relative Application Form for subscription to the Note/s by the Placee.
Issue Price	The nominal value of each Note to be of the aggregate nominal value of each Note subscription as aforesaid.
Maturity Date	The date on which the Notes are to be redeemed, that is, the 31 December 2024.
Malta Financial Services Authority/MFSA	The Malta Financial Services Authority set up in terms of the Malta Financial Services Authority Act (Chapter 330 of the Laws of Malta).
Minimum Holding	The minimum holding of Notes for the Placee, which is set at one million nine hundred thousand Euro (€1,900,000).
Multilateral Trading	A multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial

Facility/MTF	instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the provisions of Title II of Directive 2004/39/EC.
Note/s	The debt securities of a fixed term nature issued by the Issuer (as Certificated Notes) pursuant to these Terms of Issue.
Note Certificate	The written certificate issued by the Issuer to the Placee in respect of Certificated Notes, upon the Issuer's acceptance of the relative Application for subscription for the Certificated Note and Issuer's receipt of payment of the Issue Price, which Note Certificate shall confirm the specific Terms of Issue of the Note/s to the Placee.
Note Issue	The issue of Notes in accordance with these Terms of Issue.
Placee	The holder/s of the Notes issued under these Terms of Issue.
Redemption Date	The dates when the Note/s mature and may therefore be redeemed by the Issuer according to these Terms of Issue, that is, the 31 December 2024.
Redemption Value	The nominal value of the Note, which is set at one million nine hundred thousand Euro (€1,900,000).
Register	The register held by the Issuer wherein the Placee shall be registered.
Regulated Market	A multilateral system operated by a market operator, which brings together or facilitates the bringing together of multiple third party buying and selling interests in financial instruments in the system within the meaning of the Directive 2004/39/EC. For the purposes of this definition, "buying and selling interests" includes orders, quotes and indications of interest.
Specified Currency	The currency in which the Notes are issued, that is, the Euro (€).
Summary	The summary to these Terms of Issue.

TERMS & CONDITIONS

1. General

- 1.1 The Note Issue has been duly authorised by a resolution of the Board of Directors dated the 16 October 2017, by virtue of the powers contained in the Memorandum and Articles of Association of the Issuer.
- 1.2 These Terms of Issue govern the Note Issue by the Issuer, the Application Form, the Note Certificate (where applicable) and generally the relationship between the Issuer and the Placee.
- 1.3 The Issuer and the Placee hereby accept the provisions herein, as these may be amended from time to time, as the only terms and conditions regulating the Note Issue, the application by Placee and the relationship between the Issuer and the Placee.
- 1.4 In these Terms of Issue, unless otherwise expressly stated or the contrary intention appears:
 - a. any capitalised term contained within inverted commas and within parenthesis in any provision of these Terms of Issue shall have the meaning respectively assigned to it in the said provision where it is so contained;
 - b. words importing the masculine gender shall include the feminine gender and vice-versa and words importing the neuter gender shall include the masculine and the feminine gender;
 - c. references to a clause, paragraph, schedule or annex is to a clause, paragraph, schedule or annex of or to the Terms of Issue; and
 - d. references to a person include references to any person, whether natural or legal and whether registered or not and whether incorporated or unincorporated, and includes (without limitation) an undertaking.
- 1.5 The headings in these Terms of Issue are inserted for convenience only and do not affect its construction. The schedules and annexes to these Terms of Issue shall be and be construed to form an integral and substantial part of these Terms of Issue and any reference to these Terms of Issue shall include a reference to the said schedules and annexes.

2. Form & Title

- 2.1 This Note Issue is an offer of securities which, in terms of Article 3 (2) (b), (c), and (d) of the Prospectus Directive, does not qualify as an offer to the public and is therefore not subject to the publication of a prospectus.
- 2.2 The Note is a debt instrument issued by the Issuer to the Placee in the form of a Certificated Note.

- 2.3 The Issuer shall solely allot a Certificated Note through the issuance of a Note Certificate evidencing the number and nominal value of the Notes held by a Placee. The Issuer shall hold a Register of Notes of the Placee.
- 2.4 The proceeds of the Notes qualifies as Tier II capital in accordance with the CRR and therefore the terms and conditions under which the Notes are being issued reflect the provisions of Article 63 (a), (b), (c), (d), (e), (f), (g), (h), (k), (l) and (m) of CRR.
- 2.5 The subscription agreement and therefore the contractual relationship between a Holder of Notes and the Issuer shall be deemed to be concluded with effect on and from the date of registration of the Placee in the Register. Registration of the Placee in the Register shall, upon first examination, constitute evidence as to the legal entitlement of the Placee to the Note(s) subscribed for and allotted to the Placee and to the specific rights attaching thereto as stipulated in these Terms of Issue.
- 2.6 The Notes are unsecured and subordinated to the claims of all holders of senior indebtedness. The Notes shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and all obligations arising from the Notes shall at all times rank equally, without any priority or preference among themselves and with other present and future unsecured and subordinated debt of the Issuer (if any). Thus the Notes rank after other present and future outstanding, unsubordinated unsecured or otherwise obligations of the Issuer. Therefore, in the event of dissolution and winding up of the Issuer, the Notes rank after the claims of all senior indebtedness and will not be repaid until all other senior indebtedness outstanding at the time has been settled.
- 2.7 Title to the Notes shall be evidenced initially by reference to the entry into the Register.

3. Currency, Nominal Value& Minimum Holding

- 3.1 The Notes are being issued in Euro (€) as the Specified Currency, in the aggregate principle amount of one million nine hundred thousand Euro (€1,900,000).
- 3.2 The Note shall have a nominal value of one million nine hundred thousand Euro (€1,900,000).
- 3.3 Subject to the provisions of these Terms of Issue, the Minimum Holding of Notes for the Placee shall amount to one million nine hundred thousand Euro (€1,900,000).
- 3.4 The number of Placees under this Note Issue shall be not more than one investor.

4. Subscription

- 4.1 A Placee may apply to subscribe for a minimum of one (1) Note against payment of the Issue Price in favour of the Issuer. The Issue Price payable by the Placee to the Issuer as consideration for the issuance of each Note by the Issuer to the Placee, shall amount to one million nine hundred thousand Euro (€1,900,000) being the nominal value of the Note, as may be subscribed by the Placee as aforesaid.
- 4.2 In order to apply for and subscribe for a Note, an Placee must:

- a. Duly complete the Application Form which shall contain an accurate and comprehensive response to all the questions asked therein by the Issuer;
 - b. Provide with the said Application Form any documentation and information as required or otherwise requested by the Issuer in terms of such Application Form including any documentation and information required by the Issuer for the Issuer's satisfactory completion of the due diligence processes on the Placee which the Issuer is obliged to carry out and complete in terms of applicable law;
 - c. Pay to the Issuer the full Issue Price following the satisfactory completion by the Issuer of its due diligence processes in respect of the Placee. Upon satisfactory completion of said processes, the Issuer shall instruct the Placee to transfer the full Issue Price to the Issuer's designated bank account as specified in the Application Form.
- 4.3 Upon the approval and acceptance of the Application Form by the Issuer, the Issuer shall allot the Note/s in favour of the Placee and shall, accordingly, procure the registration of the Placee in the Register on which date the Placee shall be considered to be the absolute owner and beneficiary of the Notes allotted to it as aforesaid.
- 4.4 The Placee undertakes to inform the Issuer should the Placee be contracting with the Issuer not as a principal but as an agent, nominee, trustee or under any other fiduciary arrangement.
- 4.5 The Placee shall inform the Issuer of any major alterations to any information submitted to the Issuer in the Application Form. These alterations shall become applicable within five (5) Business Days of receipt of notification by the Issuer. The Issuer shall assume that the information communicated is correct and up to date at all times. In addition following subscription to and allotment of the Notes in favour of the Placee, the Placee shall provide the Issuer with any other information that the Issuer may reasonably request, including for the purpose of allowing the Issuer to fulfil its due diligence obligations from time to time.
- 4.6 The Issuer shall have the right, at its sole discretion, to refuse an Application Form in whole or partially by accepting to allot to the Placee only some but not all of the Notes applied for by the Placee. The Issuer shall forthwith communicate such refusal to the Placee, also providing any reason or justification for such refusal to the Placee.

5. Interest

- 5.1 Each Note shall entitle a Placee to receive an annual fixed interest rate amounting to four point eight seven five percent (4.875%). Interest shall be calculated and paid on the nominal value of the Notes, and shall fall due yearly in arrears on the 31 December of each year (hereinafter referred to as the '**Interest Due Date**').
- 5.2 Interest shall be paid to the Placee within three (3) Business Days following the Interest Due Date (hereinafter referred to as the '**Interest Payment Date**') by means of a direct credit transfer into the designated bank account indicated by the Placee in the Application Form or such other account as may be communicated by Placee to the Issuer from time to time. Provided that such bank account is denominated in the Specified Currency. In the event that any Interest Payment Date falls on a day other than a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day.

- 5.3 Interest shall start to accrue in favour of the Placee as from the Issue Date up until the relative Redemption Date.
- 5.4 For the purpose of any Interest calculations:
- a. All percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
 - b. All figures shall be rounded to seven significant figures (with halves being rounded up); and
 - c. All currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes ‘unit’ means the lowest amount of such currency that is available as legal tender in the country of such currency.
- 5.5 For the avoidance of doubt, when Interest is payable in respect of a period of less than one (1) year, it shall be calculated on the basis of the actual number of days elapsed and a year of three hundred sixty five (365) days.

6. Transferability

- 6.1 The Notes shall be transferable. Provided that the transferor Placee shall notify the Bank prior to the transfer thereby requesting the Bank’s approval of the transferee. For this purpose the transferor Placee shall provide the Bank with any and all due diligence documentation as may be required by the Bank to conduct a full due diligence in terms of its obligations at law on the transferee. The Bank shall only disapprove of the transferee and the transfer if the transferee fails to pass the due diligence test of the Bank.

7. Maturity & Redemption

- 7.1 Subject to the following provisions hereof, the Notes shall mature upon the Original Maturity Date, being the 31 December 2024.
- 7.2 On the Redemption Date the Issuer shall redeem the Note through the repayment of the Redemption Value together with any Interest accrued and due by the Issuer to the Placee up to the Redemption Date. Save as otherwise provided in these Terms of Issue, the Placee shall not be entitled to request or otherwise demand the redemption of the Notes at any time prior to the Maturity Date.
- 7.3 Payments of the Redemption Value and Interest will be effected by the Issuer to the Placee in the Specified Currency, by means of a direct credit transfer into the designated bank account indicated by the Placee in the Application Form or such other bank account as may be communicated by Placee to the Issuer from time to time, which payment shall be processed and transferred within a maximum of three (3) Business Days from the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission of payments.

- 7.4 The Notes shall be deemed as having been redeemed and cancelled, and the appropriate entries shall be made in the Register on the Redemption Date. In the event that, upon due presentation thereof by the Placee, it is evidenced that payment of the Redemption Value has been improperly withheld or refused or unless default is otherwise made in respect of such payment, Interest shall continue to accrue on the Redemption Value up until the date of full and final payment of the Redemption Value.

8. Further Issues & Listing

- 8.1 The Issuer may from time to time, at its sole discretion, without the consent of the Placee, create and issue further notes, debentures, debenture stock, bonds, loan notes, or any other debt securities and to in general to incur any other form of indebtedness at on the same or different terms and conditions from those regulating this Note Issue. The Notes may therefore at any time rank subordinatedly to any other indebtedness contracted by the Issuer, except where such debt is also subordinated, in which case it will rank *pari passu* with the Notes.
- 8.2 The Issuer retains the right to list the Notes and/or any further notes, debentures, debenture stock, bonds, loan notes, or any other debt securities issued subsequently to this Note Issue on a Regulated Market or MTF.

9. Covenants by the Issuer

- 9.1 The Issuer covenants in favour of the Placee that, until the Redemption Date, the Issuer shall:
- a. Pay the Interest to the Placee as provided in these Terms of Issue;
 - b. Pay the Redemption Value on the Redemption Date;
 - c. Maintain its corporate existence as a company duly organised and existing in good standing under the laws of the Republic of Malta;
 - d. Carry on and conduct its business of banking in a proper and efficient manner;
 - e. Comply with the laws and regulations in force in the Republic of Malta from time to time, and with any other laws and regulations as may be applicable to the Issuer from time to time.

10. Representations & Warranties of the Issuer

- 10.1 The Issuer represents and warrants to the Placee that:
- a. It is duly registered and validly existing under the laws of the Republic of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under valid legal title;
 - b. It has the power to execute, deliver and perform its obligations under these Terms of Issue, and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and no limitation on the powers of the Issuer to borrow or guarantee shall be exceeded as a result of these Terms of Issue.

- c. It is licensed to carry out the business of banking in Malta.
 - d. It subjects itself to periodic audit reviews by the Audit Committee of the Placee.
- 10.2 These Terms of Issue constitute a valid and legally binding obligation of the Issuer.
- 10.3 The execution and performance of its obligations under and in compliance with the provisions of these Terms of Issue shall not:
 - a. Contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer is subject;
 - b. Conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which the Issuer is a party, or is subject, or by which it or any of its property is bound;
 - c. Contravene any provision of the Issuer's Memorandum and Articles of Association;
 - d. No litigation, arbitration or administrative proceeding is taking place, pending or to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on its business, assets or financial condition of the Issuer.
- 10.4 All information contained in these Terms of Issue is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer, its business and financial position, the omission of which would in the context of issue of the Notes make any statement in the Terms of Issue misleading or inaccurate in any material aspect.
- 10.5 The Issuer further warrants to the Placee that:
 - a. Every consent, authorisation, approval or registration with or declaration to governmental or public bodies or authorities or courts, required by the Issuer in connection with the execution, validity, enforceability and/or the performance of its obligations under these Terms of Issue have been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed in, or in connection with, any of the same;
 - b. No default mentioned in these Terms of Issue has occurred or is continuing.

11. Representations of the Placee

- 11.1 The Issuer shall rely on the representations made to it by the Placee or by third parties at the Placee's request, in particular relating to:
 - a. the Placee's identity;
 - b. the Placee's business activities, financial assets and financial status;
 - c. the Placee's credentials;

- d. the Placee's legal powers and authority and, where the Placee is a legal entity, its authorised signatories; and
 - e. the ownership and source of funds utilised to effect payment of the Issue Price to the Issuer.
- 11.2 The Placee shall comply with all applicable laws and regulations, including but not limited to any applicable international conventions and resolutions of the Security Council of the United Nations, applicable EU legislation, anti-money laundering and anti-terrorist financing legislation and any orders issued by the relevant regulatory authorities in so far as the Issuer's operations or services are involved.
- 11.3 In the event that any representation appears to the Issuer to be incomplete or incorrect, then it shall be entitled to refuse to accept and execute or suspend execution of all and/or any instructions received from the Placee.

12. Bankruptcy or Liquidation of Placee

- 12.1 In the event that the Placee is placed into liquidation, bankruptcy or administration or any other analogous process wherein a liquidator, administrator, curator or trustee or similar officer is appointed, and in whom legal authority and representation shall be vested to the exclusion of the persons the Placee may have nominated for such purpose, the Issuer shall be entitled to receive to its satisfaction such evidence, including legal opinions at the Placee's cost, as it may require to establish the proper entitlement and authority of the person claiming power to provide it with instructions, and the Issuer shall not be bound to act upon such instructions until such time as it is satisfied of such authority.

13. Indemnity

- 13.1 The Placee agrees not to hold the Issuer responsible for and to indemnify and compensate the Issuer for any loss or damage suffered by the Issuer as a result of the Placee's breach of any of the terms and conditions in these Terms of Issue and/or any other terms and conditions, regulations and procedures imposed from time to time by the Issuer.
- 13.2 The Placee shall bear all costs, fees, penalties and expenses which the Issuer may reasonably and properly incur as a direct or indirect consequence of the Placee's breach of the terms and conditions in these Terms of Issue and/or any other terms and conditions, regulations and procedures imposed from time to time by the Issuer, including any judicial, legal or other costs and fees reasonably and properly incurred by the Issuer to defend and protect its interests, and costs and fees in connection with the preparation and conclusion of any out of court settlement agreements. Any costs for enforcement of judgments against the Placee shall also be borne by the Placee.

14. Taxation

- 14.1 All payments with respect to the Notes are subject in all cases to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments of Redemption Value and Interest by or on behalf of the Issuer in respect of the Notes 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 government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Malta or any taxing authority therein.

- 14.2 The Issuer will not be obliged to make any additional payments in respect of any such withholding or deduction imposed.

15. Acceleration

- 15.1 A Placee shall not be entitled to accelerate the redemption of the Notes other than in the insolvency or liquidation of the Issuer and this subject to the provision of the BRRD in connection with *bail-in* to which the Notes may be subject.

16. Notices

- 16.1 Any directions, instructions, authorisations, notices or other communications required or permitted to be given or made under these Terms of Issue shall be either verbal by telephone communication or video-conferencing, or in writing and duly signed by the Issuer and the Placee and delivered to such address, fax number or e-mail address of the other Party as the Parties may from time to time notify in writing to each other.

17. Confidentiality & Data Protection

- 17.1 The Issuer shall not communicate to a third party any confidential information relating to the Placee, their assets, or the revenues in the form of the fixed interest payable by the Issuer to the Placee on the par value of the Notes, unless the Placee has expressly authorised the Issuer to do so.
- 17.2 By completing and submitting an Application Form to the Issuer, the Placee authorises the Issuer to process the Placee's personal data provided in the Application Form, for all purposes necessary and subsequent to the Note Issue applied for.
- 17.3 The Issuer may disclose the Placee's information:
- a. as required in terms of any provision of applicable law in any jurisdiction, as well as may be ordered by any governmental bodies and agencies, supervisory authorities or a court of law;
 - b. as required for any proceedings by the Issuer against the Placee for recovery of any sums which become due to or for defending itself against any claim with regard to services provided or products sold to the Placee; and,
 - c. otherwise as permitted by the Placee, including when it requires the Issuer to provide a reference or a status report to a third party.

- 17.4 The Placee's personal data may be disclosed to or exchanged with all employees of the Issuer, its associates and agents for the above purposes only and in accordance with applicable data protection laws and regulations.
- 17.5 The Placee has the right to request the Issuer to inform it about its personal data held and processed and to request its correction where necessary.
- 17.6 Whilst the Issuer may periodically request the Placee to re-confirm its data, the Placee shall inform the Issuer immediately if such data has changed.

18. Retention of Documents

- 18.1 The Issuer shall be entitled to destroy all records, correspondence and other documents it may hold relating to the Placee upon satisfying any record keeping obligations which the Issuer may have in terms of any applicable legislation.

19. Amendments to the Terms of Issue

- 19.1 The Issuer may amend the Terms of Issue only to the extent as shall from time to time be required in terms of any applicable laws, rules or regulations to which the Issuer and/or the Note Issue may be subject and regulated or otherwise as may be required in the case of and pursuant to an assignment and/or transfer of the rights and obligations of the Issuer under the Terms of Issue.
- 19.2 The Placee shall be advised by the Issuer of any such amendment to the Terms of Issue in writing.
- 19.3 Unless legal or statutory requirements specify otherwise the amended Terms of Issue shall enter into force twenty (20) Business Days after the date of the Placee shall have been notified of such amendments.

20. Severability

- 20.1 Each of the provisions of the Terms of Issue is severable from the others, and if at any time any one or more of such provisions, is or becomes illegal, invalid or unenforceable, the validity, legality and enforceability of the remaining provisions of the Terms of Issue shall not in any way be affected or impaired.

21. No Waiver

- 21.1 No failure on the Issuer's part to exercise, or delay in exercising any of its rights, powers or privileges under the Terms of Issue shall operate as a waiver of any of the Issuer's rights, powers or privileges, nor shall a single or partial exercise preclude any other or further exercise.

22. Applicable Law

- 22.1 These Terms of Issue, the Notes and all the rights and obligation of the Placee and the Issuer, shall be governed by the laws of Malta.

23. Submission to Jurisdiction

- 23.1 The Courts of Malta shall have exclusive jurisdiction for all legal proceedings arising out of or in connection with these Terms of Issue and the Notes.

Annex I

Application Form – Note Subscription

To subscribe for the Note

- Carefully read the Note's Terms of Issue.
- Complete, sign and return the Application Form to us. Completion of this application form constitutes acceptance of the Note's Terms of Issue.

Placee's Details (to be completed using capital letters only)

Company name: **AgriHoldings PLC**

Company registration number: **C57008**

Registered Address: **Level 1, Skyparks Business Centre, Malta International Airport, Luqa LQA4000, Malta**

Notification Address:

Address: **Level 1, Skyparks Business Centre, Malta International Airport**

Postcode: **LQA4000**

City: **Luqa**

Country: **Malta**

Tel: **+356 20926000**

Fax:

E-mail address: **agriholdings@agribankplc.com**

Placee's Bank Account Details (to be completed using capital letters only)

Account Holder Name:

Bank Name:

Bank Address:

Account Number:

IBAN:

Swift Code:

Issuance of Note

Should AgriBank PLC approve and accept this Application Form, it shall convey such acceptance to the Placee and the Placee shall transfer the Issue Price to the following bank account in accordance with the Terms of Issue:

Account Holder Name:

Bank Name:

Account Number:

IBAN Number:

PLACEES ARE ADVISED THAT THE ISSUE OF THE NOTE IS SUBJECT TO THE PRIOR APPROVAL OF AGRIBANK PLC AND THAT THE MERE COMPLETION OF THIS FORM BY A PLACEE DOES NOT IMPLY THAT AGRIBANK PLC SHALL ISSUE THE NOTE TO THE PLACEE.

AgriBank PLC
Level 1, Skyparks Business Centre
Malta International Airport
Luqa LQA4000
Malta

ANNEX II

NOTE CERTIFICATE

Certificate No: 1
Issued on: 28 December 2017

AgriBank PLC
(the “Company”)

Created and issued pursuant to the Articles of Association of the Public Limited Liability Company and to a resolution of the board of Directors of the Public Limited Liability Company passed on the 16 October 2017.

THIS CERTIFICATE CERTIFIES THAT THE PERSON NAMED HEREUNDER IS THE HOLDER OF THE NOTE DESCRIBED IN THIS CERTIFICATE.

Name of Holder: **AgriHoldings PLC**
Address: **Level 1, Skyparks Business Centre, Malta International Airport, Luqa LQA4000, Malta**
Nominal Value: **one million nine hundred thousand Euro (€1,900,000)**
Interest Rate: **4.875%**
Redemption Value: **one million nine hundred thousand Euro (€1,900,000)**
Maturity Date: **31 December 2024**

The above mentioned Note is subject to the Note’s Terms of Issue. Words and expressions defined in the Note’s Terms of Issue have the same meaning when used herein.

Mr Roderick Psaila
For and on behalf of
AgriBank plc

Advisors to the Issuer:

Placement Agent, Manager
and Registrar

Curmi & Partners Ltd
Finance House,
Princess Elizabeth Street,
Ta' Xbiex MSD1102,
Malta

Reporting Accountant/
Financial Advisor:

Grant Thornton Limited
Suite 3, Tower Business Centre,
Tower Street, Swatar,
Birkirkara BKR4013,
Malta

Corporate Advisor:

DF Consultancy Services Limited
Il Piazzetta A, Suite 52, Level 5,
Tower Road
Sliema SLM 1607
Malta

Legal Advisors:

DF Advocates
Il Piazzetta A, Suite 52, Level 5,
Tower Road
Sliema SLM 1607
Malta

Auditor:

Deloitte Audit Limited
Deloitte Place,
Mriehel Bypass,
Mriehel,
Birkirkara BKR3000
Malta

Errata corrigé to the Company Admission Document dated 12 December 2017

Further to our Company Admission Document dated 12 December 2017, the following are being amended in order to reflect a typo error:

1. Pages 17-18, the section titled 'Admission to Prospects' should read as follows: 'The Malta Stock Exchange has authorised the Bonds as admissible pursuant to the Prospects Rules by virtue of a letter dated 12 December 2017. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Company Admission Document to be admitted and traded on its Prospects List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 28 December 2017 and trading is expected to commence on 28 December 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.'
2. Page 24, the section titled 'General' should read: 'The Offer consists of two million Euro (€2,000,000) 4.875% Secured Bonds 2024, to be issued to the Bondholders pursuant to this Document and these Terms and Conditions. The Bonds shall be available for subscription during the Issue Period on a first-come-first-served basis.'

The Bonds being offered will be the object of an application for admission to Prospects.

The Bonds are expected to be admitted to Prospects on the 28 December 2017 and such date shall constitute the date of issue, allotment, as well as Admission of the Bonds.'

3. Page 86, Section 23.1 paragraph 1 should read: 'Each Bond forms part of a duly authorised issue of secured bonds 2024 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €2,000,000. The issue date of the Bonds is expected to be the 28 December 2017.'
4. Page 86, Section 23.1 paragraph 7 should read: 'The Bonds are expected to be admitted on the Prospects List on 28 December 2017 and dealing is expected to commence on 28 December 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.'
5. Page 95, Section 23.18 paragraph 3 should read: 'The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 28 December 2017 and trading is expected to commence on 28 December 2017. Dealing may commence prior to notification of the amount allocated being issued to Applicants.'