

This document comprises an admission document required by the rules of Prospects MTF (the market regulated as a multilateral trading facility operated by the Malta Stock Exchange (the "MSE" or "Exchange")). This document has been drawn up in compliance with the Prospects MTF Rules for the purpose of giving information with regards to the issue of the Bonds (as herein defined). This document does not comprise a document drawn up in terms of the EU Prospectus Directive (2003/71/EC) or for the purposes of the Listing Rules of the Listing Authority. In terms of article 2(3)(b)(v) of the Companies Act, Chapter 386 of the laws of Malta, this Bond Issue (as defined herein) does not constitute an offer of securities to the public and this document does not constitute a prospectus as defined in article 2(i) of the said Act.

COMPANY ADMISSION DOCUMENT

Dated 28th May 2019

In respect of an issue of

€5,000,000 5% Secured Bonds 2029

of a nominal value of €100 per Bond issued at par by

smartcare
FINANCE PLC

a public limited liability company registered in Malta with company registration number C 90123 with the joint and several Guarantee* of Smartcare Pinto Ltd (C 86395) and Smartcare Holdings Ltd (C 90121)

**Prospective investors are to refer to the Guarantee contained in Annex A of this Company Admission Document for a description of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" throughout this Company Admission Document for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantors.*

ISIN: MT0002251206

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APPROVED BY THE DIRECTORS



JACQUELINE
CAMILLERI



ANDREW
DEBATTISTA
SECOND



NORVAL DESIRA



IAN JOSEPH
STAFRACE



WILLIAM WAIT

IMPORTANT INFORMATION

THIS DOCUMENT CONTAINS INFORMATION ON SMARTCARE FINANCE PLC IN ITS CAPACITY AS ISSUER AND SMARTCARE PINTO LTD AND SMARTCARE HOLDINGS LTD AS GUARANTORS IN COMPLIANCE WITH THE PROSPECTS MTF RULES ISSUED BY THE MALTA STOCK EXCHANGE. APPLICATION HAS BEEN MADE TO THE EXCHANGE FOR THE BONDS TO BE ADMITTED TO TRADING ON PROSPECTS MTF. PROSPECTS MTF IS A MARKET DESIGNED PRIMARILY FOR EMERGING AND SMALLER COMPANIES TO WHICH A HIGHER INVESTMENT RISK TENDS TO BE ATTACHED. PROSPECTS MTF SECURITIES ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 5 JUNE OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT DATE FALLING DUE ON 5 JUNE 2020. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 5 JUNE 2029.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS ADMISSION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

THE MSE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY 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.

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A COPY OF THE ADMISSION DOCUMENT HAS BEEN SUBMITTED TO THE EXCHANGE IN SATISFACTION OF THE PROSPECTS MTF RULES. STATEMENTS MADE IN THIS 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 THE ADVISORS TO THE ISSUER AND THE GUARANTORS NAMED IN THIS ADMISSION DOCUMENT UNDER THE HEADING "ADVISORS AND STATUTORY AUDITORS" HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTORS IN RELATION TO THIS OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE ADMISSION DOCUMENT.

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

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

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1 DEFINITIONS

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

Act or Companies Act	the Companies Act, 1995 (Chapter 386 of the laws of Malta);
Admission Document, Company Admission Document or Document	this document in its entirety dated 28 May 2019;
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form and delivering same to the Placement Agent and Manager (defined below) in accordance with the terms of this Admission Document;
Application Form	the form of application for subscription to Bonds, a specimen of which is contained in Annex C of this Admission Document;
Appropriateness Test	shall have the meaning set out in sub-section 20.15 of this Document;
Bond(s)	€5,000,000 secured bonds due in 2029 of a nominal value of €100 per bond bearing an interest rate of 5% per annum, issued at par and redeemable on the Redemption Date at their nominal value. The Bonds are guaranteed by the Guarantors;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Calamatta Cuschieri Investment Services Limited	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta with company registration number C 13729 and having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta;
Care Home	the Care Home for the Elderly situated at 326, Mdina Road, Qormi, Malta, as better described in the property valuation annexed to this Admission Document and marked as Annex D and the parameters of which are shown on the Land Registry site plan attached to a deed of acquisition of property in the records of Notary Sam Abela dated the fourth day of October of the year two thousand and eighteen (04/10/18);
CET	Central European Time;
Collateral	the following security rights granted by Smartcare Pinto Ltd and Smartcare Holdings Ltd, as applicable, in favour of the Security Trustee for the benefit of Bondholders: i. a first ranking special hypothec over the Security Property in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed and the Deed of Hypothec. Smartcare Pinto Ltd owns the Security Property;

	<p>ii. a pledge by Smartcare Holdings Ltd over all of its shares held in Smartcare Pinto Ltd, from time to time, in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Pledge Agreement and the Security Trust Deed; and</p> <p>iii. a pledge over the proceeds from the Insurance Policy in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed;</p>
Company or Issuer	Smartcare Finance plc, a public limited liability company registered and existing under the laws of Malta with company registration number C 90123 and having its registered office at 326, Mdina Road, Qormi, Malta;
Corporate Advisor	Calamatta Cuschieri Investment Services Limited;
CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Deed of Hypothec	a deed to be entered into on or around 12 June 2019 by and between the Security Trustee, the Issuer and Smartcare Pinto Ltd in the acts of Notary Sam Abela whereby Smartcare Pinto Ltd constitutes in favour of the Security Trustee that part of the Collateral over the Security Property which according to law requires the execution of a notarial deed;
Directors or Board of Directors	the Directors of the Issuer as set out in sub-section 7.1 of this Admission Document;
Euro or €	the lawful currency of the Republic of Malta;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Financial Markets Act	the Financial Markets Act, Chapter 345 of the laws of Malta;
FY	financial year;
GDPR	The Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data;
Group or Smartcare Group	Smartcare Holdings Ltd and its wholly-owned subsidiary companies which, as at the date hereof, consist of the Issuer, Smartcare Pinto Ltd and Smartcare Properties Limited, principally involved in the business of healthcare for the elderly;
Guarantee	the joint and several guarantee dated 28 May 2019 granted by the Guarantors as security for the punctual performance of the Issuer's obligations under the Bond Issue. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to this Admission Document as Annex A;
Guarantors	Smartcare Pinto Ltd, a private limited liability company registered and existing under the laws of Malta with company registration number C 86395, jointly and severally with Smartcare Holdings Ltd, a private limited liability company registered and existing under the laws of Malta with company registration number C 90121. The registered office of each of the afore-mentioned companies is situated at 326, Mdina Road, Qormi, Malta;

Insurance Policy	The insurance policy providing for the full replacement value of the Care Home, the proceeds of which form part of the Collateral;
Interest	the Bonds shall bear interest from and including 5 th June 2019 at the rate of 5% per annum payable annually in arrears on the Interest Payment Dates;
Interest Payment Dates	annually, on the 5 th June of each year commencing on 5 th June 2020 and ending with and including the Redemption Date, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Issue Period	the period between 08:30 hours CET on 31 May 2019 and 12:00 hours CET on 5 th June 2019 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
Kai Investments Limited	Kai Investments Limited, a private limited liability company registered and existing under the laws of Malta with company registration number C 65586 and having its registered office at 326, Mdina Road, Qormi, Malta;
Listing Authority	the Board of Governors of the Malta Financial Services Authority, appointed as the 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	the listing rules issued by the Listing Authority, as may be amended from time to time;
Malta Stock Exchange Bye-Laws	the bye-laws of the Exchange issued by the authority of the board of directors of the Exchange, as may be amended from time to time;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, Chapter 330 of the laws of Malta;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Placement Agent and Manager	Calamatta Cuschieri Investment Services Limited;
Pledge Agreement	the pledge of shares agreement to be dated on or around 12 June 2019 to be entered into by and between the Issuer, Smartcare Pinto Ltd, Smartcare Holdings Ltd and the Security Trustee pursuant to which Smartcare Holdings Ltd is to grant a pledge over all of its shares held in Smartcare Pinto Ltd, from time to time, in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed;
PMLFT Regulations	Prevention of Money Laundering and Funding of Terrorism (PMLFT) Regulations made under the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta);
Prospects MTF Market or Prospects MTF	the market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up and growth for small to medium-sized enterprises to float their capital (including equity or debt) on the market;

Prospects MTF Rules or Rules	the rules issued by the board of directors of the Malta Stock Exchange, in exercise of the powers conferred on it by the Financial Markets Act (Chapter 345 of the laws of Malta), regulating the Prospects MTF Market;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
Prospects MTF List	the list prepared and published by the Malta Stock Exchange as the list indicating the companies admitted to Prospects MTF in accordance with the Prospects MTF Rules;
Redemption Date	5 th June 2029;
Redemption Value	redemption at par;
Security Property	the immovable property comprising the Care Home;
Security Trust Deed	the security trust deed to be entered into post issuance of this Document by and between the Issuer, Smartcare Pinto Ltd, Smartcare Holdings Ltd and the Security Trustee in connection with the granting of the Collateral;
Security Trustee	GVZH Trustees Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 23095 and having its registered office at 192, Old Bakery Street, Valletta VLT 1455, Malta, duly authorised and qualified to act as a trustee or co-trustee in terms of article 43(3) of the Trusts and Trustees Act (Chapter 331 of the laws of Malta), in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed;
Small and medium-sized enterprises or SMEs	enterprises as defined in section 2 (1) of the Companies Act, that is, companies which, according to their last annual or consolidated accounts, meet at least two of the following three criteria: <ul style="list-style-type: none"> - an average number of employees, during the financial year, of less than two hundred and fifty (250), - a total balance sheet not exceeding forty-three million euro (€43,000,000), - an annual net turnover not exceeding fifty million euro (€50,000,000);
Smartcare Holdings Ltd or SHL	Smartcare Holdings Ltd, a private limited liability company registered and existing under the laws of Malta with company registration number C 90121 and having its registered office situated at 326, Mdina Road, Qormi, Malta, a Guarantor;
Smartcare Pinto Ltd or SPL	Smartcare Pinto Ltd, a private limited liability company registered and existing under the laws of Malta with company registration number C 86395 and having its registered office situated at 326, Mdina Road, Qormi, Malta, a Guarantor;
Smartcare Properties Limited	Smartcare Properties Limited, a private limited liability company registered and existing under the laws of Malta with company registration number C 90122 and having its registered office situated at 326, Mdina Road, Qormi, Malta;
Smartcare Security Trust	the trust established in virtue of the Security Trust Deed;
Suitability Test	shall have the meaning as set out in sub-section 20.15 of this Document;
Summary	a summary of the salient features of this Document, as contained in the section entitled “Summary” hereunder;

Terms and Conditions	the terms and conditions of the Bonds contained in this Document under the heading “Terms and Conditions of the Bonds”.
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All references in this Document to “Malta” are to the “Republic 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, organisations, 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; and
- 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

The following summary should be read as an introduction to the Admission Document. Essentially, this summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered in terms of this Admission Document. Any decision to invest in the Bonds should be based on a consideration of the Admission Document as a whole. This summary 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 alone in making a decision as to whether to invest in the securities described in this Document. Any decision to invest in the Bonds should be based on consideration of the Admission Document as a whole by the investor.

Civil liability attaches to those persons who have tabled the summary and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Admission Document.

Section A – Information regarding the Issuer and Guarantors

A.1 Legal and commercial name of the Issuer and Guarantors - The legal and commercial name of the Issuer is Smartcare Finance plc (registration number C 90123). The legal and commercial name of each of the Guarantors is Smartcare Pinto Ltd (registration number C 86395) and Smartcare Holdings Ltd (registration number C 90121).

A.2 Domicile and legal form of the Issuer and Guarantors – The Issuer was registered in Malta as a public limited liability company on the 7th January 2019. The Issuer is domiciled in Malta. SPL was registered in Malta in terms of the Act on the 21st May 2018 as a private limited liability company and is domiciled in Malta. SHL was registered in Malta in terms of the Act on the 7th January 2019 as a private limited liability company and is domiciled in Malta.

A.3 Nature of operations and principal activities - The principal object of the Issuer is to carry on the activities of a finance company. The Issuer itself does not have any substantial assets and is a special purpose vehicle that was set up specifically to act as the finance company for the Smartcare Group.

SPL was established with the principal object of owning, managing and operating a private health care residence including by the provision of all equipment, facilities and care-giving in connection with and ancillary to the running of the residence. SPL is empowered in terms of its Memorandums of Association to guarantee or secure the performance of any obligations or commitments, including obligations on the payment of money, by any person, company or corporation.

SHL was established with the principal object of subscribing for, taking, purchasing, selling, investing in, exchanging or otherwise acquiring, holding, managing, developing, dealing with and turning into account any bonds, debentures, shares (whether fully paid or not), stocks, options or securities of governments, states, municipalities, public authorities or public or private, limited or unlimited companies, and whether on a cash or margin basis and including short sales and to lend or borrow money against the security of such bonds, debentures, shares, stocks, options or other securities. SHL is empowered in terms of its Memorandums of Association to guarantee, support or secure the performance of any obligations or commitments, including obligations on the payment of money, by any person, company or corporation.

As the Issuer does not carry out any trading activities itself, it is economically dependent on the business prospects of the Smartcare Group, the core operations of which are the ownership, management and operation of the Care Home located in Qormi, Malta.

The Group, through its operating company Smartcare Pinto Ltd, own and operates the Care Home. The Care Home stretches between two parallel streets in Qormi, spanning from Triq Guze Duca on one end to Triq I-Imdina at the other end. The property has a street frontage of approximately 29 metres on Triq Guze Duca and approximately 13 metres on Triq I-Imdina. The original approved permit allowed for the home to have 32 residents' rooms, for a total of 78 beds. The Care Home includes a Chapel, a dining room, a kitchen and other amenities. The basement of the property houses 13 car parking spaces accessed by a ramp leading to Triq I-Imdina. Originally, the property over which the Care Home has been built was spread over five floors starting at basement level (garage) and ending at third floor level, that is receded from the two street facades.

The gross floor area of the basement garage and the ground floor measures approximately 710 square meters. The gross floor area of the first and second floor is of 650 square meters each and the gross floor area of the receded level is of 480 square meters. The gross floor area of the total development spread over all five floors is approximately 3,200 square metres. However, in line with an additional approved permit, Smartcare Pinto Ltd extended the receded floor to form a full floor, as well as the addition of a further full floor and a recessed floor. With this extension, the Care Home increased its total floor area by 1,390 square meters. This also resulted in an additional 70 beds, bringing the total number of beds within the Care Home up to 148 beds, which will be duly licenced.

As regards to the occupancy of the Care Home, Smartcare Pinto Ltd is negotiating an agreement with the Government of Malta for the take-up of all of the beds within the Care Home, pursuant to which the Care Home will have the Government of Malta as its only customer. The agreement with the Government of Malta will have a five (5) year term, upon the expiry of which the Government of Malta will have the option to renew the agreement for a further 5 years. In line with prevailing healthcare industry practices where the Government of Malta is procuring elderly care home services, it is expected that admission of residents to the Care Home under a Government procurement arrangement will take place in a phased approach with the Government upon initiation of the contract, committing to 60 beds. It is expected that from September 2019 onwards 88 beds will be occupied, with the Care Home reaching full occupancy around the end of the year 2019.

In the eventuality that an agreement is not reached with the Government of Malta or that it does not elect to renew the agreement for a further five years the company will market its products and services to the general

public. The Group's forecasts and projections are not expected to be altered significantly if an agreement is not reached with the Government of Malta due to the large demand in the sector within which the Group operates.

A.4 Shareholding structure – The authorised and issued share capital of the Company is of forty-eight thousand Euro (€48,000) divided into forty-eight thousand (48,000) Ordinary shares of one Euro (€1.00) each, fully paid up, which are subscribed and held by Smartcare Holdings Ltd as to 47,999 Ordinary shares of €1.00 each and by Andrew Debattista Segond as to 1 Ordinary share of €1.00. SPL has an authorised and issued share capital of €1,200 divided into 1,200 Ordinary shares of €1 each, which are subscribed to and allotted as fully paid up shares, all of which are held by SHL. In turn, SHL has an authorised and issued share capital of €1,200 divided into 1,200 Ordinary shares of €1 each, which are subscribed to and allotted as fully paid up shares, all of which are held by Andrew Debattista Segond.

A.5 Significant recent trends

Trend Information of the Issuer

The principal object of the Issuer, which was set up and established to act as the finance company of the Smartcare Group, is to carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of the business activities of the Group, whether in Malta or overseas, and for such purpose:

(A) (i) to lend or advance money or otherwise give credit to any company now or hereinafter forming part of the Group, with or without security and otherwise on such terms as the directors may deem expedient; and (ii) to invest and deal with the moneys of the company and any company now or hereinafter forming part of the Group in or upon such investments and in such manner as the directors may, from time to time, deem expedient.

(B) To borrow or raise unlimited sums of money in such manner as the Issuer may think fit and in particular by the securitisation of any receivables or other assets of the Issuer, by the issue of bonds, debentures, commercial paper, notes or other instruments creating or acknowledging indebtedness, and to offer same on sale to the public, and to secure the repayment of any money borrowed or raised and any interest payable thereon by the hypothecation or the creation of any other charge upon the whole or part of the moveable and immovable property of the Issuer, present and future.

In this regard, the issue of the Bonds falls within the objects of the Issuer.

In view of the Issuer's purpose of acting as a financing company to the Group, its business is limited to the raising of capital for the financing of capital projects and the loaning of such capital to Group companies, the collection of interest from Group entities and the settlement, in turn, of interest payable on capital raised from third parties.

The Issuer is dependent on the business prospects of the Group and, therefore, the trend information of the Group companies (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 incorporation.

Trend Information of the Group (including the Guarantors)

As at the time of publication of this Admission Document, the Group considers that generally it shall be subject to the normal risks associated with the healthcare industry in which the Group operates predominantly, and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Group and its business, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors set out in section 3 of this Document.

The population in Malta continues to grow steadily year by year, mainly due to both immigration and an increase in life expectancy for both genders. As per the National Statistics Office's records in 2016, the life expectancy for males and females was estimated at around 79 years and 83 years, respectively, an increase of around three years for men and two years for women since 2001. Demographic statistics show that the population in Malta is ageing considerably. As at July 2016, the population aged 65 years and above comprised 19% (82,741) of the total population of 434,403, an increase of 5% from the 14% recorded in 2006¹. Moreover, it is forecasted that the proportion of people over 65 years of age will increase to 31% by 2060.

On the same note, according to the '2012 Ageing Report' prepared by the European Commission and the Economic Policy Committee, the proportion of elderly population aged 65 years and over will be rising by an average of eight percent every five years from 2010 to 2060.

Due to shifts in the current labour force, elderly people are now finding it difficult to find relatives who dedicate their time to care for them. The data provided by Jobsplus as of August 2016 show that over a period of just one year, the labour supply increased by 3.4%² - making up 42.6% of the total population, following a 3.2% increase recorded in 2015³, which made up 39.3% of the total population. However, the availability of elderly homes with spare beds currently presents a challenge in Malta.

All things being equal, the demand for nursing home beds will probably increase in the same proportion as the elderly population in need of institutional care. It is estimated that on average, 300 new beds a year are required to keep up with the anticipated demand. It should be noted further that as at September 2015, the waiting list for admission into elderly homes stood at 1,551 persons⁴, an increase of 40% when compared to the 1,107 people on the waiting list in 2011. This despite an increase of 1,412 available beds during that period from 3,660 to 5,072 beds⁵.

A.6 Organisational Structure - The organisational structure of the Group of companies of which the Issuer and the Guarantors form part, as at the date of the Admission Document, is illustrated in the diagram below:

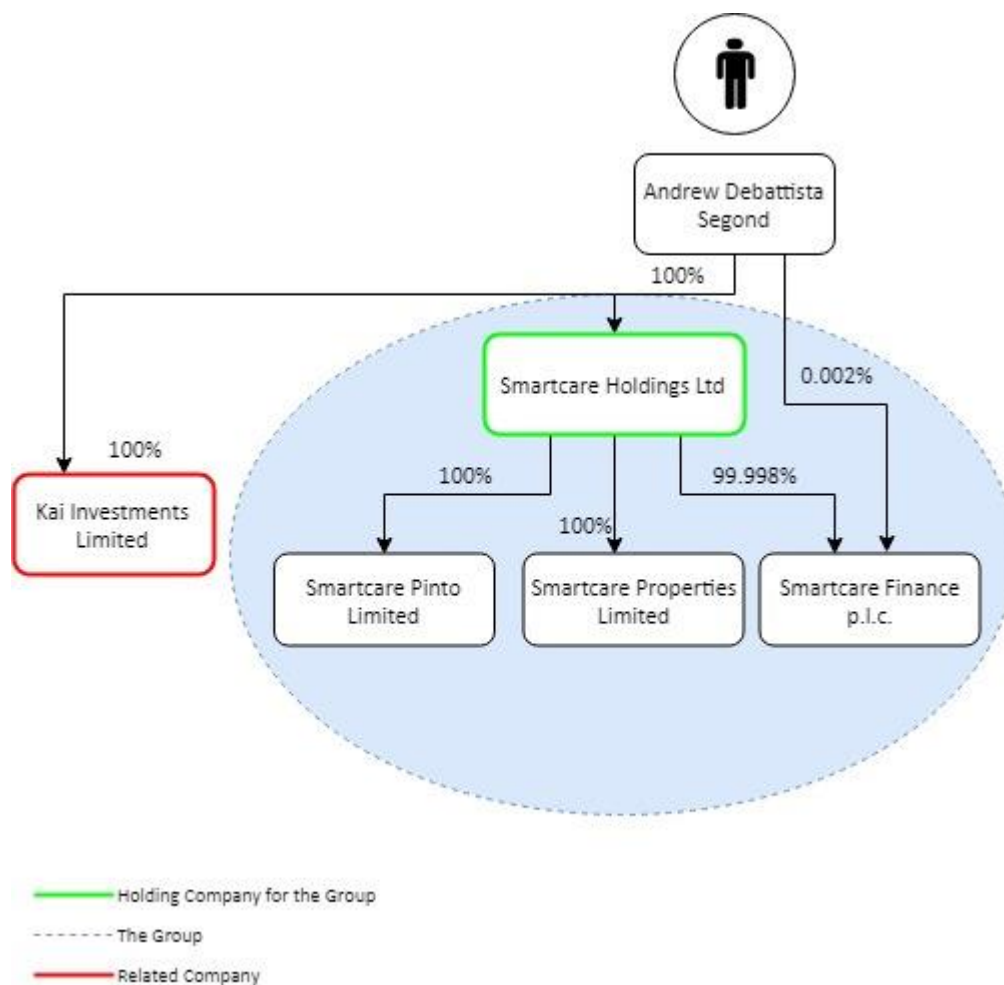
¹ https://nso.gov.mt/en/News_Releases/Archived_News_Releases/Documents/2014/News2014_131.pdf

² https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C2/Labour_Market_Statistics/Documents/2017/News2017_027.pdf

³ https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C2/Labour_Market_Statistics/Documents/2016/News2016_024.pdf

⁴ [https://opm.gov.mt/en/Documents/Public%20Consultations/old%20people%20home\[1\].pdf](https://opm.gov.mt/en/Documents/Public%20Consultations/old%20people%20home[1].pdf)

⁵ [https://opm.gov.mt/en/Documents/Public%20Consultations/old%20people%20home\[1\].pdf](https://opm.gov.mt/en/Documents/Public%20Consultations/old%20people%20home[1].pdf)



Mr Andrew Debattista Segond ultimately, through Smartcare Holdings Ltd, owns 100% of the Group.

A.7 Summary of Historical Financial Information - The Issuer was set up on the 7th January 2019 and since its incorporation up to the date of this Admission Document, no financial statements have been prepared. There has not been any significant change in the financial or trading position of the Issuer which has occurred since the Company's date of incorporation. SPL and SHL were set up on the 21st May 2018 and the 7th January 2019, respectively, and since their respective incorporation up to the date of this Admission Document, no financial statements have been prepared in respect of either of said entities. There has not been any significant change in the financial or trading position of SPL and/or SHL which has occurred since each company's respective date of incorporation.

Section B – The Securities

B.1 Type and class of securities – The Issuer shall issue an aggregate of €5,000,000 in secured Bonds having a face value of €100 per Bond, subject to a minimum amount per subscription of €2,000 and in multiples of €100 thereafter. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading on Prospects MTF List, the Bonds will have the following ISIN: MT0002251206. The Bonds shall bear interest at the rate of 5% per annum. The Bonds shall be repayable in

full upon maturity on the 5th June 2029 (together with interest accrued to the date fixed for redemption) unless previously re-purchased and cancelled. The Bonds shall be guaranteed jointly and severally by the Guarantors pursuant to the terms of the Guarantee.

B.2 **Currency** - The Bonds are denominated in Euro (€).

B.3 **Transferability** - The Bonds are freely transferable and, once admitted to the Prospects MTF List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

B.4 **Rights attached to the Bonds** - There are no special rights attached to the Bonds other than the right of the Bondholders to:

- the payment of interest;
- the payment of capital as and when due;
- the benefit of the Collateral through the Security Trustee, in accordance with the provisions of sub-section 19.6 of this Document;
- ranking with respect to other indebtedness of the Issuer and the Guarantors in accordance with the provisions of sub-section 19.4 of this Document;
- seeking recourse from the Guarantors pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds;
- attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- enjoy all such other rights attached to the Bonds emanating from the Admission Document.

The Bonds constitute the general, direct and unconditional obligations of the Issuer, guaranteed by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference, among themselves and with other unsecured debtors of the Issuer and SHL but with priority and preference over unsecured debtors of SPL, if any.

For the purposes of the Guarantee, the Guarantors jointly and severally irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions the Bonds as and when the same shall become due under any of the terms and conditions of this Document, the Guarantors will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. The joint and several obligations of the Guarantors under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

The Bonds are secured and, accordingly, Bondholders shall have the benefit of the Collateral in accordance with the terms of the Security Trust Deed, as set out in sub-section 19.6 of this Admission Document. The security shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the CSD.

The Bonds will be secured by, and Bondholders shall have the benefit of, the following security rights granted by Smartcare Pinto Ltd and Smartcare Holdings Ltd, as applicable, in favour of the Security Trustee:

- i. a first ranking special hypothec over the Security Property in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed and the Deed of Hypothec;

- ii. a pledge by Smartcare Holdings Ltd over all of its shares held in Smartcare Pinto Ltd, from time to time, in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Pledge Agreement and the Security Trust Deed; and
- iii. a pledge over the proceeds from the Insurance Policy in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed.

Specifically, the Issuer, Smartcare Pinto Ltd and Smartcare Holdings Ltd have entered into a Security Trust Deed with the Security Trustee which sets out the covenants of the Issuer to pay the principal amount under the Bonds on the Redemption Date and interest thereon on each Interest Payment Date in terms of this Admission Document, the Pledge Agreement, the hypothecary rights under the Deed of Hypothec, the rights under the pledge relating to the Insurance Policy and all other ancillary rights and benefits enjoyed by the Security Trustee (for the benefit of Bondholders) under the Security Trust Deed. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Bonds.

The Security Trustee's role includes the holding of the Collateral for the benefit of the Bondholders and the enforcement of the said Collateral upon the happening of specified events of default. The Security Trustee shall have no payment obligations to Bondholders under the Bonds, which obligations remain exclusively the obligations of the Issuer.

Without prejudice to other powers and discretions of the Security Trustee in terms of the Security Trust Deed, the Security Trustee shall have the discretion to enforce the Collateral on its own accord or upon receiving notice from the Bondholders that any of the Events of Default has occurred in accordance with the provisions of this Admission Document.

No provision contained in this Admission Document, the Deed of Hypothec, the Pledge Agreement and/or the Security Trust Deed shall be construed as creating or otherwise acknowledging any obligation on the part of the Security Trustee in favour of the Bondholders for any payments that may fall due under the Bonds.

The outstanding aggregate amount of bank facilities to be re-financed through this Bond issue is €1,900,000 as at the date of the Company Admission Document. Once the outstanding bank facilities referred to in sub-section 18.1 are refinanced through the application of Bond Issue proceeds as aforesaid, the Security Property will, through the appropriate cancellations, reductions and/or waivers (as applicable), be released from all charges currently encumbering the Security Property, and such charges shall effectively be replaced by the Collateral being created in favour of the Security Trustee for the benefit of Bondholders. The Security Trustee shall obtain the Collateral over the relevant immovable property constituting the Security Property that had previously secured the bank funding being refinanced.

By creating a preferred claim over the Security Property, the Collateral will secure the claim of the Security Trustee, for the benefit of and in the interest of Bondholders, for the repayment of the principal and interest due and accruing under the Bonds. Accordingly, following the issue of the Bonds and application of the Bond Issue proceeds in accordance with the terms of this Admission Document as well as the release of the existing security in place over the Security Property, the Security Trustee will have the benefit of a first ranking special hypothec over the Security Property for the full amount of the Bonds and interest thereon.

Process for creation of the Collateral and release of Bond Issue proceeds

The net Bond Issue proceeds shall be transferred to the Security Trustee on or around 12 June 2019 to be held on escrow by the Security Trustee in terms of an escrow agreement to be entered into for this purpose. The Bond Issue proceeds to be allocated to the bank refinancing referred to in sub-section 18.1 shall be released by the Security Trustee, acting in its capacity as escrow agent, to Smartcare Pinto Ltd and/or Lombard Bank, as may be applicable, on condition that: (i) it receives appropriate assurance that publication and registration of the necessary notarial deeds for the cancellation of the existing charges over the Security Property, and the simultaneous publication and registration of the Deed of Hypothec pursuant to which all security over the Security Property for the benefit of Bondholders is to be duly perfected and registered, will be effected once

the outstanding bank facilities referred to in sub-section 18.1 are refinanced through the application of Bond Issue proceeds; (ii) the Pledge Agreement is duly and properly executed and registered with the competent authorities; (iii) the pledge on proceeds from the Insurance Policy is duly and properly executed; and (iv) confirmation that the Bonds will be admitted to the Prospects MTF List by no later than 12th June 2019 is communicated to the Security Trustee.

With reference to item (i) above:

- (I) Smartcare Pinto Ltd shall appear on notarial deeds to repay an outstanding loan due to Lombard Bank, which as at 31st March 2019 amounted to €1,200,000 and to repay an overdraft at Lombard Bank which as at 31st March 2019 amounted to €700,000. Pursuant to these deeds, the Security Trustee would be in a position to obtain the Collateral over the Security Property which, as at the date hereof, secures the existing bank funding; and
- (II) the Issuer, Smartcare Pinto Ltd and the Security Trustee will simultaneously enter into another notarial deed (the Deed of Hypothec) pursuant to which Smartcare Pinto Ltd shall constitute a first ranking special hypothec over the Security Property.

Following registration of the notarial deeds described in (I) and (II) above and the presentation to the Security Trustee of the appropriate notes of hypothec together with the execution of the Pledge Agreement, and upon the Bonds being admitted to the Prospects MTF List, the Security Trustee shall release the remaining balance of the net Bond Issue proceeds, equivalent to circa €2,900,000, to be applied for the purposes specified in sub-section 18.1.

B.5 Interest - The Bonds shall bear interest from and including the 5th June 2019 till the 5th June 2029 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 5th June 2020, provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is five percent (5%).

Section C – Risks

C. 1 Essential information on the key risks specific to the Issuer, the Group (including the Guarantors) and its business:

- i. **New Operation – The Company was incorporated on the 7th January 2019. As at the date of the Document, the Issuer has no history of trading operations.**
- ii. **Concentration of shareholding - The Group is ultimately entirely owned by Mr Andrew Debattista Segond, resulting in effective control over the Issuer and Group companies being exercised by Mr Debattista Segond. Mr Debattista Segond is considered to be of key importance to both the Issuer and the Group.**
- iii. **The healthcare industry and the operation of the Care Home - The Smartcare Group, through Smartcare Pinto Ltd which owns and operates the Care Home, is principally involved in the healthcare industry having commenced operations of the Care Home in December 2018, pursuant to which the Group will be subject to general business risks inherent in the provision of accommodation and care for elderly persons, including: (i) operations may be affected by changing consumer preferences, fluctuations in occupancy levels, increases in labour costs and other operating costs, competition from or the oversupply of other similar properties offering accommodation and care for elderly persons and general economic conditions; and (ii) if the Care Home is not sufficiently successful in**

recruiting and retaining medical and nursing staff, its cost structure and profitability, but also its reputation and offering on the local market, will suffer.

- iv. **Fixed costs** - The Group may not be able to reduce the Care Home's fixed costs rapidly in response to any reduction in revenue or increase in variable expenses.
- v. **Substitute products** – The Group's financial performance might be negatively affected by the growing success of alternative healthcare solutions.
- vi. **Regulations governing the Group's operations** - The Group is exposed to possible fines for breaches of applicable regulations which carry both a financial as well as a reputational risk.
- vii. **Risks related to labour force supply** – It is becoming increasingly difficult to engage personnel when and as required and this may erode revenues because of lost business and hampered growth. The lack of human resource supply could also fuel unsustainable increases in pay, which would affect the industry's profits and erode the Group's overall competitiveness.
- viii. **Exposure to general market conditions** - The health of the market in which the Group operates may be affected by a number of factors such as global economy, political developments and government regulations.
- ix. **Reliance on key senior personnel and management** - The Group's growth is, in part, attributable to the efforts and abilities of key personnel of the Group. If one or more of these individuals were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Group's business, financial condition and results of operations.
- x. **Reputational risk** - Reputational risk could materially and adversely affect the Group's ability to retain or attract customers, adversely affecting the Group's operations, financial condition and prospects.
- xi. **Litigation risk** - All industries, including the industry in which the Group operates, are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit.
- xii. **Illiquidity of property assets** - In view of the fact that the Group is, in part, a property holding organisation, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions.
- xiii. **Property valuation** - The valuation referred to in the Admission Document is prepared by an independent qualified architect in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors (RICS). In providing a market value of the Care Home, the independent architect has made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can be no assurance that such property valuation and property-related assets will reflect actual market values that could be achieved upon a sale, even where any such sale were to occur shortly after the valuation date.
- xiv. **Risks relating to property rental investments and operations** - The Group is, in part, subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease. In cases of early termination by tenants

prior to the expiration of the lease term there is a risk of loss of rental income if the tenant is not replaced in a timely manner. A decline in occupancy levels and/or the re-letting of property at less favourable terms than the current lease terms could adversely impact rental income and operating performance of the Group.

- xv. **Insurance policies** – With respect to losses for which the Group is covered by its insurance policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.
- xvi. **Operational risk** - The success of the Group depends in large part on the ability of management to effectively control its operations and maintain its capacity through effective marketing of its products and quality management. Should this be negatively impacted, it could have an adverse effect on the business performance of the Group.

Furthermore, the Group may not always be in a position to secure sufficient funding for its operations and investments. Failure to obtain, or delays in obtaining, the necessary capital required for the purposes of financing its working capital needs or future projects on commercially reasonable terms may adversely affect the Group's operations and prospects.

The Group's operating and other expenses could increase without a corresponding increase in turnover or revenue.

- xvii. **The intrinsic nature of the industry** in which the Group operates could give rise to health and safety risks which require the Group to adhere rigidly to health and safety regulations. Any failure to comply with such rules may entail hefty penalties as well as expose the Group to litigation and the costs associated with claims for damages, thereby also negatively affecting the Group's reputation.
- xviii. **Performance risk** - The success of the Group depends in large part on the ability of management to effectively control its operations and maintain its capacity through effective marketing of its products and quality management. Specifically, SPL is in the process of negotiating a commercial agreement with the Government of Malta which will expire during the life of the Bonds. Failure to execute the agreement initially or renew this agreement on favourable terms could negatively affect the performance of the Group and its ability to meet its obligations. Should the agreement with the Government of Malta not be executed or renewed, the Group will be exposed to a more volatile financial performance as the result of the marketing of its' products and services to the general public.

C.2 Essential information on the key risks specific to the Bonds

- i. **No assurance of an active secondary market in the Bonds** - Upon successful admission, the Bonds may 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.
- ii. **Prior to the Bond Issue**, there has been no public market nor 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.

- iii. **Fluctuations in exchange rate** - A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of the Bonds (€) and the Bondholder's currency of reference, if different.
- iv. **Additional indebtedness and security** - Save for the applicable limitations set out in this Admission Document, the Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).
- v. **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.
- vi. **Fixed rate bonds** - The Issuer is entitled to issue Bonds bearing a fixed rate of interest which 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 the fixed rate Bonds moves adversely to changes in interest rates.
- vii. **Discontinuation of Trading on Prospects MTF** - After the Bonds are admitted to trading on Prospects MTF, the Issuer is required to remain in compliance with certain requirements emanating from the Prospects MTF Rules as issued by the Exchange and 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 MTF. Any such trading suspensions described above could have a material adverse effect on the liquidity and value of the Bonds.
- viii. **Value of the Bonds** - The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.
- ix. **Ranking and Security** - The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer, guaranteed jointly and severally by the Guarantors, and shall be secured by means of the Collateral granted in terms of the Security Trust Deed. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and with other unsecured debtors of the Issuer and SHL but with priority and preference over unsecured debtors of SPL, if any.

Furthermore, subject to the negative pledge clause (sub-section 19.5 of this Admission Document), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

Whilst the Security Trust Deed grants the Security Trustee a right of preference and priority for repayment over the Security Property, there can be no guarantee that the value of the Security Property (or other properties forming part of the Group's portfolio that may from time to time replace or be added to the Security Property, as currently constituted, as explained in sub-section 19.6 of this Admission Document) over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors, not least of which general economic factors that could have an adverse impact on the value of the Security Property. If such circumstances were to arise or subsist at the time that the Collateral is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds. Furthermore, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of each of the Issuer, the Guarantors and other Group companies which may rank with priority or preference to the Collateral. In view of the fact that the Bonds are being guaranteed by the Guarantors on a joint and several basis, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Bonds if the Company fails to meet any amount when due in terms of the Admission Document. The joint and several Guarantee also

entitles the Bondholders to take action against the Guarantors without having to first take action against the Company. The strength of this undertaking on the part of the Guarantors and, therefore, the level of recoverability by the Bondholders from the Guarantors of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantors.

- x. **Conditions precedent** - The attention of prospective investors in the Bonds is drawn to the fact that the issue and allotment of the Bonds is conditional upon the Collateral being constituted in favour of the Security Trustee and that, in the event that the aforesaid condition is not satisfied, the Security Trustee shall return Bond Issue proceeds to Bondholders.
- xi. **Credit rating** - Neither the Issuer nor the Guarantors have sought, nor do they 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.
- xii. **Terms and Conditions** - The Terms and Conditions of the Bonds are based on Maltese law in effect as at the date of this Document and a change in Maltese law may have an effect on the terms 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, with MSE's prior approval for as long as the Bonds are admitted to Prospects MTF. The provisions relating to meetings of Bondholders 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.

Section D – Offer

D.1 Use of Proceeds - The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €4,800,000, will be used by the Issuer for the following purposes, in the following amounts and order of priority:

1. an amount of €1,520,000 will be loaned by the Issuer to Smartcare Pinto Ltd for the purpose of the latter repaying Kai Investments Limited, a related company, which was contracted to undertake the finishing works and the acquisition of the equipment for the Care Home;
2. an amount of €1,200,000 will be loaned by the Issuer to Smartcare Pinto Ltd for the purpose of the latter repaying an outstanding financing facility taken out with Lombard bank, which was originally used to finance the acquisition of the Care Home;
3. an amount of €700,000 will be loaned by the Issuer to Smartcare Pinto Ltd for the purpose of the latter repaying an overdraft facility taken out with Lombard bank, which was originally used to finance the acquisition of the Care Home;
4. an amount of €600,000 will be loaned by the Issuer to Smartcare Properties Limited for the purpose of the latter acquiring and finishing an apartment in Sliema which will be rented out to third parties, defined as "New Penthouse" as per section 2 of the Property Valuation Report in Annex D; and
5. the remaining amount of €780,000 will be loaned by the Issuer to Smartcare Holdings Ltd to be used for the general corporate funding purposes of the Smartcare Group.

In the event that the Bond Issue is not fully subscribed, but subject in all cases to the Minimum Amount of €3,750,000 being subscribed, the Issuer will proceed with the admission of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

For the purposes of (1), (2) and (3) above, a loan agreement dated 24 May 2019 has been entered into by and between the Issuer (as lender) and Smartcare Pinto Ltd (as borrower). Such loan agreement is conditional upon the issue and allotment of the Bonds, which, in turn, is conditional upon: the Bonds being admitted to the Prospects MTF List and the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed.

For the purposes of (4) above, a loan agreement dated 24 May 2019 has been entered into by and between the Issuer (as lender) and Smartcare Properties Limited (as borrower). Such loan agreement is conditional upon the issue and allotment of the Bonds, which, in turn, is conditional upon: the Bonds being admitted to the Prospects MTF List and the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed.

For the purposes of (5) above, a loan agreement dated 24 May 2019 has been entered into by and between the Issuer (as lender) and Smartcare Holdings Ltd (as borrower). Such loan agreement is conditional upon the issue and allotment of the Bonds, which, in turn, is conditional upon: the Bonds being admitted to the Prospects MTF List and the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed.

The issue and allotment of the Bonds is conditional upon:

- (i) the Bonds being admitted to the Prospects MTF List;**
- (ii) the Guarantee being granted in terms of Annex A of this Admission Document; and**
- (iii) the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed.**

In the event that any of the aforesaid conditions is not satisfied, the Security Trustee shall, through the Placement Agent and Manager, return the proceeds of the Bond Issue to the Bondholders.

D.2 Subscription – The Issuer has appointed Calamatta Cuschieri as Placement Agent and Manager for the purposes of this Bond Issue and interested investors may contact the Placement Agent and Manager for the purposes of subscribing to Bonds during the Issue Period. Applications for subscriptions to the Bonds will be processed at the discretion of the Placement Agent and Manager and the offer may close earlier than that indicated in the timetable in the event of over-subscription.

The Bonds are open for subscription to all categories of investors, provided that the Placement Agent and Manager 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 and Manager unless, based on the results of such Appropriateness Test, the Placement Agent and Manager is satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that the Placement Agent and Manager is providing advice in respect of a purchase of the Bonds by an Applicant, the Placement Agent and Manager 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.

In any case the Placement Agent and Manager shall ensure that subscribers to the Bonds are duly warned about the Risk Factors involved with investing in the Bonds and subscribers shall confirm that they have been so warned.

The Bond Issue is not underwritten. Should subscriptions for a total of at least €3,750,000 (the "Minimum Amount") not be received, 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 Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed.

The total amount of €5,000,000 of Bonds is being reserved for subscription by the Placement Agent and Manager participating in the Placement Offer. The Issuer has entered into a conditional subscription agreement with the Placement Agent and Manager for the subscription of Bonds, whereby it has bound itself to allocate Bonds thereto up to the total amount of €5,000,000 as aforesaid.

In terms of said subscription agreement entered into with the Placement Agent and Manager, the Issuer is conditionally bound to issue, and the Placement Agent and Manager is conditionally bound to subscribe to, up to the total amount of €5,000,000 of Bonds as indicated therein, each subject to the Minimum Amount of €3,750,000 being subscribed.

D.4 Fees - Professional fees and costs related to publicity, advertising, printing, fees relating to the admission to trading on Prospects MTF, registration, corporate advisor, management, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €200,000 and shall be borne by the Issuer.

D.5 Interest of natural and legal persons involved in the Issue - Save for the subscription for Bonds by the Placement Agent and Manager and any fees payable to the Placement Agent and Manager in connection with the Bond Issue, to the best of the Issuer's knowledge no person involved in the Issue has an interest material to the Bond Issue.

D.6 Expected timetable of principal events

1. Application Forms available	28 th May 2019
2. Issue Period	31 th May to 5 th June 2019
3. Issuance of Bonds	5 th June 2019
4. Commencement of interest on Bonds	5 th June 2019
5. Expected date of constitution of Collateral	12 th June 2019
6. Announcement of basis of acceptance	5 th June 2019
7. Expected dispatch of allotment advices and refunds of unallocated monies, if any	5 th June 2019
8. Expected date of admission of the Bonds to Prospects MTF List	12 th June 2019
9. Expected date of commencement of trading in the Bonds	13 th June 2019

The Issuer reserves the right to close the subscription lists before the 5 June 2019 in the event of over-subscription. In this event, the events mentioned in steps three (3) to nine (9) above, both included, shall be brought forward although the number of working days between the respective events shall not also be altered.

3 RISK FACTORS

THE VALUE OF INVESTMENTS, INCLUDING THE BONDS, 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, UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED OR CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE, UNLESS PREVIOUSLY RE-PURCHASED OR CANCELLED. 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 ADMISSION DOCUMENT, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTORS ARE IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES. IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTORS' FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER AND/OR GUARANTORS TO FULFIL THEIR RESPECTIVE OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AND THE GUARANTORS AS AT THE DATE OF THIS ADMISSION DOCUMENT 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 AND/OR GUARANTORS' DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR THE GUARANTORS THAT COULD LEAD TO A DECLINE IN VALUE OF THE SECURITIES.

NEITHER THIS ADMISSION DOCUMENT NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTORS, THE CORPORATE ADVISOR, THE SECURITY TRUSTEE OR THE PLACEMENT AGENT & MANAGER THAT ANY RECIPIENT OF THIS DOCUMENT OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE ADMISSION DOCUMENT OR ANY BONDS, 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.

3.1 Forward – Looking Statements

The Admission Document contains forward-looking statements that include, among others, statements concerning the Issuer's and Guarantors' strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and/or Guarantors' control.

Important factors that could cause actual results to differ materially from the expectations of the Issuer's and/or Guarantors' directors include those risks identified under this heading "*Risk Factors*" and elsewhere

in the Admission Document. If any of the risks described were to materialise, they could have a serious effect on the Issuer's, the Guarantors' and the Group's financial results, trading prospects and the ability of the Issuer and/or the Guarantors to fulfil their respective obligations under the securities to be issued.

Accordingly, the Issuer and Guarantors caution prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or the Guarantors with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

Prospective investors are advised to read the Admission Document in its entirety and, in particular, the sections entitled "*Risk Factors*" for a further discussion of the factors that could affect the Issuer's and/or Guarantors' future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Document may not occur. All forward-looking statements contained in the Admission Document are made only as at the date hereof.

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, unless the Bonds are previously redeemed, re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

3.2 General

An investment in the Issuer and the Bonds may not be suitable for all recipients of this Admission 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:

- i. 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 the Admission Document or any applicable supplement;
- ii. 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;
- iii. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- iv. is able to evaluate 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.

3.3 Risks associated with the Issuer and its dependence on the Group (including the Guarantors)

3.3.1 New operation and Issuer's dependence on the Group's performance

As at the date of this Admission Document, the Issuer has no history of trading operations. Hence, the Admission Document contains no historical financial information and prospective Bondholders need to base their investment decision on the projections included in this Document. Given that the Issuer was set-up with the objective of acting as the finance company of the Group, its assets will primarily consist of loans receivable from Group companies. The Issuer is dependent on the business of the Group and, consequently, the operating results of the Group will directly influence the Issuer's financial position. Therefore, the risks associated with the business operations of the Group will have a direct impact on the financial position of

the Issuer as well as its ability to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

More specifically, given that the Issuer is largely dependent on receipt of capital and interest payments from Group companies, the ability of Group companies to effect payments to the Issuer will depend on their respective cash flows and earnings which may be affected by factors beyond the Issuer's control. The occurrence of any such factors could, in turn, negatively affect the Issuer's ability to meet its obligations under the Bonds.

3.3.2 Concentration of shareholding

The Group is ultimately entirely owned by Mr Andrew Debattista Segond, who is also a Director of the Issuer and all other companies forming part of the Group, resulting in effective control over the Issuer being exercised by Mr Debattista Segond. Mr Debattista Segond is considered to be of key importance to both the Issuer and the Group. Consequently, Mr Debattista Segond has the ability to significantly influence the decisions adopted at all levels across the Group.

Furthermore, any unexpected dilution in or incapacity related to his control or influence over the Issuer or the Group could have an adverse effect on the Issuer if shareholder rights may not be exercised. There can be no assurance that such individual will not during the term of the Bonds dispose of any interest in the Issuer or the Group.

3.4 Risks relating to the Group (including the Guarantors) and its business

3.4.1 Risks relating to the healthcare industry and the operation of the Care Home generally

The Smartcare Group, through Smartcare Pinto Ltd which owns and operates the Care Home, is principally involved in the healthcare industry having commenced operations of the Care Home in December 2018, pursuant to which the Group will be subject to general business risks inherent in the provision of accommodation and care for elderly persons. Such risks include:

- regulations and laws relating to the healthcare industry are constantly evolving and relatively untested by the local Courts;
- operations may be affected by changing consumer preferences, fluctuations in occupancy levels, increases in labour costs and other operating costs, competition from or the oversupply of other similar properties offering accommodation and care for elderly persons and general economic conditions;
- there is a risk of significant changes to current or future healthcare programs, and applicable laws and regulations that could be detrimental to the Group's business and financial position;
- breaches of law or license conditions could lead to, among other things, penalties, loss of operating licenses and damage to reputation;
- if the Care Home is not sufficiently successful in recruiting and retaining medical and nursing staff, its cost structure and profitability, but also its reputation and offering on the local market, will suffer;
- healthcare operators are exposed to the risk of medical indemnity or similar claims and litigation. Residents of the Care Home may threaten litigation, including for medical negligence or malpractice, which, if successful, could have an adverse impact on the financial performance, position and future prospects of the operation of the Care Home and the Group generally. Although professional indemnity and public liability insurance in respect of a range of events to which this operation may be susceptible will be taken out, no assurance can be given that such insurance will remain available in the future on commercially viable terms or at all;
- the Care Home is susceptible to the outbreak of sickness which could present it with major operational difficulties in protecting residents and maintaining an adequate staffing profile, in addition to disrupting normal business activities;
- Any one or a combination of the above factors may adversely affect the business, results of operations and financial condition of the Group.

3.4.2 The Group may not be able to reduce the Care Home's fixed costs rapidly in response to any reduction in revenue or increase in variable expenses

The fixed costs associated with owning and operating Care Homes can be significant. The Group may be unable to reduce these fixed costs in a timely manner in response to changes in demand for services, increases in tax rates, utility costs, insurance costs, repairs and maintenance and administrative expenses. Any failure to adjust such fixed costs expeditiously may adversely affect the Group's profitability and financial condition.

3.4.3 Regulations governing operations

The Group is subject to taxation, environmental and health and safety laws and regulations and the costs of complying with both EU and Maltese regulations and standards relevant to the Group's operations is an additional burden for the Group. As with any business, the Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. 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 Admission Document upon the business and operations of Group companies. Additionally, the Group is exposed to possible fines for breaches of applicable regulations, which carry both a financial as well as a reputational risk.

3.4.4 Substitute products and competition

Customers' preferences may shift towards alternative healthcare solutions. If the Group does not anticipate and respond quickly enough to capitalise on such changing trends, its operating results could be adversely affected. The level of competition within the healthcare industry, particularly as regards accommodation and care for elderly persons, may increase, which may limit the future ability of the Group to maintain its market share and revenue level. Current and potential competitors may have longer operating histories, greater name recognition and greater financial, technical and other resources than the Group. Some of these competitors may be able to offer more attractive pricing and terms to their customers and adopt more aggressive pricing policies. There can be no assurance that the Group will be able to maintain or increase its market share and to compete effectively with current or future competitors or that the competitive pressures will not consequently have a material adverse effect on Group's business, financial condition, operational performance and, accordingly, on the Issuer's and/or Guarantors' ability to fulfil their respective obligations under the Bonds.

3.4.5 Labour force supply

A major challenge for the healthcare sector is labour force supply. As the Maltese economy continues to expand and diversify, the local work force is faced with expanding employment options and the healthcare industry seems to be losing out. The healthcare sector is not always considered as providing attractive career opportunities, especially as more lucrative and financially rewarding sectors have developed in recent years, that may be more appealing than healthcare. As a result, it is becoming increasingly difficult to engage personnel when and as required and this may erode revenues because of lost business and hampered growth. The lack of human resource supply could also fuel unsustainable increases in pay, which would affect the industry's profits and erode the Group's overall competitiveness.

3.4.6 Exposure to general market conditions

The health of the market in which the Group operates may be affected by a number of factors over which the Issuer has no control, such as global economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, and the availability of financing and yields of alternative investments.

3.4.7 Risks specific to property development

One of the ancillary pillars of the Group's business, through Smartcare Properties Limited, is property development, targeted at the local commercial and residential market. All development projects are subject to a number of specific risks: the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of sales transactions not materialising at the prices and the tempo envisaged; and the risk of sales delays

resulting in a liquidity strain, higher interest costs and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Group's revenue generation and cash flows.

3.4.8 The Group may not realise the benefits it expects from investments made on its properties

The Group has made and expects to continue making significant investments in the acquisition, development and improvement of its existing and new properties as deemed appropriate. Renovating and improving existing properties and acquiring and developing new and commercially viable properties is important to the Group's business. The Group is susceptible to experiencing cost over-runs relating to unanticipated delays in developing property, unanticipated liabilities associated with property under development and by effecting enhancements to development projects. If these risks were to materialise, the Group may fail to realise the expected benefits from investments made in its properties and the Group's business, financial condition and results of operations, may be adversely affected.

3.4.9 Risks related to human resources and reliance on key senior personnel and management

The Group faces the following key risks in relation to personnel:

- loss of key management personnel;
- loss of other key employees;
- delay in finding suitable replacements for lost personnel; and
- inability to find suitably qualified personnel to meet the Group's business needs as it grows.

If any of these risks were to materialise, they could have a material adverse impact on the Group's business, financial performance and financial condition.

Indeed, the Group's growth is, in part, attributable to the efforts and abilities of key personnel. If one or more of these individuals were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Group's business, financial condition and results of operations.

In common with many businesses, the Group will be relying heavily on the contacts and expertise of its senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel.

3.4.10 Risk of injuries and fatalities

The intrinsic nature of the industry in which the Group operates could give rise to health and safety risks which require the Group to adhere rigidly to health and safety regulations. Any failure to comply with such rules may entail hefty penalties as well as expose the Group to litigation and the costs associated with claims for damages, thereby also negatively affecting the Group's reputation.

3.4.11 Reputational risk

Reputational risk is usually associated with conflicts of interest, regulatory compliance, remuneration systems, professional behaviour of human resources, reputation and financial soundness of major shareholders, corporate culture, leadership and corporate strategy and its implementation. Reputational risk could materially and adversely affect the Group's ability to retain or attract customers, whose loss could adversely affect the Group's operations, financial condition and prospects. More specifically, reputational harm may result in the loss of market share and revenue, increased compliance costs and higher financing costs, reflecting the perceived increased risks.

3.4.12 Litigation risk

All industries, including the healthcare industry in which the Group operates, are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Group's future cash flow, results of operations or financial condition.

3.4.13 Financial strategy

The Group may not always be in a position to secure sufficient funding for its operations and investments. Failure to obtain, or delays in obtaining, the necessary capital required for the purposes of financing its working capital needs or future projects on commercially reasonable terms may adversely affect the Group's operations and prospects.

3.4.14 Performance Risk

The success of the Group depends in large part on the ability of management to effectively control its operations and maintain its capacity through effective marketing of its products and quality management. Specifically, SPL is in the process of negotiating a commercial agreement with the Government of Malta which will expire during the life of the Bonds. Failure to execute the agreement initially or renew this agreement on favourable terms could negatively affect the performance of the Group and its ability to meet its obligations. Should the agreement with the Government of Malta not be executed or renewed, the Group will be exposed to a more volatile financial performance as the result of the marketing of its' products and services to the general public.

3.4.15 Property valuation

The valuation referred to in the Admission Document is prepared by an independent qualified architect in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors (RICS). In providing a market value of the Care Home, the independent architect has made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can be no assurance that such property valuation and property-related assets will reflect actual market values that could be achieved upon a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

Furthermore, property values are affected by and may fluctuate, inter alia, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, and interest and inflation rate fluctuations.

The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values. The valuation of property and property-related assets is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which valuations are carried out.

3.4.16 Risks relating to property rental investments and operations

The Group is, in part, subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease. In cases of early termination by tenants prior to the expiration of the lease term there is a risk of loss of rental income if the tenant is not replaced in a timely manner. A decline in occupancy levels and/or the re-letting of property at less favourable terms than the current lease terms could adversely impact rental income and operating performance of the Group. The business, revenue and projected profits of the Group would be negatively impacted if tenants fail to honour their respective lease obligations.

3.4.17 The Group's insurance policies

The Group maintains insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the business in which the Group operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given

that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

3.4.18 The Group may be subject to increases in operating and other expenses

The Group's operating and other expenses could increase without a corresponding increase in turnover or revenue. The factors which could materially increase operating and other expenses include:

- increases in the rate of inflation, in particular where the income stream of the Group does not increase correspondingly;
- increases in payroll expenses;
- increases in property taxes and other statutory charges;
- changes in laws, regulations or government policies;
- increases in insurance premia;
- unforeseen increases in the costs of maintaining properties; and
- unforeseen capital expenditure;

Such increases could have a material adverse effect on the Group's financial position.

3.4.19 Asset liquidity risk

In view of the fact that the Group is, in part, a property holding organisation, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions. These factors could have an adverse effect on the Group's financial condition and results.

3.5 Risks Relating to the Bonds

3.5.1 No assurance of active secondary market in the Bonds

Upon successful admission, the Bonds will 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 for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such presence 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, if it develops, that it will continue. Furthermore, there can be no assurance that Bondholders will be able to sell the Bonds at or above the price at which the Issuer issued the Bonds, or at all.

3.5.2 Fluctuations in exchange rate

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

3.5.3 Absence of a prior market

Prior to the Bond Issue, there has been no public market nor 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.

3.5.4 Additional indebtedness and security

Save for the applicable limitations set out in this Admission Document, the Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).

3.5.5 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. If such changes take place they could have an adverse effect on the market price for the Bonds.

3.5.6 Fixed rate Bonds

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 the fixed rate Bonds moves adversely to changes in interest rates. When prevailing market interest rates are rising, the price of fixed rate Bonds declines. Conversely, if market interest rates are declining, the price of fixed rate Bonds rises. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

3.5.7 Discontinuation of trading on Prospects MTF

After the Bonds are admitted to trading on Prospects MTF, the Issuer is required to remain in compliance with certain requirements emanating from the Prospects MTF Rules as issued by the Exchange and 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 MTF. Any such trading suspensions described above could have a material adverse effect on the liquidity and value of the Bonds.

3.5.8 Value of the Bonds

The value of investments can rise or fall, and past performance is not necessarily indicative of future performance. Furthermore, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

3.5.9 Ranking and Security

The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer, shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally and shall be secured by means of the Collateral granted in terms of the Security Trust Deed. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debtors of the Issuer and SHL but with priority and preference over unsecured debtors of SPL, if any.

Furthermore, subject to the negative pledge clause (sub-section 19.5 of this Admission Document), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

In terms of the Security Trust Deed, the Security Trustee reserves the right to demand that additional or alternative immovable (and unencumbered) property owned by the Group be given as security in addition to and/or in place of the Security Property, should at any given time the value of the Security Property be reported to be lower than the nominal value of outstanding Bonds in issue plus interest yet to accrue until the Redemption Date. In such case, the Group shall identify which unencumbered property/ies in the Group's portfolio would replace or be added to the existing Security Property for the purpose of securing the Bond Issue and procure that the relative Group company takes the necessary steps in this respect.

Whilst the Security Trust Deed grants the Security Trustee a right of preference and priority for repayment over the Security Property, there can be no guarantee that the value of the Security Property (or other properties forming part of the Group's portfolio that may from time to time replace or be added to the Security Property, as currently constituted, as explained in sub-section 19.6 of this Admission Document) over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors, not least of which general economic factors that could have an adverse impact on the value of the Security Property. If such circumstances were to arise or subsist

at the time that the Collateral is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds. Furthermore, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of each of the Issuer, the Guarantors and other Group companies which may rank with priority or preference to the Collateral.

In view of the fact that the Bonds are being guaranteed by the Guarantors on a joint and several basis, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Bonds if the Company fails to meet any amount when due in terms of this Admission Document. The joint and several Guarantee also entitles the Bondholders to take action against the Guarantors without having to first take action against the Company. The strength of this undertaking on the part of the Guarantors and, therefore, the level of recoverability by the Bondholders from the Guarantors of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantors.

3.5.10 Conditions precedent

The attention of prospective investors in the Bonds is drawn to the fact that the issue and allotment of the Bonds is conditional upon the Collateral being constituted in favour of the Security Trustee and that, in the event that the aforesaid condition is not satisfied, the Security Trustee shall return Bond Issue proceeds to Bondholders.

3.5.11 Credit rating

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.

3.5.12 Terms and Conditions

The Bonds and the Terms and Conditions of the Bond Issue are based on Maltese law in effect as at the date of this Document. A change in Maltese law or administrative practice or a judicial decision may have an effect on the Terms and Conditions of the Bonds. No assurance can be given as to the impact thereof after the date of this Document. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds, subject to prior written approval of the Exchange until such time as the Bonds remain admitted on any of its markets, the Issuer shall call a meeting of Bondholders in accordance with the provisions of sub-section 19.17 of this 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.

4 PERSONS RESPONSIBLE

Each and all of the Directors of the Issuer whose names appear in sub-section 7.1 hereunder are the persons responsible for the information contained in this 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 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 Document there are no other facts or matters omitted from the 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.

5 ADVISORS AND STATUTORY AUDITORS

Corporate Advisor & Placement Agent and Manager

Calamatta Cuschieri Investment Services Limited (C 13729)

Ewropa Business Centre, Triq Dun Karm, B'Kara BKR 9034, Malta

Calamatta Cuschieri Investment Services Limited holds a Category 3 license issued by the Malta Financial Services Authority and is a member of the Malta Stock Exchange.

Reporting Accountants to the Issuer and the Guarantors

Nexia BT (C 46322)

The Penthouse, Suite 2, Capital Business Centre, Entrance C, Triq taz-Zwejt, San Gwann SGN 3000, Malta

Nexia BT is a firm of certified public accountants, holding a warrant to practice the profession of accountant and a practicing certificate to act as auditors in terms of the Accountancy Profession Act, Chapter 281 of the laws of Malta.

Auditors to the Issuer and the Guarantors

Reanda Malta (C 74005)

A3 Towers, Block A3, Level 12, Triq il-Kanonku Karm M Bologna, Paola PLA 1560, Malta

Reanda Malta is a firm of certified public accountants, holding a warrant to practice the profession of accountant and a practicing certificate to act as auditors in terms of the Accountancy Profession Act, Chapter 281 of the laws of Malta.

Security Trustee

GVZH Trustees Limited (C 23095)

192, Old Bakery Street, Valletta VLT 1455, Malta

GVZH Trustees Limited is duly authorised and qualified to act as a trustee or co-trustee in terms of article 43(3) of the Trusts and Trustees Act (Chapter 331 of the laws of Malta).

As at the date of this Admission Document the advisors named under this sub-heading have no beneficial interest in the share capital of the Issuer or the Guarantors. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of this Document, no material transactions have been entered into by the Issuer or either of the Guarantors with any of the advisors referred to above.

6 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the subscription for Bonds by the Placement Agent and Manager and any fees payable to the Placement Agent and Manager in connection with the Bond Issue, to the best of the Issuer's knowledge no person involved in the Issue has an interest material to the Bond Issue. As further outlined in this Admission Document in Section 15 below, the Issuer has set up an Audit Committee having the task of ensuring that any potential conflicts of interest that may arise is handled in the best interest of the Issuer and the Group as well as according to law. The fact that the Audit Committee is constituted with an entirety of independent non-executive directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis.

As set out in Section 12.1.3, some of the Issuer's directors are susceptible to conflicts between the potentially diverging interests of the Issuer and any of such other companies in which they hold a senior role, with respect to transactions entered into, or proposed to be entered into, between them. The directors are however bound by the provisions of Article 145 of the Companies Act, the Issuer's Articles of Association and internal procedures adopted for the prevention of conflicts of interests. Accordingly, it shall be the duty of every director who is in any way, whether directly or indirectly, conflicted in any matter of the Issuer, to declare the nature of his/her interest to the other directors.

In this regard, the Audit Committee of the Issuer also has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the directors is handled in the best interest of the Issuer and the Group, and according to law. The members of the Audit Committee are themselves bound by the rules of procedure set out in the Terms of Reference of the Audit Committee, whereby such members are required to disclose any interest at the earliest opportunity and precluded from participating in discussions or vote on such matters.

In the case of an equality of votes during a meeting of the Board of Directors or Audit Committee, the Chairperson thereof shall have a casting vote. However, where the Chairperson is him/herself conflicted, the consideration of the relevant matter (in respect of which an interest has been declared) shall be chaired by another independent non-executive director or member (as the case may be), who shall also have a casting vote.

7 IDENTITY OF DIRECTORS AND SENIOR MANAGEMENT

7.1 Directors of the Issuer

As at the date of this Admission Document, the Board of Directors of the Issuer is constituted by the following persons:

Mr William Wait	Chairman and Independent, non-Executive Director
Mr Andrew Debattista Segond	Executive Director
Ms Jacqueline Camilleri	Non-Executive Director
Dr Ian Joseph Stafrace	Independent, non-Executive Director
Dr Norval Desira	Independent, non-Executive Director

The company secretary and compliance officer of the Issuer in terms of the Rules is Dr Sam Abela. In case of equality of votes the Chairman shall have a second or casting vote.

The following are the respective *curriculum vitae* of the Directors:

Mr William Wait; Chairman and Independent, non-Executive Director

William, who holds a B.A. (Hons.) Accountancy degree, is a Fellow of the Malta Institute of Accountants and holds a Certified Public Accountant (CPA) warrant, is the Chairman of Malta Enterprise, an appointment he took up in July 2016. This followed a period in which he served as Deputy Chairman and as the Chair of the Investment and Audit Committees of the Corporation. Prior to this appointment he was the Executive Chairman of the Water Services Corporation. Up to June 2017 William was the Executive Chairman of Projects Malta Limited, which is the Government's entity promoting and facilitating public private partnerships and other National projects. He also occupied the post of Chairman of Projects Plus Limited, which is the technical arm of Projects Malta Limited. Beforehand, William was a group director and deputy CEO of the Toly Group, a worldwide group of Companies that are leading manufacturers and traders of luxury packaging for the

cosmetics, fragrance and skin-care industries. To date he is a director on the Board of Toly Group and also a member of the Group's remuneration committee. William has served on the Councils of the Federation of Industry and the Malta Chamber of Commerce, Enterprise and Industry as Chairman of the Manufacturers and Other Industries Economic Board, as well as Vice President and, for a short-term, Deputy President of the Chamber. For a period of 10 years, he was the Treasurer of the Bulebel Industrial Estate Tenants Association. Currently William is the Chairman of the Central Business District Foundation, which is a public private initiative to transform the Mriehel Industrial Zone to a Central Business District. For a period of 4 years he also served as the Treasurer of Birdlife Malta. During Malta's presidency of the Council of the European Union, between January and June 2017, William served as the President of the Working Party for Industry, within DG Grow. Today he serves as a director on various Maltese and foreign companies operating in a wide spectrum of industries, including generation of alternative energy, hospitality, property development, international trading and manufacturing.

Mr Andrew Debattista Segond; Executive Director

Andrew incorporated his first company, Smart Homes Ltd, in 2005, with the aim of providing high-quality construction services to both the private and public sector. Following the growth of this company, Andrew moved on to incorporate and directly manage three additional development companies (Kai Investments Ltd, Smarthomes Developments Ltd and Smarthomes Real Estate Ltd) through which all development projects were acquired. In turn, each company would then engage Smart Homes Ltd to carry out construction works on development sites. Andrew has also recently incorporated Smartcare Pinto Ltd, which is the owner and operator of the Care Home; Smartcare Properties Limited, which is involved in the ownership and management of property; and Smartcare Finance p.l.c. which is the financing company arm of the Group.

Ms Jacqueline Camilleri; Non-Executive Director

Jacqueline is a Certified Public Accountant and a Fellow Member of the Institute of Accountants. She holds a Masters degree in business administration from Heriot-Watt University of Edinburgh Business School. Jacqueline held various positions within the AX Holdings Group of companies during the period 1990 to 1998, including that of Finance and Administration Manager of Capua Palace Hospital. In 1998 Jacqueline joined the Foundation for Medical Services (FMS) as one of the team members responsible for the opening of Mater Dei Hospital. Jacqueline also has work experience in the United Kingdom where she joined the National Health Service and served as a Directorate Management Accountant at Stoke Mandeville Hospital. Jacqueline also provided financial consultancy services to the private and national health sector, including her role as Head of Financial Monitoring and Control Unit (FMCU) within the Ministry for Health, Elderly and Community Care. She has also worked on various consulting assignments, privatisation processes, strategic reviews and business evaluations during her time at MIMCOL. In the last quarter of 2010, she re-joined the Ministry of Health, Elderly and Community Care as Director General Finance and Administration. Jacqueline has also served as a Board Member of the Foundation for Medical Services between 2005 and 2010. She also served as Vice-Chairperson of the Malta International Airport between 2008 and 2013. Jacqueline also lectured at the Institute of Healthcare (IHC) of the University of Malta between 2008 and 2011, and between 2014 and 2017 she also served as the CEO of the Hilltop retirement Village. Jacqueline is presently engaged as a consultant to the Group.

Dr Ian Joseph Stafrace; Independent, non-Executive Director

Ian is a Maltese lawyer who has been admitted to the Maltese Bar since 1998. He has worked for Exco Services Limited (an affiliated company of Deloitte) handling assignments relating to corporate matters, mergers and divisions and company restructuring. Ian then became a partner at Abela Stafrace and Associates, a law firm specialising in Civil and Administrative law matters, following which he served as the Chief Executive Officer of the Malta Environment and Planning Authority, the national agency regulating environment protection and

development planning until April 2013. In May 2013, Ian returned to his profession and set up the firm Ian Stafrace Legal. In 2015 Dr. Joseph Saliba joined the firm, following which the firm rebranded to Saliba Stafrace Legal. The firm remained focused on property, planning, environmental and commercial law and added financial services to its core advisory services. The firm services both local and foreign entities.

Dr Norval Desira; Independent, non-Executive Director

Norval graduated as a Doctor of Laws from the University of Malta in 1988 and has since practiced law in Malta, and is today one of two senior partners in the law firm Thake Desira Advocates, a position he has held for the past 20 years. His personal major fields of practice are Property Law, Company Law and Civil and Matrimonial Law. Norval occupied the post of Board Secretary and later also legal counsel to the Public Transport Authority between 1990 and 1996 and also occupied the post of director on various boards, including a local SICAV (an investment company with variable share capital), as well as a trust company.

7.2 Directors of the Guarantors

Smartcare Pinto Ltd

As at the date of this Admission Document, the Board of directors of SPL is constituted by the following person:

Mr Andrew Debattista Segond Executive director

The company secretary of SPL is Mr Andrew Debattista Segond.

Smartcare Holdings Ltd

As at the date of this Admission Document, the Board of directors of SHL is constituted by the following person:

Mr Andrew Debattista Segond Executive director

The company secretary of SHL is Mr Andrew Debattista Segond.

The *curriculum vitae* of Mr Andrew Debattista Segond is set out in sub-section 7.1 above.

7.3 Management Structure

The Directors believe that the current internal organisational structures are adequate for the current activities of the Company and the Smartcare Group generally. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The key members of the Group's management team are the following:

Mr Andrew Debattista Segond; Chief Executive Officer

The C.V. of Mr Debattista Segond can be found in section 7.1.

Ms Nathalie Micallef; Head of Clinical Services

Nathalie graduated from the University of Malta in 2012 with a First-Class Degree in nursing studies from the Faculty of Health Sciences and she is currently reading for a Masters degree in respiratory medicine at the University of South Wales and is expected to graduate in 2020. Nathalie has held various positions within the medical industry in which she has been a staff nurse employed by the Ministry of Health at Mater Dei Hospital in Malta. Furthermore, she served as clinical tutor at the Faculty of Health Sciences at the University of Malta and provided mentoring to nursing students reading for their final year for either their degree or diploma. During the period between January 2017 and September 2018 Nathalie also served as an IVI assessor of staff nurses working at Mater Dei Hospital.

Mr Erich Vassallo; Care Home Manager

Erich obtained a diploma in nursing from the Institute of Health Care in 2006 and is currently reading for a Masters degree in healthcare management and leadership from Idea Leadership and Management Institute and is expected to graduate in 2020. Erich has been employed with the Department of Health in Malta since 1996 and has held various roles in Malta's public hospitals. Up until 2018, Erich held the role of Deputy Charge Nurse Medical Assessment with the Department of Health.

7.4 Employees

The Issuer does not have any employees of its own and is, therefore, reliant on the resources which are made available to it by other Group entities. As at the date of this Admission Document, the Group has a total of 65 employees.

8 INFORMATION ABOUT THE ISSUER, THE GUARANTORS AND THE GROUP

8.1 Introduction

Full legal and commercial name of the Issuer:	Smartcare Finance plc
Registered address:	326, Mdina Road, Qormi, Malta
Place of registration and domicile:	Malta
Company Registration number:	C 90123
Date of registration:	7 th January 2019
Legal form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone number:	+356 21 449 574
E-mail address:	info@smartcaremalta.com
Website:	www.smartcaremalta.com

The Issuer was incorporated on the 7th January 2019 to act as the finance company of the Smartcare Group and is 99.998% owned by Smartcare Holdings Ltd, with the remaining 0.002% of the shareholding held by Mr Andrew Debattista Segond.

The principal object of the Issuer, which was set up and established to act as the finance company of the Smartcare Group, is to carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of the business activities of the Group, whether in Malta or overseas, and for such purpose:

(A) (i) to lend or advance money or otherwise give credit to any company now or hereinafter forming part of the Group, with or without security and otherwise on such terms as the directors may deem expedient; and (ii) to invest and deal with the moneys of the company and any company now or hereinafter forming part of the Group in or upon such investments and in such manner as the directors may, from time to time, deem expedient.

(B) To borrow or raise unlimited sums of money in such manner as the Issuer may think fit and in particular by the securitisation of any receivables or other assets of the Issuer, by the issue of bonds, debentures, commercial paper, notes or other instruments creating or acknowledging indebtedness, and to offer same on sale to the public, and to secure the repayment of any money borrowed or raised and any interest payable thereon by the hypothecation or the creation of any other charge upon the whole or part of the moveable and immovable property of the Issuer, present and future.

In this regard, the issue of the Bonds falls within the objects of the Issuer.

As the Issuer does not carry out any trading activities itself, it is economically dependent on the business prospects of the Smartcare Group, the core operations of which are the operation of the Care Home.

Full legal and commercial name of SPL:	Smartcare Pinto Ltd
Registered address:	326, Mdina Road, Qormi, Malta
Place of registration and domicile:	Malta
Company Registration number:	C 86395
Date of registration:	21 st May 2018
Legal form:	SPL is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone number:	+356 21 449 574
E-mail address:	info@smartcaremalta.com
Website:	www.smartcaremalta.com

Full legal and commercial name of SHL:	Smartcare Holdings Ltd
Registered address:	326, Mdina Road, Qormi, Malta
Place of registration and domicile:	Malta
Company Registration number:	C 90121
Date of registration:	7 th January 2019

Legal form:	SHL is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone number:	+356 21 449 574
E-mail address:	info@smartcaremalta.com
Website:	www.smartcaremalta.com

SPL was registered in Malta in terms of the Act on the 21st May 2018 as a private limited liability company, with the principal object of owning, managing and operating a private health care residence including by the provision of all equipment, facilities and care-giving in connection with and ancillary to the running of the residence. SPL is empowered in terms of its Memorandums of Association to guarantee or secure the performance of any obligations or commitments, including obligations on the payment of money, by any person, company or corporation.

SHL was registered in Malta in terms of the Act on the 7th January 2019 as a private limited liability company, with the principal object of subscribing for, taking, purchasing, selling, investing in, exchanging or otherwise acquiring, holding, managing, developing, dealing with and turning into account any bonds, debentures, shares (whether fully paid or not), stocks, options or securities of governments, states, municipalities, public authorities or public or private, limited or unlimited companies, and whether on a cash or margin basis and including short sales and to lend or borrow money against the security of such bonds, debentures, shares, stocks, options or other securities. SHL is empowered in terms of its Memorandums of Association to guarantee, support or secure the performance of any obligations or commitments, including obligations on the payment of money, by any person, company or corporation.

The Group, through its operating company Smartcare Pinto Ltd, own and operates the Care Home. The Care Home stretches between two parallel streets in Qormi, spanning from Triq Guze Duca on one end to Triq I-Imdina at the other end. The property has a street frontage of approximately 29 metres on Triq Guze Duca and approximately 13 metres on Triq I-Imdina. The original approved permit allowed for the home to have 32 residents' rooms, for a total of 78 beds. The Care Home includes a Chapel, a dining room, a kitchen and other amenities. The basement of the property houses 13 car parking spaces accessed by a ramp leading to Triq I-Imdina. Originally, the property over which the Care Home has been built was spread over five floors starting at basement level (garage) and ending at third floor level, that is receded from the two street facades.

The gross floor area of the basement garage and the ground floor measures approximately 710 square meters. The gross floor area of the first and second floor is of 650 square meters each and the gross floor area of the receded level is of 480 square meters. The gross floor area of the total development spread over all five floors is approximately 3,200 square metres. However, in line with an additional approved permit, Smartcare Pinto Ltd extended the receded floor to form a full floor, as well as the addition of a further full floor and a recessed floor. With this extension, the Care Home increased its total floor area by 1,390 square meters. This also resulted in an additional 70 beds, bringing the total number of beds within the Care Home up to 148 beds.

As regards to the occupancy of the Care Home, Smartcare Pinto Ltd is in the final stages of negotiating an agreement with the Government of Malta for the take-up of all of the beds within the Care Home, pursuant to which the Care Home will have the Government of Malta as its only customer. The agreement with the Government of Malta will have a five (5) year term, upon the expiry of which the Government of Malta will have the option to renew the agreement for a further 5 years. In line with prevailing healthcare industry practices, it is expected that admission of residents to the Care Home will take place in a phased approach with the Government initially committing to 60 beds. It is expected that from September 2019 onwards 88 beds will be occupied, with the Care Home reaching full occupancy around the end of 2019.

In the eventuality that an agreement is not reached with the Government of Malta or that it does not elect to renew the agreement for a further five years, the company will market its product and services to the general public. The Group's forecasts and projections are not expected to be altered significantly if an agreement is

not reached with the Government of Malta due to the large demand in the sector within which the Group operates.

Mr Andrew Debattista Segond incorporated his first company, Smart Homes Ltd in 2005, with the aim of providing high-quality construction services to both the private and public sectors. As his business grew, Mr Debattista Segond moved on to incorporate and directly manage three additional development companies (Kai Investments Ltd, Smarthomes Developments Ltd and Smarthomes Real Estate Ltd) through which all development projects were acquired. In turn, each company would then engage Smart Homes Ltd to carry out construction works on development sites.

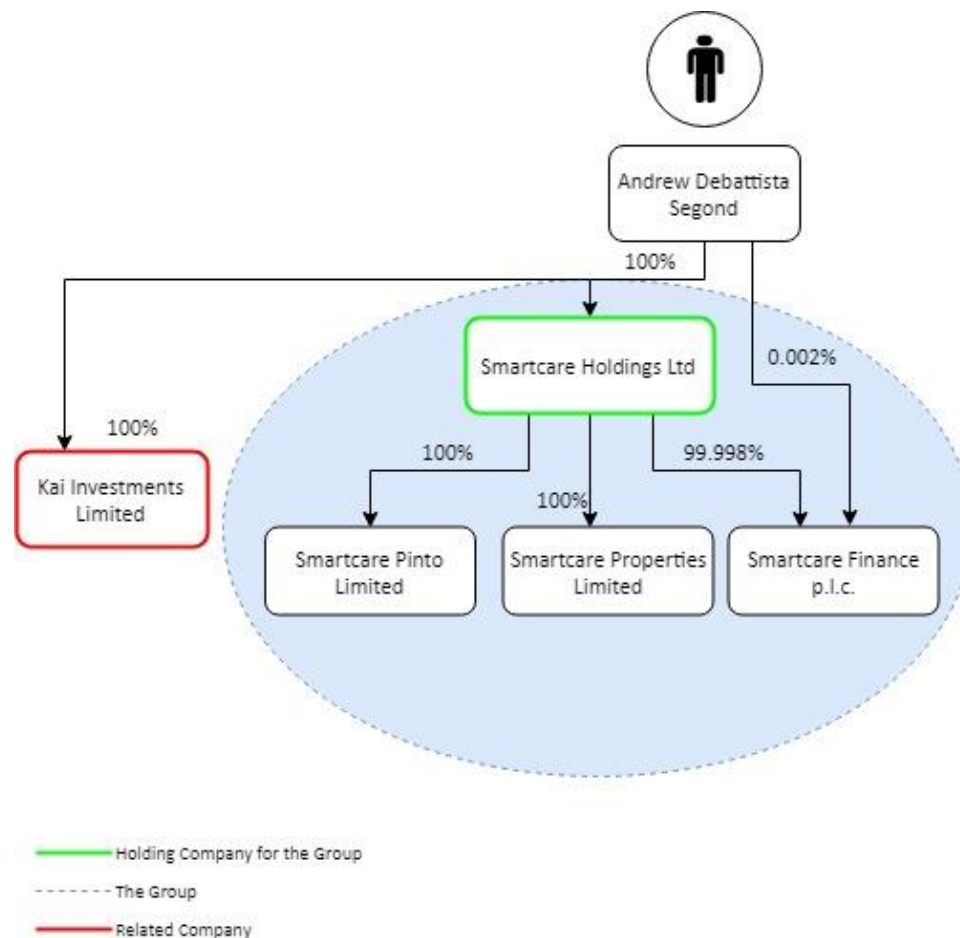
Following his successes with his construction companies, Mr Debattista Segond has more recently decided to enter into the healthcare for the elderly sector. In this regard, Smartcare Pinto Ltd was incorporated on 21st May 2018, intended to be the owner and operator of the Care Home. Furthermore Smartcare Properties Limited was incorporated on 7th January 2019, which is the holding company of properties forming part of the Group.

The Issuer has set up a website with URL www.smartcaremalta.com which includes an “Investor Information” section from which investors can obtain current information on the Company and the Guarantors. This section shall include all electronic communication for all information required to be disclosed under the Rules and / or applicable law to all holders of admitted securities.

The Issuer, the Guarantors and all entities comprising the Smartcare Group operate exclusively in and from Malta.

9 GROUP ORGANISATIONAL STRUCTURE

The organisational structure of the Group of companies of which the Issuer and the Guarantors form part, as at the date of the Admission Document, is illustrated in the diagram below:



Mr Andrew Debattista Segond ultimately, through Smartcare Holdings Ltd, owns 100% of the Group.

10 TREND INFORMATION

Trend Information of the Issuer

The principal object of the Issuer, which was set up and established to act as the finance company of the Smartcare Group, is to carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of the business activities of the Group, whether in Malta or overseas, and for such purpose:

- (A) (i) to lend or advance money or otherwise give credit to any company now or hereinafter forming part of the Group, with or without security and otherwise on such terms as the directors may deem expedient; and (ii) to invest and deal with the moneys of the company and any company now or hereinafter forming part of the Group in or upon such investments and in such manner as the directors may, from time to time, deem expedient.

(B) To borrow or raise unlimited sums of money in such manner as the Issuer may think fit and in particular by the securitisation of any receivables or other assets of the Issuer, by the issue of bonds, debentures, commercial paper, notes or other instruments creating or acknowledging indebtedness, and to offer same on sale to the public, and to secure the repayment of any money borrowed or raised and any interest payable thereon by the hypothecation or the creation of any other charge upon the whole or part of the moveable and immovable property of the Issuer, present and future.

In this regard, the issue of the Bonds falls within the objects of the Issuer.

In view of the Issuer's purpose of acting as a financing company to the Group, its business is limited to the raising of capital for the financing of capital projects and the loaning of such capital to Group companies, the collection of interest from Group entities and the settlement, in turn, of interest payable on capital raised from third parties.

The Issuer is dependent on the business prospects of the Group and, therefore, the trend information of the Group companies (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 incorporation.

Trend Information of the Group (including the Guarantors)

As at the time of publication of this Admission Document, the Group considers that generally it shall be subject to the normal risks associated with the healthcare industry in which the Group operates predominantly, and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Group and its business, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors set out in section 3 of this Document.

The population in Malta continues to grow steadily year by year, mainly due to both immigration and an increase in life expectancy for both genders. As per the National Statistics Office's records in 2016, the life expectancy for males and females was estimated at around 79 years and 83 years, respectively, an increase of around three years for men and two years for women since 2001. Demographic statistics show that the population in Malta is ageing considerably. As at July 2016, the population aged 65 years and above comprised 19% (82,741) of the total population of 434,403, an increase of 5% from the 14% recorded in 2006⁶. Moreover, it is forecasted that the proportion of people over 65 years of age will increase to 31% by 2060.

On the same note, according to the '2012 Ageing Report' prepared by the European Commission and the Economic Policy Committee, the proportion of elderly population aged 65 years and over will be rising by an average of eight percent every five years from 2010 to 2060.

Due to shifts in the current labour force, elderly people are now finding it difficult to find relatives who dedicate their time to care for them. The data provided by Jobsplus as of August 2016 show that over a period of just one year, the labour supply increased by 3.4%⁷ - making up 42.6% of the total population, following a 3.2% increase recorded in 2015⁸, which made up 39.3% of the total population. However, the availability of elderly homes with spare beds currently presents a challenge in Malta.

All things being equal, the demand for nursing home beds will probably increase in the same proportion as the elderly population in need of institutional care. It is estimated that on average, 300 new beds a year are required to keep up with the anticipated demand. It should be noted further that as at September 2015, the waiting list for admission into elderly homes stood at 1,551 persons⁹, an increase of 40% when compared to

⁶ https://nso.gov.mt/en/News_Releases/Archived_News_Releases/Documents/2014/News2014_131.pdf

⁷ https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C2/Labour_Market_Statistics/Documents/2017/News2017_027.pdf

⁸ https://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_C2/Labour_Market_Statistics/Documents/2016/News2016_024.pdf

⁹ [https://opm.gov.mt/en/Documents/Public%20Consultations/old%20people%20home\[1\].pdf](https://opm.gov.mt/en/Documents/Public%20Consultations/old%20people%20home[1].pdf)

the 1,107 people on the waiting list in 2011. This despite an increase of 1,412 available beds during that period from 3,660 to 5,072 beds¹⁰.

¹⁰ [https://opm.gov.mt/en/Documents/Public%20Consultations/old%20people%20home\[1\].pdf](https://opm.gov.mt/en/Documents/Public%20Consultations/old%20people%20home[1].pdf)

11 FINANCIAL INFORMATION

11.1 Financial information of the Issuer and Guarantors

The Issuer was registered and incorporated on 7th January 2019 and, accordingly, as at the date of this Admission Document, the Issuer has essentially no trading record. Since incorporation to the date of this Document, no financial statements have been prepared in respect of the Issuer. There has not been any significant change in the financial or trading position of the Issuer, which has occurred since the Company's date of incorporation up until the date of this Admission Document.

SPL was registered and incorporated on 21st May 2018 and, accordingly, as at the date of this Admission Document, SPL has essentially no trading record. Since incorporation to the date of this Document, no financial statements have been prepared in respect of SPL. There has not been any significant change in the financial or trading position of SPL, which has occurred since the company's date of incorporation up until the date of this Admission Document.

SHL was registered and incorporated on 7th January 2019 and, accordingly, as at the date of this Admission Document, SHL has essentially no trading record. Since incorporation to the date of this Document, no financial statements have been prepared in respect of SHL. There has not been any significant change in the financial or trading position of SHL, which has occurred since the company's date of incorporation up until the date of this Admission Document.

11.2 Profit forecasts and estimates

11.2.1 Forecast Income Statement for the years ending 31st December - Issuer

Year	2019 Forecast € 000s	2020 Projected € 000s	2021 Projected € 000s
Revenue	352	384	384
Administrative expenses	(47)	(48)	(49)
EBITDA	305	336	335
Depreciation	(21)	(21)	(21)
EBIT	285	316	315
Finance costs	(229)	(250)	(250)
Profit before tax	55	66	65
Income tax	(34)	(38)	(38)
Profit for the year	21	28	27

Note: Totals may not tally due to rounding differences

11.2.2 Forecast Balance Sheet as at 31st December – Issuer

	2019 Forecast € 000's	2020 Projected € 000's	2021 Projected € 000's
Assets			
Non-current assets			
Financial assets	4,800	4,800	4,800
Total non-current assets	4,800	4,800	4,800
Current assets			
Cash and cash equivalents	120	172	220
Total current assets	120	172	220
Total assets	4,920	4,972	5,020
Equity and liabilities			
Capital and reserves			
Share capital	50	50	50
Retained earnings	21	49	76
Total equity	71	99	126
Non-current liabilities			
Debt securities in issue	4,815	4,835	4,856
Total-non-current liabilities	4,815	4,835	4,856
Current liabilities			
Current tax payable	34	38	38
Dividends payable	-	-	-
Debt securities in issue	-	-	-
Bank overdraft	-	-	-
Total current liabilities	34	38	38
Total liabilities	4,849	4,873	4,894
Total equity and liabilities	4,920	4,972	5,020

Note: Totals may not tally due to rounding differences

11.2.3 Forecast Cash Flow Statement for the years ending 31st December- Issuer

	2019	2020	2021
	Forecast € 000's	Projected € 000's	Projected € 000's
CASH FLOWS FROM OPERATING ACTIVITIES			
EBITDA	305	336	335
Movement in working capital			
Cash flows generated from operations	305	336	335
Income tax (paid) / refund	-	(34)	(38)
Interest paid	(229)	(250)	(250)
Net cash flows operating activities	76	52	48
CASH FLOWS FROM INVESTING ACTIVITIES			
Bond issue cost	(206)	-	-
Loans	(4,800)	-	-
Dividends paid	-	-	-
Net cash flow (used in) financing activities	(5,006)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of debt securities	5,000	-	-
Net cash flows from financing activities	5,000	-	-
Net movement in cash and cash equivalents	70	52	48
Cash and cash equivalents at the beginning of year	50	120	172
Cash and cash equivalents at the end of year	120	172	220

Note: Totals may not tally due to rounding differences

11.3 Financial information of the Group

11.3.1 Forecast Income Statement - Group

	2019	2020	2021
	Forecast	Projected	Projected
	€ 000s	€ 000s	€ 000s
Revenue	2,375	3,271	3,336
Direct cost	(1,147)	(1,575)	(1,606)
Gross profit	1,228	1,696	1,730
Other indirect costs	(604)	(648)	(660)
EBITDA	625	1,049	1,070
Depreciation	(207)	(207)	(207)
EBIT	418	842	863
Finance costs	(243)	(250)	(250)
Profit before tax	175	592	613
Tax	(97)	(241)	(249)
Profit after tax	78	351	364

Note: Totals may not tally due to rounding differences

11.3.2 Forecast Balance Sheet - Group

	2019 Forecast € 000s	2020 Projected € 000s	2021 Projected € 000s
Fixed assets			
Investment property	600	600	600
Property, plant and equipment	3,087	2,901	2,715
	3,687	3,501	3,315
Current assets			
Trade receivables	787	1,080	1,102
Amounts due from related parties	245	245	245
Cash and cash equivalents	342	795	1,355
	1,374	2,120	2,702
Total assets	5,061	5,621	6,017
Equity and liabilities			
Equity			
Share capital	1	1	1
Retained earnings	(88)	263	627
	(87)	264	628
Current liabilities			
Trade payables	123	168	171
Taxation	97	241	249
Amounts due to related parties	113	113	113
Total current liabilities	333	522	533
Non-current liabilities			
Debt securities in issue	4,815	4,835	4,856
	4,815	4,835	4,856
Total liabilities	5,148	5,358	5,389
Total equity and liabilities	5,061	5,621	6,017

Note: Totals may not tally due to rounding differences

11.3.3 Forecast Cash Flow statement - Group

	2019 Forecast € 000s	2020 Projected € 000s	2021 Projected € 000s
Cash flow from operating activities			
EBITDA	625	1,049	1,070
Movement in working capital			
Movement in trade and other payables	70	45	3
Movement in trade and other receivables	(780)	(293)	(22)
Cash generated from operations	(85)	800	1,052
Taxation paid	-	(97)	(241)
Finance cost	(243)	(250)	(250)
Net cash (used in)/from operating activities	(328)	453	560
Cash flows from investing activities			
Purchase of plant and equipment	(657)	-	-
Investment property	(600)	-	-
Bond issue cost	(206)	-	-
Net cash (used in)/from investing activities	(1,463)	-	-
Cash flows from financing activities			
Issue of share capital	-	-	-
Movement in bank loans	(1,200)	-	-
Movement in capital creditors	(1,120)	-	-
Debt securities in issue	5,000	-	-
Net cash (used in)/from financing activities	2,680	-	-
Movement in cash and cash equivalents	889	453	560
Cash and cash equivalents at beginning of year	(547)	342	795
Cash and cash equivalents at the end of year	342	795	1,355

Note: Totals may not tally due to rounding differences

12 MANAGEMENT AND ADMINISTRATION

12.1 The Issuer

12.1.1 The Board of Directors of the Issuer

The Memorandum of Association of the Issuer provides that the business and affairs of the Issuer shall be managed and administered by a Board of directors to be composed of not less than three (3) and not more than six (6) directors which, subject to the provisions of the Memorandum and Articles, shall be appointed by ordinary resolution of the Company in general meeting.

The Issuer is currently managed by a Board of five (5) directors, who are responsible for the overall direction and management of the Company. The Board currently consists of one (1) executive Director, who is entrusted with the Company's day-to-day management, and four (4) non-executive Directors, three (3) of whom are also independent of the Issuer, and whose main functions are to monitor the operations of the executive Director and his performance, as well as to review any proposals tabled by the executive Director.

The quorum at any meeting of the Directors is three (3) Directors. If within half an hour from the time appointed for the commencement of the meeting, a quorum is not present, the meeting, howsoever called, shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors present may determine (such Directors constituting a quorum for such purpose only) and if at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, two (2) Directors shall constitute a quorum.

As at the date of this Document, the Board of the Issuer is composed of the individuals listed in sub-section 7.1 of this Document.

None of the Directors have been:

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

The Directors believe that the Issuer's current organisational 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.

12.1.2 Directors' service contracts

None of the Directors have a service contract with the Issuer.

12.1.3 Conflicts of Interest

In addition to being a director of the Issuer, Mr Andrew Debattista Segond is also a director of all other companies within the Smartcare Group, including each of the Guarantors, and is, effectively, the ultimate beneficial owner of the entirety of the Smartcare Group.

In light of the foregoing, Mr Debattista Segond is susceptible to conflicts between the potentially diverging interests of the Issuer and the other companies forming part of the Smartcare Group, as the case may be, and any of such other companies in transactions entered into, or proposed to be entered into, between them.

Specifically, part of the proceeds of the Bond Issue in an amount of €1.52 million will be used to pay Kai Investments Limited, a related company of the Group, for a contract of works to undertake the finishing and acquisition of equipment for the Care Home.

In view of the lender-borrower relationship which will arise between the Issuer, the Guarantors and companies forming part of the Smartcare Group pursuant to the issue of the Bonds, there may be situations that could give rise to conflicts between the potentially diverging interests of the members of the Smartcare Group. In these situations, Mr Debattista Segond shall act in accordance with the majority decision of those directors who would not have a conflict in the situation and in line with the advice of outside legal counsel.

The Audit Committee, established at the level of the Issuer, has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles are handled in the best interest of the Issuer and the Smartcare Group, as well as according to law. The fact that the Audit Committee is constituted in its entirety by independent, non-executive directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis.

12.1.4 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

12.1.5 Removal of Directors

A director may be removed before the expiration of his period of office by a resolution taken at a general meeting of the Company.

12.1.6 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 Articles expressly reserved for the shareholders in general meeting.

12.1.7 Aggregate emoluments of the Issuer's 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 general meeting.

For the current financial year ending on 31st December 2019 it is expected that the Issuer will pay an aggregate of *circa* €33,000 to its directors.

12.1.8 Working Capital

As at the date of this Admission Document, the Directors of the Issuer and of the Guarantors are of the opinion that the working capital available to the Issuer and the Guarantors, respectively, is sufficient for the attainment of their objects and the carrying out of their respective business for the next twelve (12) months of operations.

12.2 The Guarantors

12.2.1 The Boards of directors

The Memorandum of Association of Smartcare Pinto Ltd provides that the business and affairs of the company shall be managed and administered by a Board of directors to be composed of not less than one and not more than five directors. As at the date of this Admission Document, the Board of SPL is composed of the one (1) individual listed in sub-section 7.2 of this Document who is responsible for the overall direction and management of the company. Directors of SPL are appointed by means of an ordinary resolution in general meeting.

The Memorandum of Association of Smartcare Holdings Ltd provides that the business and affairs of the company shall be managed and administered by a Board of directors to be composed of not less than one and not more than five directors. As at the date of this Admission Document, the Board of SHL is composed of the one (1) individual listed in sub-section 7.2 of this Document who is responsible for the overall direction and management of the company. Directors of SHL are appointed by means of an ordinary resolution in general meeting.

12.2.2 Directors' service contracts

The sole director of each of the Guarantors does not have a service contract with the respective Guarantor entity.

12.2.3 Aggregate emoluments of directors

For the current financial year ending 2019, no director emoluments are due by the Guarantors.

12.2.4 Loans to directors

There are no loans outstanding by the Guarantors to their respective director, nor any guarantees issued for his benefit by the Guarantors.

12.2.5 Powers of directors

By virtue of the Articles of Association of each of the Guarantors, their respective Boards of directors are empowered to exercise all the rights of each of said companies, except those rights as are expressly reserved for decision by the shareholders in general meeting.

13 MAJOR SHAREHOLDERS OF THE ISSUER AND GUARANTORS

Smartcare Finance plc

The authorised and issued share capital of the Company is of forty-eight thousand Euro (€48,000) divided into forty-eight thousand (48,000) Ordinary shares of one Euro (€1.00) each, fully paid up, which are subscribed and held as follows:

<i>Name of Shareholder</i>	<i>Number of Ordinary shares held</i>
Smartcare Holdings Ltd	47,999 Ordinary shares of €1.00 each
Andrew Debattista Segond	1 Ordinary share of €1.00

To the best of the Issuer's knowledge there are no arrangements in place as at the date of this Admission Document the operation of which may at a subsequent date result in a change in control of the Issuer.

Smartcare Pinto Ltd

The authorised and issued share capital of SPL is of one thousand, two hundred Euro (€1,200) divided into one thousand, two hundred (1,200) Ordinary shares of one Euro (€1.00) each, fully paid up, which are subscribed and held as follows:

<i>Name of Shareholder</i>	<i>Number of Ordinary shares held</i>
Smartcare Holdings Ltd	1,200 Ordinary shares of €1.00 each

To the best of SPL's knowledge there are no arrangements in place as at the date of this Admission Document the operation of which may at a subsequent date result in a change in control of SPL.

Smartcare Holdings Ltd

The authorised and issued share capital of SHL is of one thousand, two hundred Euro (€1,200) divided into one thousand, two hundred (1,200) Ordinary shares of one Euro (€1.00) each, fully paid up, which are subscribed and held as follows:

<i>Name of Shareholder</i>	<i>Number of Ordinary shares held</i>
Andrew Debattista Segond	1,200 Ordinary shares of €1.00 each

To the best of SHL's knowledge there are no arrangements in place as at the date of this Admission Document the operation of which may at a subsequent date result in a change in control of SHL.

14 DIVIDEND POLICY

The directors currently do not have a fixed dividend policy in place. The decision on whether the Group will declare a dividend will be determined by the directors on an annual basis.

15 BOARD COMMITTEES

The Issuer has set up an audit committee as per the requirements of the Rules. The terms of reference of the Audit Committee (the “Committee”) of the Issuer consist of *inter alia* its support to the board of the Issuer in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The board of the Company has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which is to meet at least four (4) times a year, is a sub-committee of the board of the Issuer and is directly responsible and accountable to the board of the Issuer. The board of the Company has reserved the right to change the Committee’s terms of reference from time to time with prior notification to the Exchange.

The Board has resolved to formally appoint the following three (3) individuals as the first members of the Audit Committee:

- Mr William Wait – Chairperson; independent, non-executive director
- Dr Ian Joseph Stafrace – independent, non-executive director
- Dr Norval Desira – independent, non-executive director

Dr Sam Abela occupies the position of Secretary of the Committee.

Briefly, the Committee is expected to deal with:

- its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- maintaining communications on such matters between the board, management and the independent auditors at the level of the Issuer and the Smartcare Group;
- facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- preserving assets by understanding the risk environment in which the Issuer and the Smartcare Group operate and determining how to deal with those risks.

Additionally, the Audit Committee has the role and function of considering and evaluating the arm’s length nature of any proposed transactions to be entered into in order to ensure that the execution of any such transaction is, indeed, at arm’s length and on a sound commercial basis and, ultimately, in the best interests of the Issuer and the Smartcare Group. In this regard, the Audit Committee has the task of ensuring that any potential abuse which may arise is immediately identified and resolved.

The Audit Committee is entrusted with the review of the financial position of the Issuer and all other entities comprising the Group on a quarterly basis. To this effect, the Issuer and all other entities comprising the Group shall submit to the Audit Committee bi-annual Group accounts, as well as at least quarterly management accounts. The Audit Committee is composed of three members, all of whom are independent non-executive directors, who are appointed for a period of 3 years. The Chairman of the Audit Committee shall be appointed from amongst the non-executive independent Directors and Meetings of the Audit Committee shall only be held if a quorum of at least two (2) members is satisfied.

Mr William Wait is the independent, non-executive director who is competent in accounting and/or auditing matters. The CV of the said Director may be found in sub-section 7.1 above.

16 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company supports the Rules in their entirety and the stipulations of the said Rules in relation to dealing restrictions.

The Issuer complies with the Code of Principles of Good Corporate Governance forming part of the Listing Rules of the Listing Authority (the “Code”) with the exceptions mentioned below and is confident that the adoption of the Code shall result in positive effects accruing to it. The Issuer adopts measures in line with the Code of Principles with a view to ensuring that all transitions are carried out at arm’s length.

The Board of Directors sets the strategy and direction of the Issuer and retains direct responsibility for appraising and monitoring the Issuer’s financial statements and annual report. The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of Bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer’s compliance with its continuing obligations in terms of the rules of Prospects MTF.

As required by the Act, the Issuer’s financial statements are to be subject to annual audit by the Issuer’s external auditors. Moreover, the non-executive Directors will have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company’s financial statements are approved. In ensuring compliance with other statutory requirements and with continuing admission obligations, the Board is advised directly, as appropriate, by its appointed corporate advisor, legal advisor and the external auditors. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer’s expense.

As at the date hereof, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

Principle 8: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committee. 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.

Each of the Guarantors are private companies and, accordingly, are not required to endeavour to adhere to the provisions of the Code, including, *inter alia*, the requirement to set up an audit committee.

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

Save for the architect’s property valuation report annexed to this Admission Document and marked as Annex D and the accountants’ report on the forecast consolidated financial information of Smartcare Holdings Ltd annexed to this Admission Document and marked as Annex H, this Admission Document does not contain any statement or report attributed to any person as an expert.

The architect’s property valuation report dated 27th May 2019 has been included in Annex D of this Document in the form and context in which it appears with the authorisation of Perit Malcolm Sullivan of Sapienza & Sullivan architects & civil engineers, 17, Sir Adrian Dingli Street, Sliema SLM 1904, Malta who has given and has not withdrawn his consent to the inclusion of said report herein. In terms of said property valuation report, the Care Home is valued at five million, six hundred thousand Euro (€5,600,000).

The accountants' report dated 27 May 2019 has been included in Annex H of this Document in the form and context in which it appears with the authorisation of Nexia BT Advisory Services Limited of The Penthouse, Suite 2, Capital Business Centre, Entrance C, Triq Taz-Zwejt, San Gwann SGN 3000, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

Neither of the foregoing experts have any beneficial interest in the Issuer or the Guarantors. The Issuer confirms that the said architect's property valuation report and the accountants' report on the forecast consolidated financial information of Smartcare Holdings Ltd have been accurately reproduced in this Admission Document and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

18 ESSENTIAL INFORMATION CONCERNING THE BONDS

18.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €4,800,000, will be used by the Issuer for the following purposes, in the following amounts and order of priority:

1. an amount of €1,520,000 will be loaned by the Issuer to Smartcare Pinto Ltd for the purpose of the latter repaying Kai Investments Limited, a related company, which was contracted to undertake the finishing works and the acquisition of the equipment for the Care Home;
2. an amount of €1,200,000 will be loaned by the Issuer to Smartcare Pinto Ltd for the purpose of the latter repaying an outstanding financing facility taken out with Lombard bank, which was originally used to finance the acquisition of the Care Home;
3. an amount of €700,000 will be loaned by the Issuer to Smartcare Pinto Ltd for the purpose of the latter repaying an overdraft facility taken out with Lombard bank, which was originally used to finance the acquisition of the Care Home;
4. an amount of €600,000 will be loaned by the Issuer to Smartcare Properties Limited for the purpose of the latter acquiring and finishing an apartment in Sliema which will be rented out to third parties, defined as "New Penthouse" as per section 2 of the Property Valuation Report in Annex D; and
5. the remaining amount of €780,000 will be loaned by the Issuer to Smartcare Holdings Ltd to be used for the general corporate funding purposes of the Smartcare Group.

In the event that the Bond Issue is not fully subscribed, but subject in all cases to the Minimum Amount of €3,750,000 being subscribed, the Issuer will proceed with the admission of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

For the purposes of (1), (2) and (3) above, a loan agreement dated 24 May 2019 has been entered into by and between the Issuer (as lender) and Smartcare Pinto Ltd (as borrower). Such loan agreement is conditional upon the issue and allotment of the Bonds, which, in turn, is conditional upon: the Bonds being admitted to the Prospects MTF List and the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed.

For the purposes of (4) above, a loan agreement dated 24 May 2019 has been entered into by and between the Issuer (as lender) and Smartcare Properties Limited (as borrower). Such loan agreement is conditional upon the issue and allotment of the Bonds, which, in turn, is conditional upon: the Bonds being admitted to the

Prospects MTF List and the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed.

For the purposes of (5) above, a loan agreement dated 24 May 2019 has been entered into by and between the Issuer (as lender) and Smartcare Holdings Ltd (as borrower). Such loan agreement is conditional upon the issue and allotment of the Bonds, which, in turn, is conditional upon: the Bonds being admitted to the Prospects MTF List and the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed.

The issue and allotment of the Bonds is conditional upon: (i) the Bonds being admitted to the Prospects MTF List; (ii) the Guarantee being granted in terms of Annex A of this Admission Document; and (iii) the Collateral being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed. In the event that any of the aforesaid conditions is not satisfied, the Security Trustee shall, through the Placement Agent and Manager, return the proceeds of the Bond Issue to the Bondholders.

18.2 EXPENSES

Professional fees and costs related to publicity, advertising, printing, fees relating to the admission to trading on Prospects MTF, registration, corporate advisor, management, selling commission and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €200,000 and shall be borne by the Issuer. There is no particular order of priority with respect to such expenses.

18.3 ISSUE STATISTICS

Amount	€5,000,000;
Bond Issue Price	at par (€100 per Bond);
Form	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination	Euro (€);
ISIN	MT0002251206;
Minimum amount per subscription:	minimum of €2,000 and multiples of €100 thereafter;
Redemption date	5 th June 2029;
Plan of Distribution	the Bonds are available for subscription to all categories of investors. The Bonds have been conditionally placed by means of the placement agreement entered into between the Issuer and the Placement Agent and Manager, details of which can be found in sub-section 19.3 of this Admission Document;
Status of the Bonds	the Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer, shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantors jointly and severally and shall be secured by means of the Collateral granted in terms of the Security Trust Deed. The Bonds shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and

	with other unsecured debtors of the Issuer and SHL but with priority and preference over unsecured debtors of SPL, if any;
Interest	5%;
Interest Payment Date	annually on the 5 th June of each year with the first interest payment date being the 5 th June 2020;
Issue Period	the period between 08:30 hours CET on 31 st May 2019 and 12:00 hours CET on 5 th June 2019 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
Governing law of the Bonds	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 or this Admission Document;
Underwriting	the Bond Issue is not underwritten. Should subscriptions for a total of at least €3,750,000 (the “Minimum Amount”) not be received, 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 Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed.

19 INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the terms and conditions set out in this Document 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.

19.1 General

19.1.1 Each Bond forms part of a duly authorised issue of 5% secured bonds 2029 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €5,000,000 (except as otherwise provided under sub-section 19.16 entitled “Further Issues” below). The Bond Issue is guaranteed jointly and severally by each of the Guarantors pursuant to the terms of the Guarantee.

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

19.1.3 Subject to admission to trading of the Bonds on Prospects MTF, the Bonds are expected to be assigned the following ISIN: MT0002251206.

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

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

19.1.6 The Issue Period of the Bonds is between 08:30 hours CET on 31st May 2019 and 12:00 hours CET on 5th June 2019.

19.1.7 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), the benefit of the Collateral through the Security Trustee (as detailed in sub-section 19.6 below), the right to seek recourse from the Guarantors pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds Issue and in accordance with the ranking specified in sub-section 19.4 of this Admission Document.

19.1.8 The Bond Issue is not underwritten. Should subscriptions for a total of at least €3,750,000 (the “Minimum Amount”) not be received, 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 Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed.

19.1.9 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 except for the Prospects MTF List.

19.2 Subscription

The Issuer has appointed Calamatta Cuschieri Investment Services Limited as Placement Agent and Manager for the purposes of this Bond Issue and interested investors may contact the Placement Agent and Manager for the purposes of subscribing to Bonds during the Issue Period. Applications for subscriptions to the Bonds will be processed at the discretion of the Placement Agent and Manager and the offer may close earlier than that indicated in the timetable in the event of over subscription.

The Bonds are open for subscription to all categories of investors, provided that the Placement Agent and Manager 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 and Manager unless, based on the results of such Appropriateness Test, the Placement Agent and Manager is satisfied that an investment in the Bonds may be considered appropriate for the Applicant. To the extent that the Placement Agent and Manager is providing advice in respect of a purchase of the Bonds by an Applicant, the Placement Agent and Manager 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.

In any case the Placement Agent and Manager shall ensure that subscribers to the Bonds are duly warned about the Risk Factors involved with investing in the Bonds and subscribers shall confirm that they have been so warned.

The Bond Issue is not underwritten. Should subscriptions for a total of at least €3,750,000 (the “Minimum Amount”) not be received, 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 Amount is reached but the Bond Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Bonds subscribed.

The total amount of €5,000,000 of Bonds is being reserved for subscription by the Placement Agent and Manager participating in the Placement Offer. The Issuer shall enter into a conditional subscription agreement with the Placement Agent and Manager for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of €5,000,000 as aforesaid.

In terms of said subscription agreement entered into with the Placement Agent and Manager, the Issuer will be conditionally bound to issue, and the Placement Agent and Manager will be conditionally bound to subscribe to, up to the total amount of €5,000,000 of Bonds as indicated therein, each subject to the Minimum Amount of €3,750,000 being subscribed.

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

19.3 Plan of distribution and allotment & Allocation Policy

The Bonds shall be allocated to the Placement Agent and Manager pursuant to the subscription agreement, details of which are included in sub-section 19.2 immediately above, without priority or preference and in accordance with the allocation policy as determined by the Issuer.

Subscription application monies returnable to Applicants may be retained pending clearance by both the Placement Agent and the CSD of the remittance and due verification of identity and risk assessment as required by the PMLFT Regulations and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

It is expected that an allotment letter will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy.

Dealings in the Bonds shall not commence prior to (i) admission to trading of the Bonds by the MSE on Prospects MTF and (ii) the Collateral being constituted in favour of the Security Trustee.

Within five (5) Business Days from closing of the Issue Period, the Issuer shall announce the result of the Bond Issue and shall determine and announce the basis of acceptance of Applications and allocation policy to be adopted through a public notice issued by the company.

19.4 Ranking of the Bonds

The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer, guaranteed jointly and severally by the Guarantors, and shall be secured by means of the Collateral granted in terms of the Security Trust Deed. The Bonds shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debtors of the Issuer and SHL but with priority and preference over unsecured debtors of SPL, if any.

As explained earlier, pursuant to the Security Trust Deed, Smartcare Pinto Ltd and Smartcare Holdings Ltd have agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as primary beneficiaries, security over the Collateral which includes a special hypothec over the Security Property, of which it is the owner. For such purpose Smartcare Pinto Ltd and Smartcare Holdings Ltd have agreed to appoint the Security Trustee to hold and administer the Collateral under trust. The Collateral will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Bonds by a preferred claim over the Security Property, amongst the other Collateral. Accordingly, following the issue of the Bonds and application of the proceeds as set out above, the Security Trustee for the benefit of Bondholders will have the benefit of security over the Collateral for the Bonds plus interest thereon.

The outstanding aggregate amount of Group bank facilities to be re-financed is €1,900,000 as at the date of the Company Admission Document, which bank borrowings and facilities are secured by privileges and hypothecs over the Security Property. Once the outstanding bank facilities referred to immediately above are refinanced through the application of Bond Issue proceeds as aforesaid, the Security Property will, through the appropriate cancellations, reductions and/or waivers (as applicable), be released from all charges currently encumbering the Security Property, and such charges shall effectively be replaced by the Collateral being created in favour of the Security Trustee for the benefit of Bondholders.

19.5 Negative pledge

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

"Financial Indebtedness" means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan, stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

"Permitted Security Interest" means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts or guarantees in the ordinary course of business; (C) any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds; (D) any other Security Interest (in addition to (A), (B) and (C) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B), (C) and (D) above do not result in the unencumbered assets of the Issuer being less than the aggregate principal amount of the Bonds still outstanding together with one (1) year's interest thereon;

"unencumbered assets" means assets which are not subject to a Security Interest.

19.6 Security

Security for the fulfilment of the Issuer's obligations in terms of the Bond Issue is to be granted in favour of the Security Trustee for the benefit of Bondholders, by way, *inter alia*, of the granting of the Collateral, as described hereunder.

The Bonds will be secured by, and Bondholders shall have the benefit of, the following security rights granted by Smartcare Pinto Ltd and Smartcare Holdings Ltd, as applicable, in favour of the Security Trustee:

- i. a first ranking special hypothec over the Security Property in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed and a deed of hypothec to be entered into for the purpose in the records of Notary Sam Abela (the “Deed of Hypothec”);
- ii. a pledge by Smartcare Holdings Ltd over all of its shares held in Smartcare Pinto Ltd, from time to time, in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Pledge Agreement and the Security Trust Deed; and
- iii. a pledge over the proceeds from the Insurance Policy in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed.

Specifically, Smartcare Pinto Ltd and Smartcare Holdings Ltd have agreed to grant the Collateral in favour of the Security Trustee for the benefit of Bondholders, as primary beneficiaries, in terms of the Security Trust Deed, and to appoint the Security Trustee to hold and administer the Collateral under trust. The Collateral will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Bonds. The initial Security Trustee is GVZH Trustees Limited.

The aforesaid security shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the CSD.

The Issuer, Smartcare Pinto Ltd and Smartcare Holdings Ltd have entered into a Security Trust Deed with the Security Trustee which sets out the covenants of the Issuer to pay the principal amount under the Bonds on the Redemption Date and interest thereon on each Interest Payment Date in terms of this Admission Document, the Pledge Agreement, the hypothecary rights under the Deed of Hypothec, the rights under the pledge relating to the Insurance Policy and all other ancillary rights and benefits enjoyed by the Security Trustee (for the benefit of Bondholders) under the Security Trust Deed. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Bonds.

The Security Trustee’s role includes the holding of the Collateral for the benefit of the Bondholders and the enforcement of the said Collateral upon the happening of specified events of default. The Security Trustee shall have no payment obligations to Bondholders under the Bonds, which obligations remain exclusively the obligations of the Issuer.

In terms of the Security Trust Deed, the Security Trustee reserves the right to demand to the Issuer that additional or alternative immovable (and unencumbered) property owned by the Group be given as security in addition to and/or in place of the Security Property, should at any given time the value of the Security Property be reported, pursuant to an independent architect’s valuation report, to be lower than the nominal value of outstanding Bonds in issue plus interest yet to accrue until the Redemption Date. In such case, the Issuer shall identify, at its discretion, which of the unencumbered property/ies forming part of the Group’s portfolio as at the date thereof, if any, would replace or be added to the existing Security Property for the purposes of securing the Bond Issue, and procure that the relative Group company takes such steps as may be necessary for such unencumbered property/ies to replace or be added to the existing Security Property. In the event that, upon such request being made by the Security Trustee, the Group’s property portfolio does not comprise any immovable property which is unencumbered, the Issuer shall either: provide a cash guarantee in favour of the Security Trustee sufficient to cover the difference between the nominal value of outstanding Bonds in issue (plus interest yet to accrue until the Redemption Date) and the revised value of the Security Property as set out in the above-mentioned independent architect’s valuation report; or take such steps as may be necessary to free any one or more of the immovable properties in the Group’s property portfolio from any existing encumbrances, and grant a first ranking special hypothec thereon in favour of the Security Trustee for the purpose of securing the Bond Issue.

In the event where the Security Trustee makes declarations of trust indicating additional or alternative property settled on trust as indicated above, the Issuer shall make the necessary company announcement in accordance with the Prospects MTF Rules to that effect.

The Security Trustee shall hold the said property under trust in relation to a commercial transaction (as defined in the Trust and Trustees Act, Chapter 331 of the laws of Malta) and transactions connected or ancillary

thereto. Furthermore, the Security Trustee shall hold the said property under a security trust as provided in Article 2095E of the Civil Code (Chapter 16 of the laws of Malta). A security shall be, therefore, constituted in the name of the Security Trustee in the manner provided for by applicable law of Malta for the benefit of the Bondholders and this for all amounts owing to the Bondholders by the Issuer in terms of this Admission Document, as may be amended from time to time, including all amounts of interest or charges due in terms thereof, in relation to the Bonds.

In the event that the Issuer, Smartcare Pinto Ltd or Smartcare Holdings Ltd commits any of the Events of Default set out in sub-section 19.14 below, including default on the part of the Issuer of its obligations to repay any Bonds (together with interest and charges thereon) in terms of this Admission Document, the Security Trustee shall have the authority to enforce the Collateral.

The Security Trustee shall not be bound to take any steps to ascertain whether any Events of Default or other condition, event or circumstance has occurred or may occur. Until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Events of Default or condition, event or other circumstance has happened and that the Issuer, Smartcare Pinto Ltd and Smartcare Holdings Ltd, as applicable, are observing and performing all the obligations, conditions and provisions on their respective part pursuant to this Admission Document, the Security Trust Deed, the Pledge Agreement and the Deed of Hypothec. Provided further that, in the event that the Security Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify in writing the Malta Stock Exchange, the Corporate Advisor and the Bondholders of such fact without delay.

Without prejudice to other powers and discretions of the Security Trustee in terms of the Security Trust Deed, the Security Trustee shall have the discretion to enforce the Collateral on its own accord or upon receiving notice from the Bondholders that any of the Events of Default has occurred in accordance with the provisions of this Admission Document.

Following the Security Trustee's enforcement of the Collateral, subject to any other mandatory legally privileged claims that may require prior settlement in terms of law, the Security Trustee shall apply any available funds as follows:

- first to pay any sums due to the Security Trustee as trust administration costs or liabilities of the Security Trustee; and
- secondly to pay the Bondholders any outstanding dues by the Issuer in terms of this Admission Document.

The Security Trustee shall have the discretion to postpone any sale of the assets held on trust if the best value reasonably achievable for the said assets on the open market for the time being would not be considered a fair value in the opinion of the Security Trustee or in the opinion of any advisor appointed by the Security Trustee for the valuation of the said assets.

No provision contained in this Admission Document, the Deed of Hypothec, the Pledge Agreement and/or the Security Trust Deed shall be construed as creating or otherwise acknowledging any obligation on the part of the Security Trustee in favour of the Bondholders for any payments that may fall due under the Bonds.

In terms of the Security Trust Deed, the Security Trust shall terminate in any of the following events, whichever is the earliest:

- upon the Issuer repaying all amounts outstanding to the Bondholders in terms of this Admission Document and upon the Security Trustee receiving confirmation in writing to this effect from the Issuer and/or the MSE; or
- after one hundred and twenty-five (125) years from the date of the Security Trust Deed; or
- on such earlier date as the Security Trustee shall declare in writing to be the date on which the relative trust period shall end, provided that such action:- (a) shall be preceded by the appointment by the Issuer and SPL of a new replacement security trustee at least thirty (30) days prior to the said date and the replacement appointment is duly announced by the Issuer on the market for as long as the Bonds remain

admitted on any of the markets operated by the MSE; and (b) is in accordance with the terms of this Admission Document.

Every Bondholder shall be entitled to be entered in the Register of Bondholders and shall, thereupon, become a primary beneficiary under the Security Trust Deed. The beneficial interest of a primary beneficiary in terms of the Security Trust Deed shall terminate upon such time as a Bondholder is no longer registered in the register of Bondholders maintained by the CSD, or upon the redemption of the principal amount of the Bonds and payment of all interests thereunder, as the case may be.

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 on the Security Trust Deed to beneficiaries of the Smartcare Security Trust.

The outstanding aggregate amount of bank facilities to be re-financed is €1,900,000 as at the date of the Company Admission Document, which bank borrowings and facilities are secured by privileges and hypothecs over the Security Property. Once the outstanding bank facilities referred to immediately above are refinanced through the application of Bond Issue proceeds as aforesaid, the Security Property will, through the appropriate cancellations, reductions and/or waivers (as applicable), be released from all charges currently encumbering the Security Property, and such charges shall effectively be replaced by the Collateral being created in favour of the Security Trustee for the benefit of Bondholders. The Security Trustee shall obtain the Collateral over the relevant immovable property constituting the Security Property and that had previously secured the bank funding being refinanced.

By creating a preferred claim over the Security Property, the Collateral will secure the claim of the Security Trustee, for the benefit of and in the interest of Bondholders, for the repayment of the principal and interest due and accruing under the Bonds. Accordingly, following the issue of the Bonds and application of the Bond Issue proceeds in accordance with the terms of this Admission Document as well as the release of the existing security in place over the Security Property, the Security Trustee will have the benefit of a first ranking special hypothec over the Security Property for the full amount of the Bonds and interest thereon.

Process for creation of the Collateral and release of Bond Issue proceeds

The net Bond Issue proceeds shall be transferred to the Security Trustee on or around 12 June 2019 to be held on escrow by the Security Trustee in terms of an escrow agreement to be entered into for this purpose. The Bond Issue proceeds to be allocated to the bank refinancing referred to in sub-section 18.1 above shall be released by the Security Trustee, acting in its capacity as escrow agent, to Smartcare Pinto Ltd and/or Lombard Bank, as may be applicable, on condition that:

- (i) it receives appropriate assurance that publication and registration of the necessary notarial deeds for the cancellation of the existing charges over the Security Property, and the simultaneous publication and registration of the Deed of Hypothec pursuant to which all security over the Security Property for the benefit of Bondholders is to be duly perfected and registered, will be effected once the outstanding bank facilities referred to in sub-section 18.1 above are refinanced through the application of Bond Issue proceeds;
- (ii) the Pledge Agreement is duly and properly executed and registered with the competent authorities;
- (iii) the pledge on proceeds from the Insurance Policy is duly and properly executed; and
- (iv) confirmation that the Bonds will be admitted to the Prospects MTF List by no later than 12th June 2019 is communicated to the Security Trustee.

With reference to item (i) above:

- (I) Smartcare Pinto Ltd shall appear on notarial deeds to repay the outstanding loans due to Lombard Bank, which as at 31st March 2019 amounted to €1,200,000 and to repay an overdraft at Lombard Bank which as at 31st March 2019 amounted to €700,000. Pursuant to these deeds,

- the Security Trustee would be in a position to obtain the Collateral over the Security Property which, as at the date hereof, secures the existing bank funding; and
- (II) the Issuer, Smartcare Pinto Ltd and the Security Trustee will simultaneously enter into another notarial deed (the Deed of Hypothec) pursuant to which Smartcare Pinto Ltd shall constitute a first ranking special hypothec over the Security Property.

Following registration of the notarial deeds described in (I) and (II) above and the presentation to the Security Trustee of the appropriate notes of hypothec together with the execution of the Pledge Agreement, and upon the Bonds being admitted to the Prospects MTF List, the Security Trustee shall release the remaining balance of the net Bond Issue proceeds, equivalent to circa €2,900,000, to be applied for the purposes specified in sub-section 18.1 above.

19.7 Rights attached to the Bonds

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

- the payment of interest;
- the payment of capital as and when due;
- the benefit of the Collateral through the Security Trustee, in accordance with the provisions of sub-section 19.6 of this Document;
- ranking with respect to other indebtedness of the Issuer and the Guarantors in accordance with the provisions of sub-section 19.4 of this Document;
- seek recourse from the Guarantors pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds Issue;
- attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- enjoy all such other rights attached to the Bonds emanating from the Admission Document.

19.8 Interest

The Bonds shall bear interest from and including the 5th June 2019 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment shall be effected on the 5th June 2020 (covering the period 5th June 2019 to 5th June 2020). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. 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 for any reason 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 highest rate applicable by 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.

19.9 Yield

For Bonds issued at the Bond Issue Price, 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 5% per annum.

19.10 Form, Denomination and Title

19.10.1 Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies), LEI numbers and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall subject to terms and conditions, 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.

19.10.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD in accordance with the MSE's applicable terms and conditions.

19.10.3 Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account 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 Bondholders' statement of holdings evidencing entitlement to the 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>.

19.10.4 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. The Placement Agent and Manager may subscribe for Bonds for its own account or for the account of underlying customers, including retail customers.

19.10.5 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 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 relative stipulations of this Admission Document.

19.11 Pricing

The Bonds are being issued at par, that is, at €100 per Bond, with the full amount payable upon subscription.

19.12 Payments

19.12.1 Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, 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 and held with any licensed bank within the European Economic Area and any applicable charges shall be borne by the bondholder. Such payment shall be effected within seven (7) days of the Redemption Date. 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 electronic register of the Bonds at the CSD.

19.12.2 In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds and relative interest payments.

19.12.3 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 and held with any licensed bank within the European Economic Area and any applicable charges shall be borne by the bondholder. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

19.12.4 All payments with respect to the Bonds are subject in all cases 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.

19.12.5 The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

19.13 Redemption and purchase

19.13.1 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 up to the date fixed for redemption) on 5th June 2029. 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.

19.13.2 Subject to the provisions of this sub-section 19.13, 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 re-purchased will be cancelled forthwith and may not be re-issued or re-sold.

19.14 Events of Default

Pursuant to the Security Trust Deed, the Security Trustee may in its absolute and unfettered discretion, and shall upon the request in writing of not less than sixty-five percent (65%) in value of the Bondholders qua primary beneficiaries and/or of the Corporate Advisor appointed under the Prospects MTF Rules and acting in its duty of care to the Exchange, the market and the Bondholders, by notice in writing to the Issuer and the Guarantors declare the Bonds to have become immediately due and repayable at their principal amount, together with any accrued interest, upon the happening of any of the following events ("Events of Default"):

- if 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 and/or by the Security Trustee; and/or
- if the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Security Trustee; and/or
- if the Issuer and/or either or both of the Guarantors 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 and the Guarantors by any Bondholder and/or by the Security Trustee; and/or
- if the Issuer and/or Smartcare Pinto Ltd and/or Smartcare Holdings Ltd commits a breach of any of the covenants or provisions contained in the Security Trust Deed and/or the Deed of Hypothec and/or the Pledge Agreement, as applicable, to be observed and performed on their respective parts and the said breach still subsists for thirty (30) days after having been notified by the Security Trustee (other than any covenant for the payment of interests or principal monies owing in respect of the Bonds); and/or

- the security constituted by any hypothec, pledge or charge upon the whole or any part of the undertaking or assets of the Issuer or Smartcare Pinto Ltd or Smartcare Holdings Ltd shall become enforceable and steps are taken to enforce the same and the taking of such steps shall be certified in writing by the Security Trustee to be, in its opinion, prejudicial to the Bondholders; and/or
- any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or the Guarantors is or proves to have been incorrect in any material respect in the sole opinion of the Security Trustee; and/or
- any consent, permit, authorisation, licence or approval of, or registration with, or declaration to governmental, statutory or public bodies, or authorities or courts, required by Smartcare Pinto Ltd in connection with the operation of the Security Property, or required by the Issuer for the performance of its obligations hereunder or under the Security Trust Deed, is substantially modified in the sole opinion of the Security Trustee, or is not granted, or is revoked, or terminated, or expires and is not renewed, or otherwise ceases to be in full force and effect; and/or
- if 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 and/or of Smartcare Pinto Ltd and/or of Smartcare Holdings Ltd; and/or
- if the Issuer and/or either or both of the Guarantors 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; and/or
- if the Issuer and/or either or both of the Guarantors is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or
- if there shall have been entered against the Issuer and/or Smartcare Pinto Ltd and/or Smartcare Holdings Ltd a final judgment 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 judgment without its having been satisfied or stayed; and/or
- if any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined above) of the Issuer in excess of one million Euro (€1,000,000) or its equivalent at any time.

Upon any such declaration being made as aforesaid, the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

In the event that the Security Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur it shall notify the MSE, the Corporate Advisor and the Bondholders of such fact without delay in writing.

Provided that in the event of any breach by the Issuer and/or Smartcare Pinto Ltd and/or Smartcare Holdings Ltd of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond the control of the Issuer and/or Smartcare Pinto Ltd and/or Smartcare Holdings Ltd, as applicable, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer and/or Smartcare Pinto Ltd and/or Smartcare Holdings Ltd, as applicable, such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times act on and in accordance with any instructions it may receive in a meeting of Bondholders satisfying the conditions set out in the Security Trust Deed. The Security Trustee shall not be bound to take any steps to ascertain whether any event of default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such event of default or condition, event or other circumstance has happened and that the Issuer and/or Smartcare Pinto Ltd and/or Smartcare Holdings Ltd, as applicable, are observing and performing all the obligations, conditions and

provisions on their respective part contained under the Bonds, the Company Admission Document and the Deed of Hypothec.

Provided further that, in the event that the Security Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify in writing the Malta Stock Exchange, the Corporate Advisor and the Bondholders of such fact without delay.

19.15 Transferability of the Bonds

19.15.1 The Bonds are freely transferable and, once admitted to the Prospects MTF List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. If Bonds are transferred in part, the transferee thereof will not be registered as a Bondholder.

19.15.2 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/herself 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/herself, he/she 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 €100.

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

19.15.4 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 that may be imposed in relation thereto, will be borne by the person to whom the transfer / transmission has been made.

19.15.5 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.

19.15.6 The minimum subscription amount of €2,000 shall only apply during the Issue Period. No minimum holding requirement shall be applicable once the Bonds are admitted to the Prospects MTF List and commence trading thereafter, subject to trading in multiples of €100.

19.16 Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank senior to the Bonds in respect of the Collateral.

19.17 Meetings of Bondholders

19.17.1 The Issuer may, through the Security Trustee and with the prior written consent of the Exchange, 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 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 Admission Document require the approval of a Bondholders' meeting in accordance with the below.

19.17.2 A meeting of Bondholders shall be called by the Directors by giving the Security Trustee and 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. The notice itself as well as the results of the Bondholders' meeting shall also be announced to the market via company announcement for as long as the Bonds remain admitted on any markets operated by the MSE. 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 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.

19.17.3 The amendment of any of the Terms and Conditions of issue of the Bonds may only be made with the prior written approval of the Exchange until such time as the Bonds remain admitted on any of its markets, and with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

19.17.4 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 75% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Security Trustee and 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, together with a warning about the new quorum at such adjourned meeting. 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 and decided upon during, the adjourned meeting.

19.17.5 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

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

19.17.7 The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer and the Security Trustee.

19.17.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty per cent (60%) in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

19.17.9 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.

19.18 Authorisations and approvals

The Directors of the Issuer authorised the Bond Issue and the publication of the Admission Document pursuant to a board of directors' resolution passed on the 4th April 2019. The Guarantee being given by the Guarantors in respect of the Bonds has been authorised by resolutions of the boards of directors of each of the Guarantors both dated 28 May 2019.

19.19 Admission to trading

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Admission Document to be traded on Prospects MTF. The Bonds are expected to be admitted to the Prospects MTF List with effect from 12th June 2019 and trading is expected to commence on 13th June 2019. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

19.20 Representations and warranties

19.20.1 The Issuer represents and warrants to Bondholders and to the Security Trustee for the benefit of Bondholders, that 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 this 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 this Document; and
- iii. no litigation, arbitration or administrative proceedings are taking place, pending or, to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on the business, assets or financial condition of the Issuer.

19.20.2 This Admission Document contains all relevant material information with respect to the Issuer and the Guarantors and all information contained in this Document is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer, the Guarantors, their respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in this Admission Document misleading or inaccurate in any material respect.

19.21 Bonds held jointly

In respect of any Bonds held jointly by several persons (including spouses), 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. 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.

19.22 Bonds held subject to usufruct

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

20 TERMS AND CONDITIONS OF THE BOND ISSUE

20.1 The issue and allotment of the Bonds is conditional upon (i) the Bonds being admitted to the Prospects MTF List; (ii) the Guarantee being granted in terms of Annex A of this Admission Document and (iii) the Collateral being constituted in favour of the Security Trustee, in accordance with the provisions of the Security Trust Deed. In the event that said conditions are not satisfied 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.

20.2 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.

20.3 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 Document and the Memorandum and Articles of Association of the Issuer.

20.4 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 shall be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public unless already known to the Placement Agent / Manager.

20.5 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.

20.6 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 shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / 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 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.

20.7 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.

20.8 No person receiving a copy of this 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.

20.9 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 consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

20.10 Subject to all other terms and conditions set out in this 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 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 in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several.

20.11 Save where the context requires otherwise or where otherwise defined therein, terms defined in this Document bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the Annexes and in any other document issued pursuant to this Admission Document.

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

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

20.14 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €2,000.

20.15 The completed Application Forms are to be lodged with the Placement Agent and Manager. The Placement Agent and Manager shall, prior to accepting an Application, conduct an Appropriateness 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 appropriate for the Applicant. To the extent that the authorised financial intermediary is providing advice in respect of a purchase of the Bonds by an Applicant, the authorised financial intermediary 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.

For the purpose of this Admission Document, the term “Appropriateness Test” means the test conducted by any licensed financial intermediary, when providing an investment service (other than investment advice or portfolio management) in relation to the subscription for and the trading of Bonds, for the purpose of such licensed financial intermediary determining (after collecting the necessary information) whether the investment service or the Bonds are appropriate for the prospective Applicant or prospective transferee. In carrying out this assessment, the licensed financial intermediary shall ask the Applicant or the prospective transferee to provide information regarding the Applicant or transferee’s knowledge and experience so as to determine that the Applicant or transferee has the necessary experience and knowledge in order to understand the risks involved in relation to the Bonds or investment service offered or demanded, in accordance with Part BI of the Investment Services Rules for Investment Service Providers as promulgated by the Malta Financial Services Authority (the “ISR”). In the event that the licensed financial intermediary considers, on the basis of the test conducted, that the transfer of Bonds is not appropriate for the Applicant or prospective transferee, the licensed financial intermediary shall reject the prospective Applicant’s request

to subscribe for or acquire Bonds, irrespective of whether the Applicant or transferee is warned that the investment in the Bonds is not appropriate for the Applicant or transferee.

For the purpose of this Admission Document, the term “Suitability Test” means the process through which a licensed financial intermediary providing investment advice or portfolio management services in relation to the subscription for and trading of Bonds obtains such information from the Applicant or prospective transferee as is necessary to enable the licensed financial intermediary to recommend to or, in the case of portfolio management, to effect for, the Applicant or prospective transferee, the investment service and trading in Bonds that are considered suitable for him/her, in accordance with Part BI of the ISR. The information obtained pursuant to this test must be such as to enable the licensed financial intermediary to understand the essential facts about the Applicant or prospective transferee and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or to be entered into in the course of providing a portfolio management service, satisfies the following criteria:

- it meets the investment objectives of the Applicant or prospective transferee in question;
- it is such that the Applicant or prospective transferee is able financially to bear any related investment risks consistent with investment objectives of such Applicant or prospective transferee; and
- it is such that the Applicant or prospective transferee has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio.

20.16 For the purposes of the PMLFT Regulations, all appointed authorised financial intermediaries are under a duty to communicate to the CSD, all information including customer due diligence data about clients as is required under the Implementing Procedures issued by the Financial Intelligence and Analysis Unit in view of its placing of reliance on the said intermediaries under the said Regulations and Articles 1.2(d) and 2.4 of the “Code of Conduct for Members of the Malta Stock Exchange” 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, recorded and controlled by the Malta Stock Exchange in terms of the said PMLFT Regulations, GDPR and the Data Protection Act (Chapter 586 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.

20.17 Applications in the name of a corporation or corporate entity or association of persons need to include a valid Legal Entity Identifier (“LEI”) in the space provided on the Application Form. Failure to include a valid LEI code will result in the Application being cancelled by the Issuer acting through the Placement Agent and Manager and subscription monies will be returned to the Applicant in accordance with sub-section 20.18 below.

20.18 In the event that an Applicant fails to submit full information and/or documentation required with respect to an Application or in the Placement Agent’s or the MSE’s discretion, does not meet the customer acceptance policy criteria following the due risk assessment required under the PMLFT Regulations, the Applicant shall receive a full refund, without interest, by direct credit transfer to such account indicated in the Application Form at any time before the Bonds are admitted to Prospects MTF. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such credit transfer.

20.19 By completing and delivering an Application Form, the Applicant:

- agrees and acknowledges to have had the opportunity to read the Admission Document and to be deemed to have had notice of all information and representations concerning the Issuer, the Guarantors and the issue of the Bonds contained therein;
- 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.
- authorises the Placement Agent and Manager 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 GDPR and the Data Protection Act (Chapter 586 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 Admission Document. The requests must further be signed by the Applicant to whom the personal data relates;

- 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 Admission Document and, accordingly, agree/s that no person responsible solely or jointly for this Document or any part thereof will have any liability for any such other information or representation;
- 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 due verification of identity and satisfaction of customer acceptance criteria under a risk assessment as required by the PMLFT Regulations, and that such monies will not bear interest;
- agrees to provide the Placement Agent and Manager and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- 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 and Manager 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;
- warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- 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 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;
- agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, if any, 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;
- 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;
- 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) at the Bond Issue Price subject to the Admission Document, the terms and conditions thereof and the Memorandum and Articles of Association of the Issuer;
- 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 to be registered in the register of debentures or to 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 and Manager (which acceptance shall be made in the absolute discretion of the Issuer and/or the Placement Agent and Manager and may be on the basis that the Issuer and/or the Placement Agent and Manager 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 and Manager of such late payment in respect of such Bonds, the Issuer and/or the Placement Agent and Manager 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);

- 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;
- 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;
- 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;
- 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
- agrees that, in all cases, any refund of unallocated Application monies, if any, 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.

21 TAXATION

21.1 General

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

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

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

21.2 Malta Tax on Interest

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 15% of the gross amount of the interest, pursuant to article 33 of the said Income Tax Act. Interest payments made to Prescribed Funds will be subject to a final withholding tax at the rate of 10%. 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. For the purpose of the above, a "recipient" is generally a person who is resident in Malta during the year in which investment income is payable to him or other persons or entities acting on behalf of such resident person or a trustee or foundation pursuant to or by virtue of which any money or other property whatsoever shall be paid or applied to or for the benefit of such resident persons.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder may not declare the interest so received in his income tax return. No person shall be charged further tax in respect of such income.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the progressive rate/s applicable to that person at that time. Any such election made by a qualifying Bondholder at the time of subscription may be subsequently revoked 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.

The Issuer is required to provide an account to the Commissioner for Revenue of all payments of interest made during any year, whether tax is deducted or otherwise. The annual account shall include details of the recipient's name, address and the income tax registration number as well as the amount of interest paid, and the tax deducted, where applicable, by the Issuer to the recipient during that year.

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

21.3 Foreign Account Tax Compliance Act

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new 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 United States has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA with Malta. 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 also may 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 Admission Document and therefore the Issuer has no responsibility for any amount thereafter transmitted through the payment chain.

FATCA requires participating financial institutions 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 particularly complex. Each Bondholder should consult his own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in his specific circumstance.

21.4 Directive on Administrative Cooperation in the Field of Taxation

The Council of the European Union has adopted Directive 2014/107/EU amending Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime that implements the OECD measures known as the “Common Reporting Standard”. Member States have been required to exchange information pursuant to this Directive since 30 September 2017 (subject to deferral under transitional rules in the case of Austria).

Malta has transposed Directive 2014/107/EU into national law by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations. In terms of this legal notice, the automatic exchange of information obligations extends also to jurisdictions that are not EU Member States with which there is a relevant arrangement in place.

In consequence, financial institutions of an EU Member State and of participating jurisdictions will be required to report to their respective tax authorities certain financial account information in respect of account holders (and in some cases, beneficial holders), that are residents of another EU Member State or of a participating jurisdiction in order to be exchanged automatically with the tax authorities of the other EU Member States or participating jurisdictions. Financial account information in respect of holders of the Bonds could fall within the scope of EU Directive 2014/107/EU and this may therefore be subject to reporting obligations.

21.5 Maltese taxation on capital gains on transfer of the Bonds

To the extent that the Bonds do not fall within the definition of “*securities*” in terms of article 5(1)(b) of the Income Tax Act, that is, “*shares and stocks and such like instruments that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return*”, no Malta tax on capital gains should be chargeable in respect of transfers of Bonds held as capital assets at the time of disposal.

21.6 Duty on documents and transfers

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), duty is chargeable inter alia on the transfer or transmission causa mortis of marketable securities, defined in the said legislation as “a holding of share capital in any company and any document representing the same.”

Accordingly, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and that, therefore, the transfer or transmission thereof should not be chargeable to duty.

21.7 Tax status of the Group

The Maltese incorporated companies forming part of the Group should be subject to tax in Malta at the standard corporate tax rate, which currently stands at 35%.

Income from foreign sources received by such companies (including capital gains, dividends, interest and any other income) is also subject to tax in Malta at the rate of 35%, subject to claiming relief for double taxation in terms of the provisions of the Income Tax Act (Chapter 123 of the laws of Malta).

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 BOND 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.

22 LITIGATION PROCEEDINGS AND INVESTIGATIONS

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer and/or the Guarantors are aware) during the period covering twelve (12) months prior to the date of the Admission Document which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantors and/or the Group taken as a whole.

23 GOVERNING LAW

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

24 NOTICES

Notices will be mailed to Bondholders and to the Security Trustee 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 and to the Security Trustee at his/her/its registered address and posted.

25 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at 326, Mdina Road, Qormi, Malta during the term of the Bond Issue during office hours:

1. the Memorandum and Articles of Association of the Issuer and of each of the Guarantors;
2. the architect's property valuation report referred to in Annex D of this Admission Document;
3. pledge on insurance proceeds;
4. insurance policy;
5. loan agreements between the Issuer and Smartcare Pinto Ltd, the Issuer and Smartcare Properties Limited and the Issuer and Smartcare Holdings Ltd, respectively;
6. M&As of Kai Investments Limited, Smartcare Holdings Limited, Smartcare Pinto Limited and Smartcare Properties Limited;
7. valuation of Smartcare Pinto Ltd prepared by Nexia BT Advisory Services Limited pursuant to the pledge by Smartcare Holdings Ltd over all of its shares held in Smartcare Pinto Ltd in favour of the Security Trustee;
8. the Guarantee;
9. the Escrow Agreement;
10. the Security Trust Deed; and
11. the Pledge Agreement.

ANNEX A - Guarantee

THE GUARANTEE

To All Bondholders:

RE: GUARANTEE AND INDEMNITY

Reference is made to the issue of up to €5 million 5% Secured Bonds 2029 by Smartcare Finance p.l.c., a company registered in Malta bearing company registration number C 90123 (the “**Issuer**”) pursuant to and subject to the terms and conditions contained in the Company Admission Document to be dated 28th May 2019 (the “**Bonds**”).

Now, therefore, by virtue hereof we, Smartcare Pinto Ltd (C 86395) and Smartcare Holdings Ltd (C 90121), hereby stand as co-sureties jointly and severally with the Issuer and irrevocably and unconditionally guarantee the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertake to pay all amounts of principal and interest which have become due and payable by the Issuer to Bondholders under the Bonds, within sixty (60) days from the date such amount falls due and remains unpaid by the Issuer.

This guarantee shall be governed by the laws of Malta.

Interpretation:

In this Guarantee, unless the context otherwise requires:

- (a) terms and expressions defined in or construed for the purposes of the Company Admission Document shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- (b) “**Indebtedness**” means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders (whether alone and/or with others) in terms of the Company Admission Document and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements or otherwise and whether for actual or contingent liability; and
- (c) “**writing**” or “**in writing**” shall mean any method of visual representation and shall include e-mails, facsimile transmissions and other such electronic methods.

Nature, scope and terms of the Guarantee:

1. NATURE OF THE GUARANTEE

The offering of Bonds that will be made by the Issuer pursuant to the Company Admission Document will be made with the benefit of the joint and several corporate Guarantee of the Guarantors, the full terms of which are set out in clause 3 below.

2. INFORMATION ABOUT THE GUARANTORS

The information about the Guarantors required pursuant to the Rules may be found in the Company Admission Document.

3. TERMS OF THE GUARANTEE

3.1 Covenant to pay

For the purposes of the Guarantee, the Guarantors, as primary obligors, hereby jointly and severally with the Issuer irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds detailed in the Company Admission Document as and when the same shall become due under any of the foregoing, the Guarantors will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. All demands shall be sent to the addresses stated below in clause 3.11 as the same may be changed by company announcement issued by the Issuer from time to time.

Such payment shall be made in the currency in force in Malta at the time the payment falls due.

All payments shall be made to Bondholders without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantors by the Issuer.

This Guarantee shall apply to all Bonds issued on or after 28th May 2019 in accordance with the terms of the Company Admission Document.

3.2 Guarantors as joint and several surety

Each Guarantor will be liable under this Guarantee as joint and several surety with the Issuer.

3.3 Maximum liability

This is a continuing Guarantee for the whole amount due or owing under the Bonds or which may hereafter at any time become due or owing under the Bonds by the Issuer, but the amount due by the Guarantors to the Bondholders under this Guarantee shall be up to and shall not be in excess of €5,000,000 (five million Euro), apart from interest due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders' rights against the Issuer and/or the Guarantors, which shall be additional to the maximum sum herein stated.

3.4 Continuing and unconditional liability

The liability of each Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced, by reason of:

- a. the bankruptcy, insolvency or winding up of the Issuer; or
- b. the incapacity or disability of the Issuer; or
- c. any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantors;
- d. a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or extract payment from the Issuer; or
- e. any event, act or omission that might operate to exonerate the Guarantors without settlement in full of the Indebtedness towards the relevant Bondholder.

3.5 Indemnity

As a separate and alternative stipulation, each Guarantor unconditionally and irrevocably agrees that any Indebtedness to be payable by the Issuer but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantors or any Bondholder) not recoverable from any Guarantor, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee,

gives rise to a separate and independent obligation from the other obligations in this Guarantee, and gives rise to a separate and independent cause of action.

3.6 Representations and warranties

3.6.1 Each Guarantor represents and warrants:

- (i) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- (ii) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by said Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- (iii) that this Guarantee constitutes and contains valid and legally binding obligations of such Guarantor enforceable in accordance with its terms;
- (iv) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which said Guarantor is or may be subject, or any agreement or other instrument to which said Guarantor is a party or is subject or by which it or any of its property is bound;
- (v) that this Guarantee shall not result in or cause the creation or imposition of, or oblige the Guarantors to create, any encumbrance on the Guarantors' undertakings, assets, rights or revenues;
- (vi) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature (which for the purposes of this Guarantee shall mean proceedings relative to a claim amounting to at least €1,000,000) and nor is it threatened with any such procedures;
- (vii) that the obligations of the Guarantors under this Guarantee constitute general, direct and unsecured obligations of the Guarantors and rank equally with all their other existing and future unsecured obligations, except for any debts for the time being preferred by law;
- (viii) that it is not in breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound, nor has any default occurred in its regard;
- (ix) that all the information, verbal or otherwise, tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts; and
- (x) that the granting of this Guarantee is in the commercial interest of said Guarantor and that said Guarantor acknowledges that it is deriving commercial benefit therefrom.

3.6.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, each Guarantor shall hold true, good and valid all the representations and warranties given under this clause.

3.7 Deposit and production of the Guarantee

The instrument creating this Guarantee shall be deposited with and be held by the Issuer at its registered address for the benefit of the Bondholders until all obligations of the Guarantors have been discharged in full, and until such time the Guarantors acknowledges the right of every Bondholder to obtain a copy of the instrument creating the Guarantee.

3.8 Subrogation

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, the Guarantors shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

3.9 Benefit of the Guarantee and no assignment

This Guarantee is to be immediately binding upon the Guarantors for the benefit of the Bondholders. The Guarantors shall not be entitled to assign or transfer any of their obligations under this same Guarantee.

3.10 Amendments

The Guarantors have the power to veto any changes to the terms and conditions of the Bonds which are issued with the benefit of this Guarantee.

3.11 Notices

For notification purposes in connection with this Guarantee, the proper addresses and telephone numbers of the Guarantors are:

Smartcare Pinto Ltd

Address: 326, Mdina Road, Qormi, Malta
Telephone number: +356 21 449 574
Contact person: Mr Andrew Debattista Segond

Smartcare Holdings Ltd

Address: 326, Mdina Road, Qormi, Malta
Telephone number: +356 21 449 574
Contact person: Mr Andrew Debattista Segond

3.12 Governing law and jurisdiction

This Guarantee is governed by and shall be construed in accordance with Maltese Law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be brought exclusively before the Maltese courts.

Signed and executed on this the 28 day of May 2019.



Andrew Debattista Segond
Director
Smartcare Pinto Ltd (C 86395)



Andrew Debattista Segond
Director
Smartcare Holdings Ltd (C 90121)

ANNEX B – Current and past directorships of the Directors of the Issuer

Name and Surname	Current Directorships	Directorships held in the past 5 years		
Mr Andrew Debattista Segond	Smart Homes Limited	C 35565	None	
	SmartHomes Developments LTD	C 63358		
	Smarthomes Holding LTD	C 86393		
	Smarhomes Real Estate LTD	C 81748		
	Smartcare Finance p.l.c	C 90123		
	Smartcare Holdings LTD	C 90121		
	Smartcare Pinto LTD	C 86395		
	Smartcare Properties Limited	C 90122		
	R&A Smart Construction Ltd	C 74390		
	KAI Investments Limited	C 65586		
	N&A Smart Installations Ltd	C 76549		
Ms Jacqueline Camilleri	Hili Finance Company plc	C 85692		
	Smartcare Finance p.l.c	C 90123		
Dr Ian Joseph Stafrace	Awiag Ltd Carlina Ltd Smartcare Finance plc	C26819	Action Marketing Ltd	C 28038
		C67363	Ashcroft Enterprises Ltd	C 29772
		C90123	Barton Ltd	C 23690
			Berwick Company Ltd	C 24594
			Chiffon Properties Ltd	OC264
			Davcut Ltd	C 21068
			Descartes Malta Holdings Ltd	C 26867
			Descartes Systems Malta Ltd	C 26941
			Edison Power & Engineering Holdings Ltd	C 22709
			Finerre Co. Ltd	C 23907
			Gate One Ltd	23907
			Golden Dawn Shipping Ltd	C 24532
			Henson Ltd	C 24671
			Hope Carriers Ltd	C 25101
			Ironrose Ltd	C 24887
			J.G.T. Beleggingsinstelling B.V.	C 22605
			Jencat Enterprises LTD	OC135
			Kenny Holdings Ltd	PCOMM 27
			L.G.R. Shipping Company Ltd	C 23426
			Marigold Ltd	C 24659
			Marzam Ltd	C 25652
			MD Ltd	C 21075
			Micronet International Ltd	C 25497
			Northern Holdings Ltd	C 23433
			OBAN Company Ltd	C 22045
			Serrano Ltd	C 24533
			Set Sail Ltd	C 24704
			Suva Holdings Ltd	C 28127
			Svart Falk Shipping Ltd	C 21071
			Tament Ltd	C 24672
			Valletta Stone Ltd	C 25013
			VIT Falk Maritikme Ltd	C 21069
				C 26521
Mr William Wait	Bloomtree Limited AST Group p.l.c.	C 31708	Acceleration Limited	C 64681
		C 66811	DAGO International Ltd	C 33825
			Union Casting (Malta) Limited	C 33803
			Toly Products Limited	C 1597

	European Commercial Water Solutions (ECWS) Limited Smartcare Finance p.l.c Projects Plus Limited TK Enterprises Limited TUM Finance plc Trium Ventures Limited Sha Tin Limited Monza Limited Marlow Investments Limited M.B.T. Limited Luxury Living Finance P.L.C. Luxury Living Technologies Limited Lucerne Investments Limited Farma Plastics Limited	C 80418 C 90123 C66855 C 38226 C 91228 C 29508 C 82221 C 36979 C 58445 C 54458 C 85987 C 74593 C 32181 C 31048	Toly Malta Sales Limited Toly Mangement Limited Highgate Properties Limited Toly Products (UK) Limited Toly France SA Toly Belgium sprl Toly Italy srl Toly Hong Kong Limited Toly Asia Limited Toly USA Inc Toly Cyprus Limited Toly Tooling Finance Limited Alutec Die Casting Limited Union Press Co Ltd Union Print Co Ltd Solang Limited Malta Enterprise Corporation Sea Panther Shipping Limited Toly Mascara Division S.r.l Neopack Enterprise Private Ltd Fullcos Limited Wait Holdings Limited Malta Life Sciences Centre Limited Malta Digital Hub Limited Water Services Corporation Projects Malta Limited WSC International Limited Automated Revenue Management Services Limited Wilton Development Partnership (Formerly Wilton Developments Limited C 33732) Toly Group International ApS	C 55846 C 46093 C 39227 UK France Belgium Italy HongKong HongKong USA Cyprus C 25747 C 33872 C 20885 C 10151 C 35152 C 31048 C 33498 Italy C 90123 C 33007 C 28455 C 70599 C 70601 C 64764 C 78356 C 46054 P1444 Denmark
Dr Norval Desira	PATRA INVESTMENTS LIMITED TARANTULA HOLDINGS LIMITED PAPERHOUSE Limited AB INITIO LIMITED JURIS LIMITED SMARTCARE FINANCE plc ZORA SURVEYS LIMITED	C 22135 C 79634 C 53390C 53390 C 32316 C 15541 C 90123 C 52081	GLOBAL FUNDS SICAV P.L.C.	SV 6

ANNEX C - Specimen Application Forms

Smartcare Finance plc

€5,000,000 5% Secured Bonds 2029

APPLICATION FORM

Application No. _____

Please read the notes overleaf before completing this Application Form.

A	PANEL B APPLICANT						
	Non-Resident <input type="checkbox"/>	Minor (under 18) <input type="checkbox"/>	Corporate <input type="checkbox"/>	CIS <input type="checkbox"/>			
B	FULL NAME & SURNAME / REGISTERED NAME						
	ADDRESS						
C	MSE A/C NO. (if applicable)		DATE OF BIRTH	POST CODE			
	I.D. CARD / PASSPORT / COMPANY REG. NUMBER		DOCUMENT NUMBER	NATIONALITY			
D	LEGAL ENTITY IDENTIFIER (LEI)		COUNTRY OF ISSUANCE				
	E-MAIL ADDRESS		MOBILE NO.				
E	Already Registered for e-Portfolio <input type="checkbox"/>	Please register me for e-Portfolio <input type="checkbox"/>	Please do NOT register me for e-Portfolio <input type="checkbox"/>				
	ADDITIONAL (JOINT) APPLICANTS (please use additional application form if space is not sufficient)						
F	TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH			
	I.D. CARD / PASSPORT		DOCUMENT NUMBER	COUNTRY OF ISSUANCE			
G	MINOR'S PARENTS/LEGAL GUARDIANS (See Note 4) (to be completed ONLY if the Applicant is a minor)						
	TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH			
H	I.D. CARD / PASSPORT		DOCUMENT NUMBER	COUNTRY OF ISSUANCE			
	TITLE (Mr/Mrs/Ms/..)		FULL NAME & SURNAME	DATE OF BIRTH			
I	I.D. CARD / PASSPORT		DOCUMENT NUMBER	COUNTRY OF ISSUANCE			
	<p>I/We apply to purchase and acquire the amount set out below</p> <table border="1"> <tr> <td>AMOUNT IN FIGURES</td> <td>AMOUNT IN WORDS</td> </tr> <tr> <td>€</td> <td></td> </tr> </table> <p>Smartcare Finance plc €5,000,000 5% Secured Bonds 2029 at the Bond Issue Price (at par) pursuant to the Admission Document dated 28 May 2020 (minimum €2,000 and in multiples of €100 thereafter)</p>				AMOUNT IN FIGURES	AMOUNT IN WORDS	€
AMOUNT IN FIGURES	AMOUNT IN WORDS						
€							
J	RESIDENT - WITHHOLDING TAX DECLARATION (to be completed ONLY if the Applicant is a Resident of Malta)						
	<p><input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest.</p> <p><input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).</p>						
K	NON-RESIDENT DECLARATION FOR TAX PURPOSES (to be completed ONLY if the Applicant is a Non-Resident)						
	TAX COUNTRY		TOWN OF BIRTH				
L	T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH				
	PASSPORT/NATIONAL I.D. CARD NUMBER		ISSUE DATE				
M	<p><input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.</p> <p><input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.</p>						
	INTEREST, REFUND AND REDEMPTION MANDATE (completion of this panel is mandatory)						
N	BANK		IBAN				
	<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the 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>						
O	Signature/s of Applicant/s		Financial Intermediary	Date			
	(All parties are to sign in the case of a joint Application)						
P	FINANCIAL INTERMEDIARY'S STAMP		FINANCIAL INTERMEDIARY'S CODE				

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Admission Document dated 28 May 2019

1. This Application is governed by the Terms and Conditions of Application contained in the Admission Document. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the Admission Document.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals – including I.D. Card Numbers – must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).
Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account 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 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>.
4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
5. Applicants who are Non-Resident in Malta for tax purposes must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
6. In the case of a body corporate, the name of the entity exactly as registered, the registration number and the Legal Entity Identifier are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THE 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. The amount applied for must be in multiples of €100 subject to a minimum application of €2,000. The Applicant must ensure that the relative Application Form is accompanied by payment of the full price of the amount of Bonds applied for. Payment of the amount, must be made in Euro in cleared funds to "The Placement Agent and Manager –Smartcare Finance plc". In the event that the cheque accompanying the Application Form is not honoured on the first presentation the Issuer and the Registrar reserve the right to invalidate the relative Application.
9. Only Applicants who hold an 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 he/she will be obliged to declare interest so received on his/her tax return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments.
10. In terms of Section 19 of the 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 a person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Tax Act (Cap. 123 of the Laws of Malta).
11. 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 of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in the application form. Interest or redemption proceeds will be credited to the account designated or as otherwise amended by the Bondholder/s during the term of the Bond.
12. European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the said Directive applies (called a "specified territory") then the interest paid will be reported.
13. Completed Application Forms are to be delivered to the Placement Agent and Manager, Calamatta Cuschieri Investment Services Limited during normal office hours by not later than 5 June 2019. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application, which appears to be in breach of the general terms and conditions of the Admission Document. Any applications received by the Placement Agent and Manager after 17:00 on the 5 June 2019 will be rejected.
14. By completing and delivering an Application Form you (as the Applicant(s)):
 - a. acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the GDPR and Data Protection Act (Cap. 586 of the Laws of Malta);
 - b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and

- c. acknowledge that 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 D – Property Valuation Report



Sapienza & Sullivan Architects & Civil Engineers

No. 17, Dingli Street, Sliema, SLM1904, MALTA
Tel: (+356) 21337777; Email: info@sapienzasullivan.com
Web: www.sapienzasullivan.com

The Board of Directors,
Smartcare Pinto Ltd.,
326, Smart House,
Mdina Road,
Qormi, QRM 9014

Monday 27th May 2019

PROPERTY VALUATION REPORT

Valuation Report covering properties at;

- i) **No. 326, Mdina Road, Qormi, QRM 9014, Malta**
- ii) **Penthouse at no. 37A, Stella Maris Street, Sliema, SLM 1763, Malta**

Our ref: 149/18

Dear Sirs,

We have been commissioned to formulate a valuation report for the two properties listed in the caption above. The valuations are being carried out for Smartcare Pinto Ltd., a limited liability company having the following Company Registration number; **C86395**. It is understood that the valuation report is required in connection with a proposed bond issue and has been formulated in line with the requirements set out in the Prospects MTF Rules. A copy of this report is to be included in the Company Admission Document for the aforementioned bond issue.

The undersigned Architect and Civil Engineer can confirm that on-site inspections were carried out for both the Qormi and the Sliema properties in question on the 6th and 7th March 2019 respectively.

The undersigned is formulating this valuation report as an external, accredited valuer and can confirm that no conflicts of interest, either personal or in relation to the partnership exist.

Date of Valuations:

The valuations included in this report are valid as of the **27th May, 2019** and reflect the market value of the properties in question at the time at which the report was written.

Basis of Valuations:

The valuations have been carried out to ascertain the values of the property inspected. This report leads to an estimation of the Market Value of the property, that is: *the estimated amount for which the property should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.*

The price stated in this valuation report is deemed to be the best price at which the sale of an interest in the property might reasonably be expected to have been completed unconditionally for cash consideration on the date of the valuation subject to the following:

- A willing seller
- A reasonable period for the proper marketing prior to the date of the agreement
- The absence of any additional bid by a purchaser with a special interest in the acquisition
- The state of the market and the property values were on the date of contract the same as on the date of the valuation
- Good title can be shown
- The property is not affected by any statutory notice
- The property is free from latent defects
- Only a visual inspection of the property was carried out to establish the condition of repair

Information pertinent to the properties that was considered necessary for this report, such as tenure, interested parties, leases, etc. was obtained directly from the directors of Smartcare Pinto Ltd.

Section (1) Valuation of property at no. 326, Mdina Road, Qormi, QRM 9014, Malta

1.1 Property Description:

The property is a six-storey building that stretches between two parallel streets in Qormi. It spans from Triq Guze Duca on one end to Triq L-Imdina at the other end. The property has a street frontage of approximately 29m on Triq Guze Duca and approximately 13m on Triq L-Imdina. An underground parking area extends underneath the footprint of the building.

Works to extend and convert the building into an old people's home are now complete. The property is fully operational at the basement, ground, first and second floors and a licence to operate has been issued in December 2018 for 64 beds. All three lifts are operational, as well as the laundry and the kitchen facilities. The works carried out were done according to the valid and approved permit; **PA 6306/17**. The old people's home as applied for in this permit allows for a home having 32 residents' rooms in total (each having multiple beds in the same room). The total number of beds catered for in these plans is currently 78. The third floor which also forms part of this application is finished but not yet fully operational. Other spaces that also form part of this application include a Chapel, a dining room, a kitchen and others. The basement of the property houses 13 car parking spaces accessed by a ramp leading to Triq L-Imdina.

The property as approved in PA 6306/17 is spread over five floors starting at basement level (garage) and ending at third floor level that is receded from the two street facades. The gross floor areas of the basement garage and of the ground floor in this permit are 710sqm each. The gross floor areas of the first and second floor are 650sqm each and the gross floor area of the receded level is 480sqm. The gross floor area of the total development spread over all five floors in this permit is approximately 3200 square metres.

A second application (**PA 9999/17**) was approved that proposed changes to the previous permit that mainly consisted in the addition of an extra two floors over and above what had already been approved. The construction works for these two additional floors are complete according to the latest, valid and approved permit (PA 9999/17). Finishing works were ongoing at the time of the inspection, and are at an advanced stage please refer to the attached photos. A description of planning permits is included in *section 1.3* below.

The undersigned noted that the ongoing works have reached a stage where the first four floors are complete and finishing works on the top two floors (approved in PA 9999/17) are being carried out. At the current rate of progress, it can be assumed that all finishing works can be completed by end April 2019.

Once implemented, PA 9999/17 would add a total of approximately 1390sqm to the layout established in PA 6306/17. It would also result in an additional 70 beds, bringing the final total number of beds up to 148.

Upon visual inspection, the property appears to be structurally sound.

1.2 Tenure:

The title of the property is reported to be freehold. The necessary checks and searches have been carried out by the Notary and there are no title defects on the said property. (Please refer to attached annex)

1.3 Relevant Planning Permission:

- i) **PA 1808/01;** *To demolish existing premises no. 324 & 326 Mdina Road Qormi and erect old peoples home.*

This permission was granted in 2003 and sought permission to demolish the existing building present on the site and to construct a new building that could serve as an old people's home.

- ii) **PA 6513/05;** *To sanction alterations and additions. To erect recessed floor.*

PA 6513/05 sought permission to bring changes and additions made to the construction referred to in PA 1808/01, in line with a permit. Permission was also sought to construct an extra, set-back floor. The application was granted in 2006.

- iii) **PA 6306/17;** *Minor alterations, sanctioning of shifting of approved plans in PA 6513/05, and proposed parapet wall at roof level.*

Further changes to those applied for in PA 6513/05 were applied for in PA 6306/17. Permission was granted in 2017 and the works described in section 1.1 were complete in line with this particular PA application.

- iv) **PA 9999/17; Internal alterations on all levels and external alterations for ventilation purposes and increase room size on Guze' Duca Street. Construction of 2 extra floors as per height limitation adjustment policy for Retirement Homes.**

This latest application sought to propose changes to the previous PA 6306/17. Changes included increasing the overall height by extending the current receded floor to form a full floor, as well as the addition of a further full floor and a recessed floor. Permission for this had been granted, construction works are complete and finishing works are currently underway to complete the extra floors approved in this permit. The undersigned can confirm that no material contravention of statutory requirements was noted on site.

1.4 Completion Timeframe Assumptions

As stated above, the latest extension of the property, in line with PA 9999/17 is constructed and is currently being finished. It is assumed that this extension to the property will be completed (finished and furnished) by the end of April 2019.

1.5 Completion Costs

It is being assumed that the completion costs including, without limitation, the cost of financial carrying charges, and other ancillary costs are approximately €80,000.

1.6 Current Market Value

Since the approved typology of the property is not something that is common or abundant in the area, the comparative method of valuation would not be a suitable method to use to arrive at the current market value of the property. Since the property is one where an income stream is expected from its use as an old people's home and since the property is not yet fully completed, the investment method, together with the residual method of valuation are being applied in order to obtain the current market value of the property. A discount will also be factored in to the equation in order to account for the fact that the income stream is not yet up and running and that this future asset will only be able to provide a monetary return once the building is complete and the old people's home is up and running.

It is the opinion of the undersigned that the current market value of the property in question is **€5,600,000 (five million, five hundred and fifty thousand euro)** in today's market.

1.7 Market Value Upon Completion and Market Value On Maturity

In this particular case, since the property in question will be operated as an old people's home and will not be available for letting, the market value upon completion and the market value on maturity are one and the same. Furthermore, since an operating licence for the care home is already in hand, there should be a short period of time between when the new floors are complete and when they are occupied and generating income.

It is the opinion of the undersigned that the market value upon completion would be **€5,700,000 (five million, seven hundred thousand euro)**

Sapienza & Sullivan
Architects & Civil Engineers

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Section (2) Valuation of Penthouse at no. 37A, Stella Maris Street, Sliema, SLM 1763, Malta

2.1 Property Description:

The property in question consists of the airspace upon which a new duplex penthouse (at fourth and fifth floor) is to be built. The proposed duplex penthouse will be situated within a block of apartments on Stella Maris Street, Sliema.

The existing (freehold) property (an existing duplex penthouse at third and fourth floor), together with its overlying airspace is described in annex 1, attached to this document. This current duplex penthouse (at third and fourth floor) is to be converted into two-bedroom apartment at third floor and the existing fourth floor is to be converted into a one bedroom apartment and the lower floor of the new duplex penthouse. The upper floor of the new duplex penthouse will be situated at the fifth (setback) floor.

The new duplex apartment will occupy the new fourth and fifth (topmost, recessed) floor of the block and will comprise a total of three bedrooms. Two of these bedrooms, together with a separate bathroom will be situated at the lower (fourth floor) level of the duplex, whilst the third bedroom, a kitchen/dining area, a living area and a second bathroom will be situated at the upper level of the duplex. Once completed, the property will also include a large front terrace and three smaller back terraces divided over the two floors of the duplex. The gross floor area of the proposed duplex penthouse is approximately 150 sqm and the four terraces described above collectively add up to approximately 54 sqm. Construction works are set to commence shortly and will consist mainly of HCB concrete block walls and reinforced concrete spans.

2.2 Tenure:

The title of the property is reported to be freehold. The necessary checks and searches have been carried out by the Notary and there are no title defects on the said property. (Please refer to attached annex)

2.3 Relevant Planning Permission:

- i) PA 752/15; Construction of three bedroom duplex apartment at third floor and penthouse level. Addition of lift.*

PA 752/15 was an earlier permission that was granted on the property that allowed for the construction of a duplex apartment above an existing three storey building. The permit also allowed for the addition of a lift, as there was no lift present within the block at that stage. This permit was implemented and the current building reflects the plans proposed in this application.

- ii) PA 8073/17; To amend PA 752/15. Alterations to existing duplex to form a 3 bedroom apartment at third floor and 1 bedroom apartment at fourth floor and duplex penthouse at fourth and setback floor.*

Making use of the new building height interpretation stipulated in the *Development Control Design Policy, Guidance and Standards 2015*, PA 8073/17 sought permission to increase the overall height of the building envelope by extending the current penthouse level outwards and by constructing a new set-back level at fifth floor. Permission was granted in September 2018. This permit covers the construction of the proposed duplex penthouse that is the subject of this valuation. It also includes the formation of a three bedroom apartment at third floor and a one bedroom apartment at fourth floor.

2.4 Completion Timeframe Assumptions:

It is being assumed that construction works in line with PA 8073/17 will commence shortly and that the construction stage of the proposal will be completed by mid-May (shell form).

Once construction works are complete, it is being assumed that finishing works will commence immediately afterwards and that they will approximately take a further three months to complete.

Consequently, the finishing (and furnishing works also) should be completed by the end of August 2019.

Given the current rental market in the area, it is envisaged that the timeframe to let the property in question after completion should not be more than three months from the date of completion.

2.5 Construction and Finishing Costs:

The portion of construction costs of the development that is being associated with the construction of the proposed duplex penthouse can be assumed to be approximately €30,000 (thirty thousand euro) excl. VAT.

The cost to finish the proposed duplex penthouse can be assumed to be approximately €40,000 (forty thousand euro) excl. VAT.

2.6 Professional Fees and Other Expenses:

The professional fees associated with the construction of the proposed property in question can be assumed to be approximately €10,000 (ten thousand euro). These include architect's fees, interior designer fees and health and safety officer fees.

2.7 Market Value Upon Completion:

Seeing that there are many similar properties on the market to compare to, the method used to reach this future value upon completion is the Comparative Method of Valuation.

It is the opinion of the undersigned that the value of the duplex penthouse would be **€620,000 (six hundred and twenty thousand euro)** in its completed state.

2.8 Current Market Value:

To the value of the property upon completion obtained above, one must apply the Residual Method of valuation to arrive at a fair market value for the current asset in hand. Since the property is not yet

constructed, the cost to complete the project must be taken into account, as well as the timeframe within which the project is to be completed. In-so-doing, the present value of the current asset at hand may be obtained.

It is the opinion of the undersigned that the current market value of the property in question is **€450,000 (four hundred and fifty thousand euro)** in today's market.

2.9 Market Value on Maturity:

Since the property is intended to be let, once must also consider the market value of the property once the development has been completed and has also been let (value on maturity)

It is the opinion of the undersigned that the value of the duplex penthouse once completed and also let would be **€630,000 (six hundred and thirty thousand euro)**

This report is confidential to the client and for the specific purpose as described above. The sources of information and verification used were the Planning Authority archives, and the Notary Sam Abela. This valuation has been carried out, as an external valuer, in accordance with standards and guidelines issued by the Royal Institute of Chartered Surveyors. The valuation is valid at the date of inspection. It takes into account the condition of the property as indicated in this report. No inquiries have been made regarding the actual or potential use of other property in the area that may have an effect on the value of the inspected property. The title of the inspected property has not been investigated. It is assumed that that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing. The undersigned has not carried out detailed structural surveys, tested services, nor has he exposed parts of the structure that were covered, unexposed or inaccessible. The undersigned is therefore unable to give any assurance that the property is free from defect. Nevertheless, the undersigned has had regard to the age and apparent general condition of the property. In accordance with standard practice, neither the whole nor any part of this valuation nor any reference thereto may be included in any published document without the prior written approval of the undersigned for the context in which it may appear. All the printed notes form an integral part of the report.

Signed



Perit Malcolm Sullivan
B.E.&A. (Hons.)
Warrant number 538
ID 160977M
Sapienza and Sullivan Partnership number P16

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Architects & Civil Engineers

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Street frontage on Triq Guze Duca, Qormi

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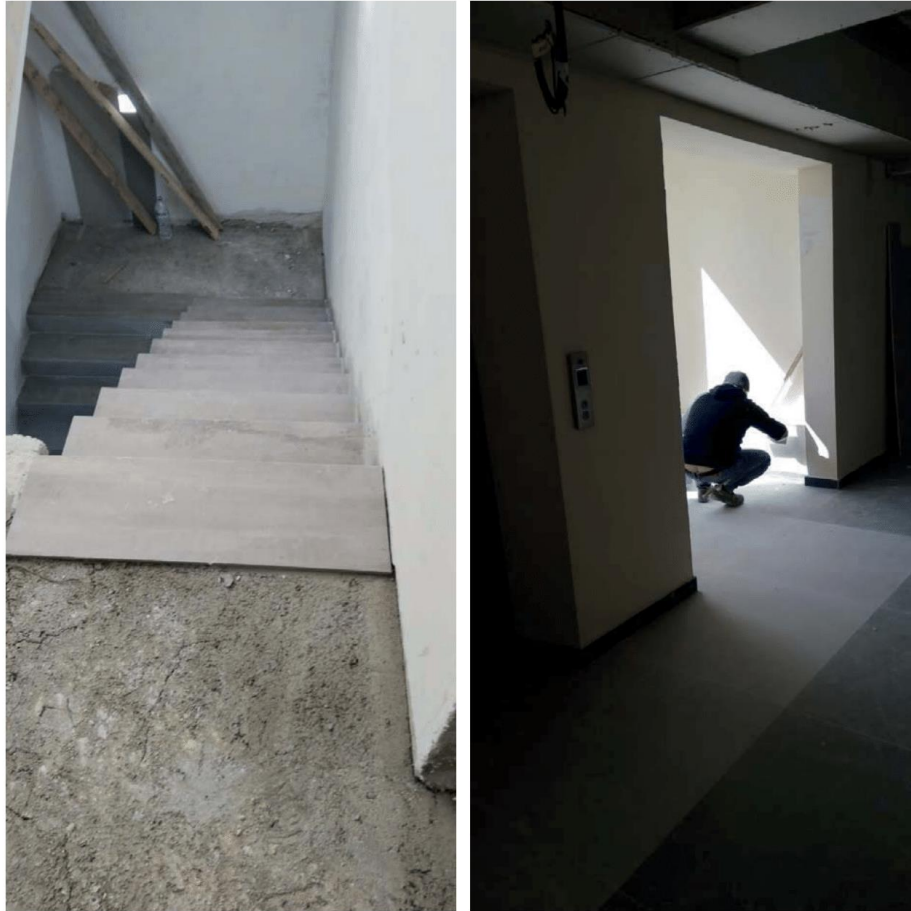
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Street frontage on Triq L-Imdina, Qormi

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Internal photographs of the property showing finishing works in progress level 5 and 6



Front elevation ground floor level

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Internal photographs of the property showing finished works

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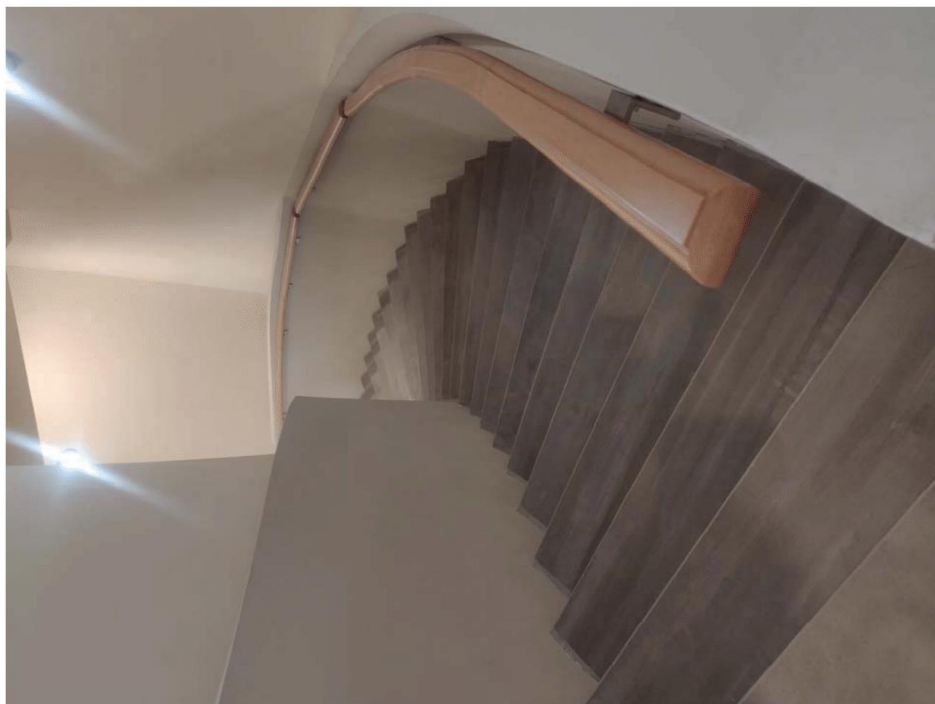
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Internal photographs of the property showing finished works

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Internal photographs of the property showing finished works

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Internal photographs of the property showing finished works

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15



Internal photographs of the property showing finished works

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Internal photographs of the property showing finished works

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17



Internal photographs of the property showing finished works

Sapienza & Sullivan
Architects & Civil Engineers

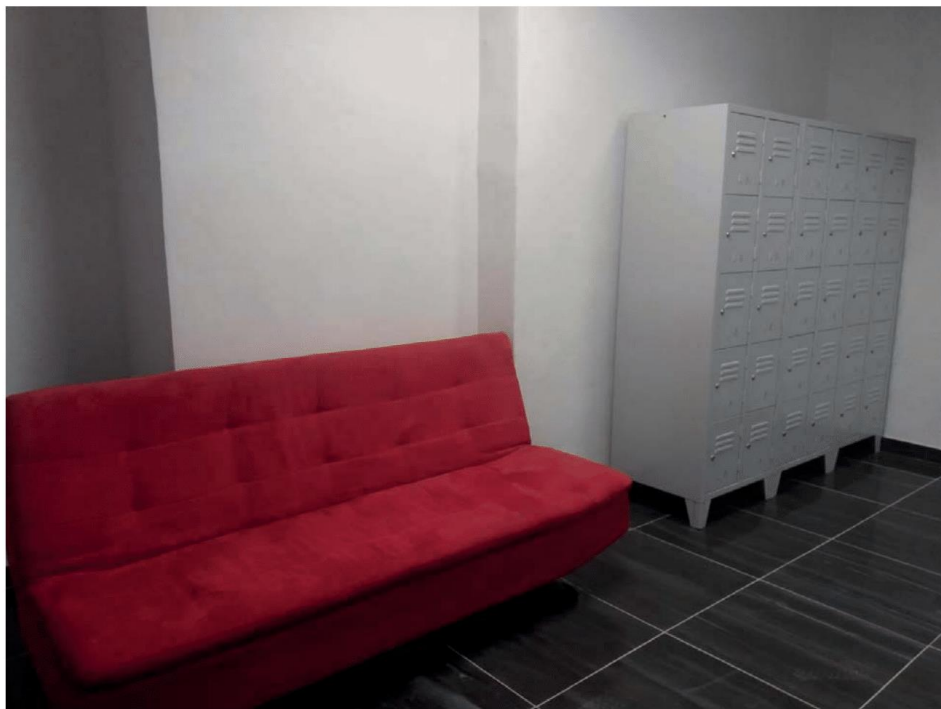
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Internal photographs of the property showing finished works

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Internal photographs of the property showing finished works

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Architects & Civil Engineers

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Internal photographs of the property showing finished works

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Architects & Civil Engineers

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Annex 1

Letter from
Abela & Abela
Notaries Public and Commissioners for Oaths



Abela & Abela

Notaries Public & Commissioners for Oaths

Today the 18TH MARCH 2019

To:

SMARTCARE PINTO LIMITED
326, Mdina Road, Qormi, Malta

Dear Sir / Madam

In virtue of a deed in the records of Notary Sam Abela, dated the 4th October 2018, Smartcare Pinto Limited acquired the development, built on lieu of the site formerly occupied by the tenements bearing official numbers three hundred twenty four and three hundred and twenty six (324 and 326), in Imdina Road, Qormi, as bounded on the North by the said Imdina Road, on the South by Triq Guze Duca, and on the other sites with unknown third parties. The said site does not overlie or underlie third party property and is thus being transferred as including its overlying airspace and underlying sub-terrain; hereinafter referred to as 'the Property'.

This has today been developed into 'Dar Pinto', at number 324 and 326 in Imdina Road, Qormi, Malta.

In that this Property is freehold.

In that the Property is burdened

- With a loan of Euro 1,200,000 (in favor of Lombard Bank Malta PLC) and
- An overdraft of Euro 700,000 (seven hundred thousand Euro – in favor of Lombard Bank Malta PLC)

regards

Dr Sam Abela LLD



Abela & Abela

Notaries Public & Commissioners for Oaths

Today the 18TH MARCH 2019

To:

SMARTCARE PINTO LIMITED
326, Mdina Road, Qormi, Malta

Dear Sir / Madam

In virtue of a deed in the records of Notary Sam Abela dated the 24th July 2015, **Andrew Debattista Segond**, company director, son of Joseph Debattista and of Maria Antoinette nee Vassallo, born in St Julian's on the second day of February of the year nineteen seventy three (02.02.1973); and residing at Ivy House, Triq ix-Xiber, Swieqi, holder of identity card number 94573M acquired

The roof and the relative overlying airspace [today developed into a penthouse] calculated as from the third floor level *usque ad coelum* and all developments constructed thereon, of the block of building bearing official number thirty seven (37) at times referred to as thirty seven letter 'A' (37A), situated in Triq Stella Maris, Sliema, Malta, which roof and airspace has an area of circa one hundred and sixty square meters (160 sq.m) and is bounded in the west by the street on the south by property of Bilom Group or its successors in title and on the east by an alley abutting onto Amery Street.

The aforementioned block of building in lieu of which the said airspace overlies, consists of a maisonette and two other overlying apartments; the said Airspace overlying in part the apartment internally numbered two (2), property of Peter Micallef and others or their relative successors in title, and in part, a room situated at the back of the said apartment internally numbered two (2), which room is independent from the said apartment and is property of the Vendor or its respective successors in title.

The said airspace is inclusive of any rights of use and/or ownership of the common parts of the aforementioned block of building; which common parts include but is not limited to, the entrance, stairwell and stair case, shafts, drainage and rain water system/s; and is subject to the terms and conditions stipulated in the relative deeds of sale of the apartments underlying the said Airspace, that is, the deeds both published in the records of Notary Hugh Grima of the sixteenth day of January of the year nineteen ninety five (16.01.1995) *Ins. 1820/1995*, and of the twenty second day of November of the year of two thousand (22.11.2000) *Ins. 16675/2000*; as subject to the terms and conditions stipulated in the deed of constitution of servitude published in the

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Abela & Abela

Notaries Public & Commissioners for Oaths

records of Notary Roderick Gatt of the twenty sixth day of February of the year two thousand and fifteen (26.02.2015) *Ins. 9619/2015*; otherwise free and unencumbered from any ground rents and from any real and/or personal rights and/or servitudes in favour of third parties, free from hypothecs and privileges, and with all its rights and appurtenances.

hereinafter referred to as 'the Property'.

In that this Property is freehold.

In that the Property is burdened

- **With a loan of Euro 900,000 (in favor of APS Bank Limited) as security for the Purchase of another property**
- **With a loan of Euro 170,000 (in favor of APS Bank Limited) as a refinancing loan from BNF Bank (to refinance H 14574/2015, with subrogation retained in favor of APS Bank Limited).**

regards



Dr Sam Abela LLD

Annex 2

Development Permit
PA 6306/17

Mr. Andrew Debattista
37, The Penthouse
Triq Stella Maris
Sliema SLM 1763

Date: 10 October 2017
Our Ref: PA/06306/17

Application Number: PA/06306/17
Application Type: Full development permission
Date Received: 4 April 2017
Approved Documents: PA 6306/17/1A/1J-M/1BH/1BD/1Y/1Z/16B-F/34A/34C.

Location: 326 between Mdina Road and, Triq Guze Duca, Qormi, Malta
Proposal: Minor alterations, sanctioning of shifting of approved plans in PA 6513/05, and proposed parapet wall at roof level.

**Development Planning Act, 2016
Full Development Permission**

The Planning Authority hereby grants development permission in accordance with the application and documents described above, subject to the following conditions:

- 1 a) This development permission is valid for a period of FIVE YEARS from the date of publication of the decision in the press but will cease to be valid if the development is not completed by the end of this validity period.
- b) This permission relates only to the development as specifically indicated on the approved drawings. This permission does not sanction any other illegal development that may exist on the site.
- c) Copies of all approved drawings and documents shall be available for inspection on site by Planning Authority officers at all reasonable times.
- d) The development shall be carried out in complete accordance with the approved drawings, documents and conditions of this permission. Where a matter is not specified, then the conditions of this permission and of Development Control Design Policy, Guidance and Standards 2015 shall apply.
- e) Before any part of the development hereby permitted commences, the enclosed green copy of this development permission shall be displayed on the site. This must be mounted on a notice board, suitably protected from the weather and located not more

PA/06306/17

Print Date: 22/01/2018

than 2 metres above ground level at a point on the site boundary where it is clearly visible and can be easily read from the street. The copy of the permission must be maintained in a good condition and it shall remain displayed on the site until the works are completed.

f) A Commencement Notice is to be submitted to the Planning Authority, by the permit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, **if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised** - Article 72(4) of the Development Planning Act (2016).

g) All building works shall be erected in accordance with the official alignment and official/existing finished road levels as set out on site by the Planning Authority's Land Surveyor. The Setting Out Request Notice must be submitted to the Land Survey Unit of the Planning Authority when the setting out of the alignment and levels is required.

h) Where an officially schemed street, within the development zone, bordering the site is unopened or unformed, it shall be opened up and brought up to its proper, approved and official formation levels prior to the commencement of any development hereby being permitted.

i) The development shall be carried out in accordance with the provisions of the Environmental Management Construction Site Regulations, Legal Notice 295 of 2007 (or subsequent amendments). Any hoarding shall be erected in accordance with Schedule 2 of the same Regulations.

j) No steps, ramps or street furniture are to be constructed on or encroached onto the public pavement or road.

k) Any doors and windows, the lower edge of which is less than 2m above road level, and any gates shall not open outwards onto a public pavement or road.

l) Air conditioning units shall not be located on the facades of the building which are visible from the street or a public space.

m) There shall be no service pipes, cables or wires visible on the front elevation or on any other elevations of the building which are visible from the street or public space.

- 2
- a) The façade of the building shall be constructed in local un-rendered and unpainted stone, except where other materials/finishes are indicated on the approved drawings.
 - b) All the apertures and balconies located on the façade of the building shall not be in gold, silver or bronze aluminium.
 - c) The height of the services on the roof of the building shall not extend beyond the

approved height of the uppermost parapet wall.

- 3 The approved premises shall be used as indicated on the approved drawings or as limited by any condition of this permission. If a change of use is permitted through the Development Planning (Use Classes) Order, 2014 (or its subsequent amendments), and it is not restricted by a condition of this permission, approval from the Commission for the Rights of Persons with Disability may still be required. Reference needs to be made to PA Circular 3/10 (with the exception of Appendix A), PA Circular 2/14 and their subsequent amendments.

4 **Conditions imposed and enforced by other entities**

A. Where construction activity is involved:

(a) the applicant shall:

(i) **Appoint a Project Supervisor for the Design Stage and a Project Supervisor for the Construction Stage** and any such appointment shall be terminated, changed or renewed as necessary. The same person may be appointed to act as project supervisor for both the design and construction stage, if that person is competent to undertake the duties involved and

(ii) **Keep a health and safety file** prepared by the Project Supervisor for the Design Stage.

(b) When the construction works related to this application are scheduled to last longer than thirty working days and on which more than twenty workers are occupied simultaneously, or on which the volume of work is scheduled to exceed five hundred person-days, the project supervisor **shall communicate a prior notice to the Occupational Health and Safety Authority (OHSA) at least four calendar weeks before commencement of works.**

(c) The Project Supervisor for the Design Stage shall **draw up a health and safety plan** which sets out the occupational health and safety rules applicable to the construction activities concerned, outlining the measures to ensure cooperation between different contractors and shall also include specific measures concerning occupational risks that may be present at this site.

B. Where the development concerns a change of use to a place of work, the applicant shall obtain a Perit's declaration that the building conforms to the requirements of LN 44 of 2002.

C. Where the development concerns a place of work:

The applicant shall:

(i) obtain a Perit's declaration that the necessary requirements arising out of LN 44 of 2002 have been included in the plans and drawings; and

(ii) obtain a Perit's declaration that the building conforms to the requirements of LN 44

of 2002.

D. The development is to strictly adhere to the 'Design Guidelines on fire safety for buildings in Malta' to ensure that all Fire Safety measures and provisions are addressed as indicated in the Design Guidelines on Fire Safety for Buildings in Malta, published by the DCID in 2004, (or other relevant standard, provided it is approved by the Civil Protection Department), Policies, and the Laws and Regulations of Malta.

E. Where the development includes a livestock farm:

(a) The farm **shall not** be connected directly to the sewer network.

(b) Silting traps, sedimentation pits as well as manure clamps shall be installed, as shown on the approved drawings. Settled Waste water shall only be discharged in approved waste receiving stations.

(c) Any effluents discharged shall have chloride levels lower than 1000 mg/L. The operators shall acquire a Public Sewer Discharge Permit before commencing operations.

F. Where the development includes a swimming pool:

(a) Any effluent, if discharged in the sewers, shall meet the specifications listed in L.N.139 of 2002 as amended by L.N.378 of 2005.

(b) Adequate sampling points should be installed as directed by WSC – Discharge Permit Unit officials.

(c) Chlorine concentration of the effluent should not exceed 100 mg/L Cl₂.

G. Prior to laying of water and wastewater services in the road, the development shall comply with the requirements of Legal Notice 29/10 Part III (Roads in inhabited Areas) Clause 12.

H. In the event of an accidental discovery in the course of approved works, any cultural heritage feature discovered should not be damaged or disturbed and the Superintendence is to be immediately informed of such discovery. Any cultural heritage features discovered are to be investigated, evaluated and protected in line with the Cultural Heritage Act 2002 (CAP 445). The discovery of cultural heritage features may require the amendment of approved plans.

In terms of Article 72(3) of the Development Planning Act, 2016, the execution and validity of this permission is automatically temporarily **suspended** and no works as approved by the said development permission may commence before the lapse of the time period established in Article 13 of the Environment and Planning Review Tribunal Act and subsequently will remain so suspended if the Tribunal so decides in accordance with the Environment and Planning Review Tribunal Act.

Where the approved drawings and/or documents are dimensioned, then the declared dimensions

PA/06306/17

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shall prevail over the actual size as depicted on the approved drawings and/or documents.

Developers are advised to check the invert level to the sewer main with the Water Services Corporation as they would have to make their own arrangements where a gravity service connection is not possible. In these cases, the architect has to indicate the solutions envisaged and to indicate on the plan what needs to be carried out and obtain approval from WSC. Developers are further reminded that connection of storm water into main sewers is not allowed.

If the declaration of ownership, as contained in the application form, is determined as incorrect by a Court of Law, then the said Court of Law can declare this development permission as null and void. This development permission does not remove or replace the need to obtain the consent of the land/building owner to this development before it is carried out. Furthermore, it does not imply that consent will necessarily be forthcoming nor does it bind the land/building owner to agree to this development. Where the land/building is owned or administered by the Government of Malta a specific clearance and agreement must be obtained for this development from the Land and/or Estate Management Departments.

This development permission is granted saving third party rights. This permission does not exonerate the applicant from obtaining any other necessary permission, license, clearance or approval required from any Government department, local council, agency or authority, as required by any law or regulation.

This development permit does not authorise any storage of substances listed in Occupational Health and Safety Authority Act (Cap. 424) - Control of Major Accident Hazards Regulations, 2003, as amended, in quantities that would render this site an establishment within scope of these regulations. The storage and handling of said substances may require a new or amended development permission in line with current policies and regulations.

For any non-residential uses hereby being approved, prior to commencement of any works on site or any eventual permitted change of use, the applicant shall be required to contact the Environment and Resources Authority to obtain any necessary operational permit or registration. This requirement does not apply to Class 2B, 2C, 4A and 4B uses as listed in the Development Planning (Use Classes) Order 2014, or its subsequent amendments.

This decision is being published on 18 October 2017.

Marthese Debono
Secretary Planning Commission (Development Permissions)

Notes to Applicant and Perit

Right for reconsideration

Where applicable, you have a right to submit a request for reconsideration to the Authority in terms of regulation 14 of Legal Notice 162 of 2016.

Right for appeal

You have a right to submit an appeal, against the decision, to the Environment and Planning Review Tribunal in terms of Article 13 of the Environment and Planning Review Tribunal Act, 2016.

Time limits

Requests for reconsideration or appeals must be made within 30 days from the publication of the decision notification in the local press as required by regulation 14(1) of Legal Notice 162 of 2016.

Fees to submit a request for reconsideration or appeal

In either case, there is a fee to be paid which should accompany the request for reconsideration or the appeal. The fees are as follows:

For reconsideration - 3% of the Development Permit Fee paid in respect of the original application, subject to a minimum of €69.88.

For appeal - 5% of DPF (Development Permit Fee) paid in respect of the original application, subject to a minimum of €150 + €50 administrative fee (LN 112 of 2016).

Submission of request for reconsideration or appeal

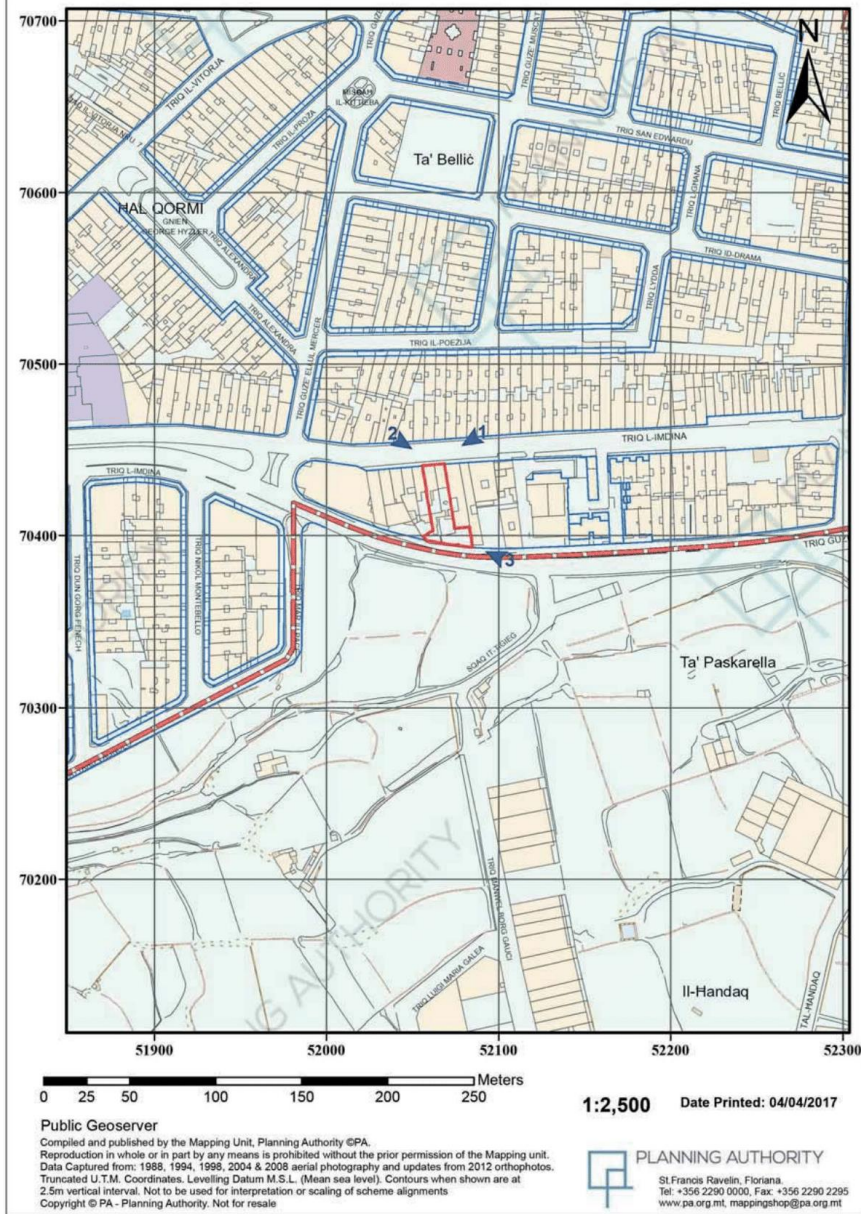
With regards to requests for reconsideration, Form PA 4/16 must be used for submission. All fields of the Form must be filled in as appropriate. Requests for reconsideration can only be submitted electronically.

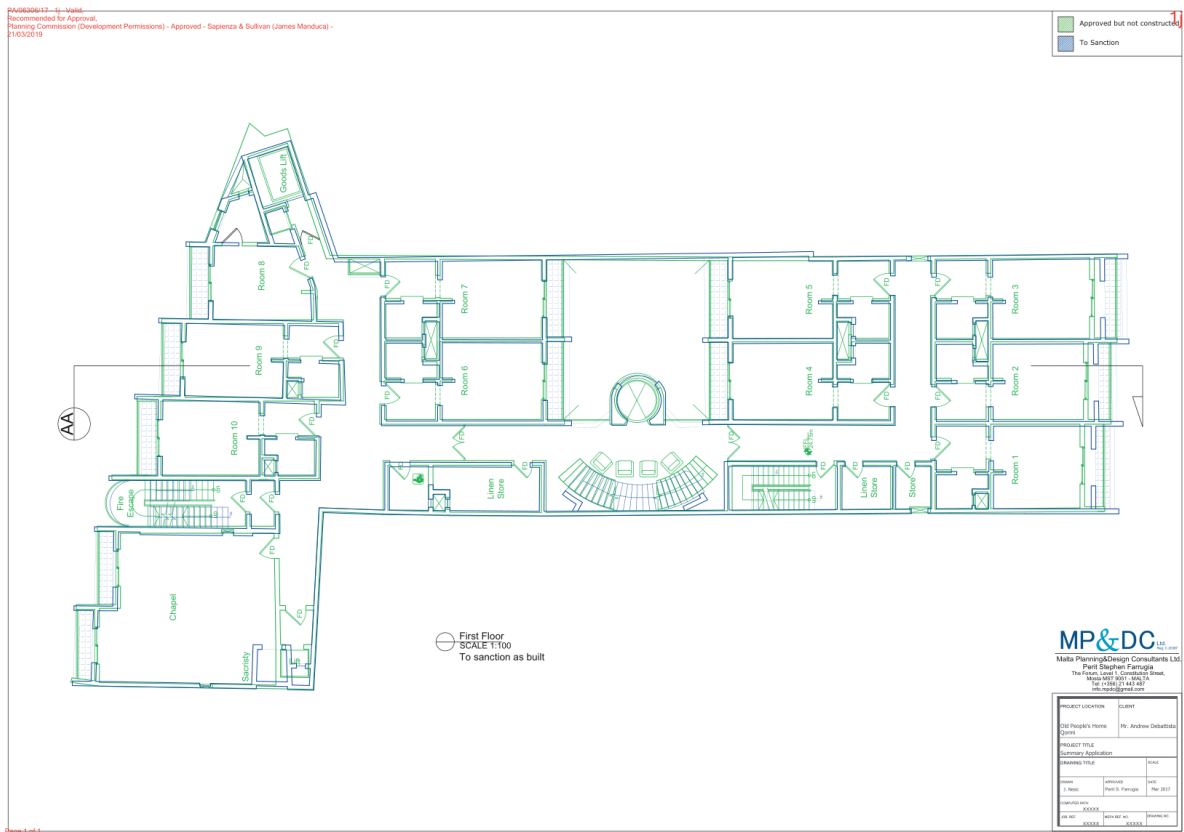
With regards to appeals, as required by Article 13 of the Environment and Planning Review Tribunal Act, 2016, the submission must include the detailed grounds for appeal and the requests being made by the appellant. Appeals must be submitted physically at the offices of the Environment and Planning Review Tribunal, St. Francis Ditch, Floriana.

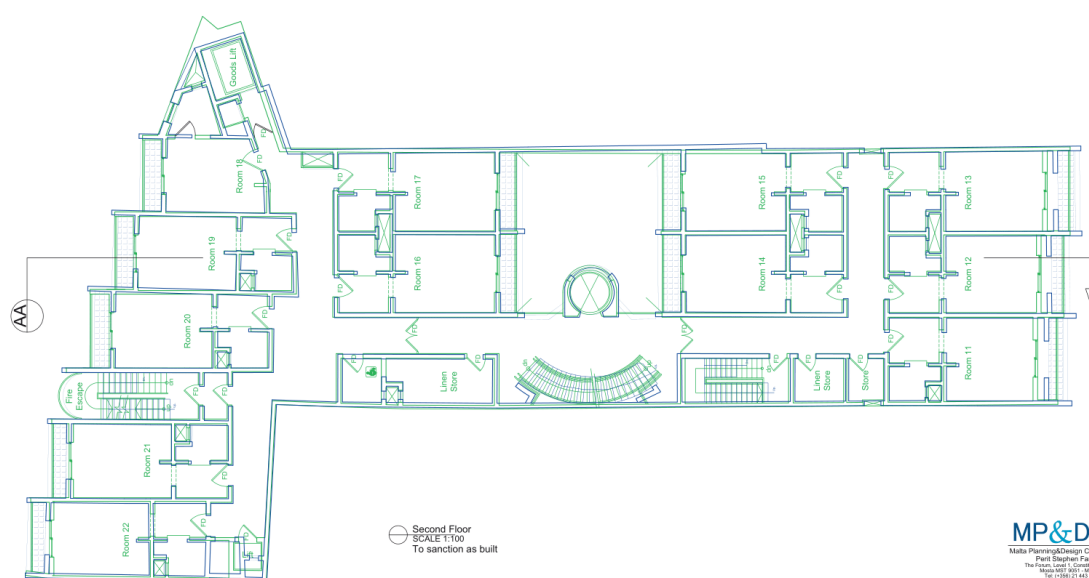
Important Notice

In view of the provisions of Article 72(4) of the Development Planning Act (2016), a Commencement Notice is to be submitted to the Planning Authority, by the perit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised.

-PADCN-







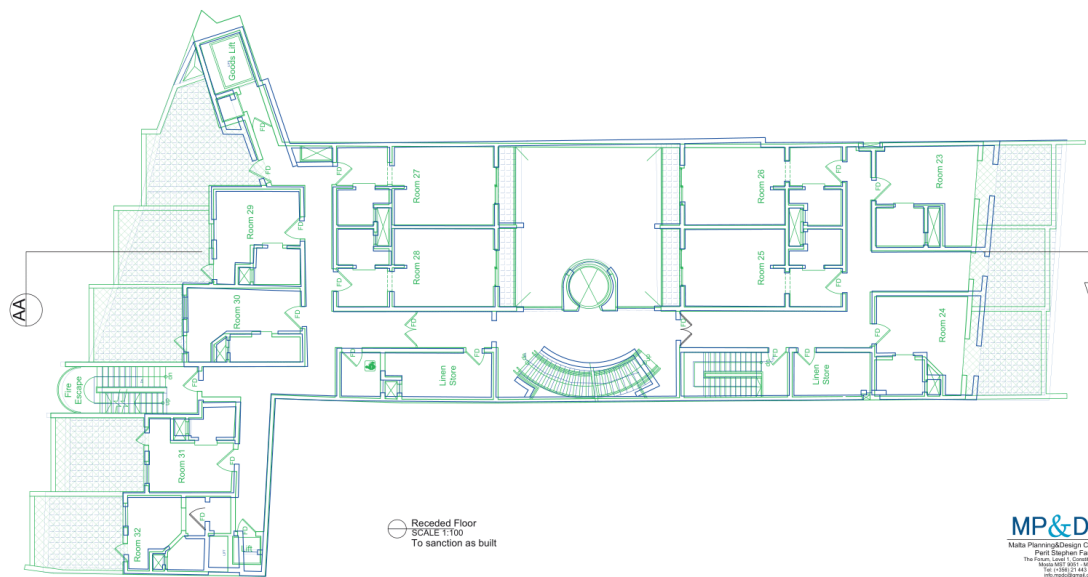
Second Floor
SCALE 1:100
To sanction as built

MP&DC LTD
Reg. 120897
Malta Planning & Design Consultants Ltd.

PROJECT LOCATION		CLIENT
Old People's Home Quint		Mr. Andrew Debatista
PROJECT TITLE Summary Application		
DRAWING TITLE		DATE
DESIGN J. Ristic	APPROVED Patti S. Farrage	MAR 2017
COMPUTER DRAW XXXXXX		
ISS. REF.	REVISION NO.	DRAWING NO.

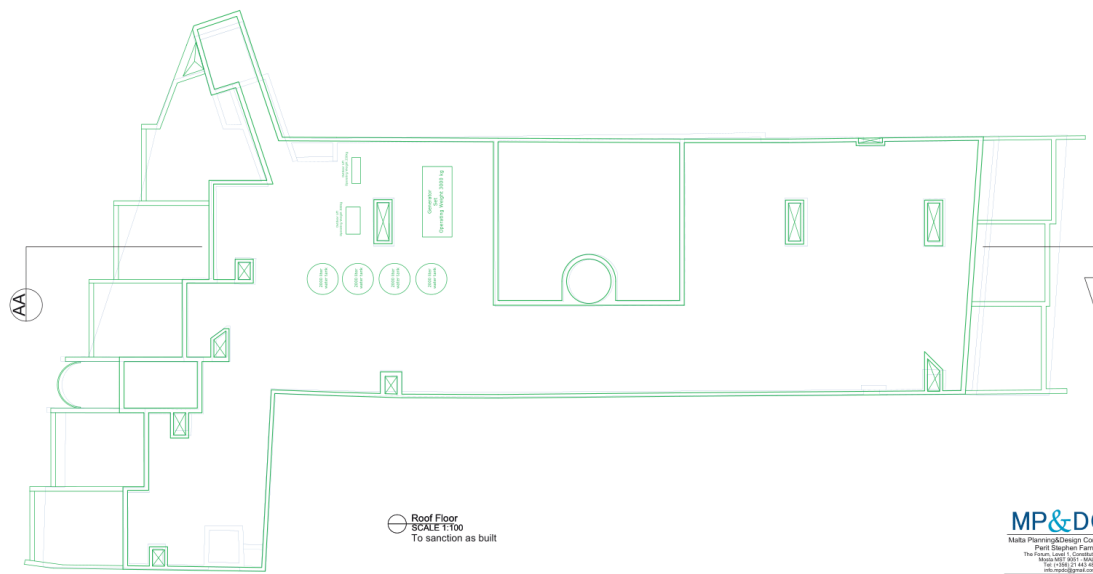
PA06030612-11-Vale
 Recommended for Approval
 Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Manduca) -
 11/03/2019

Approved but not constructed
 To Sanction



MP&DC LTD
 M&P Planning & Design Consultants Ltd
 Paul Stephen Farrugia
 The Pavilion, 1001, Kingsway Road,
 Birkirkba, L37 7YU, UK
 Tel: 01882 21 431 431
 info@mpanddc.com

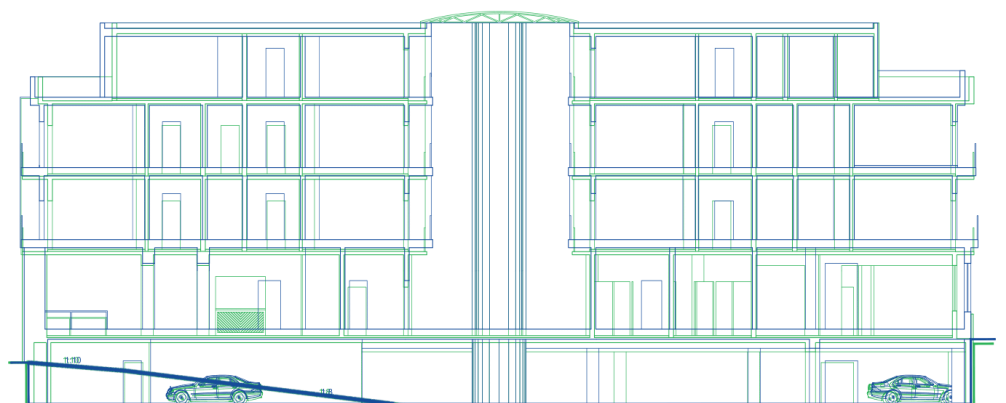
PROJECT LOCATION	CLIENT
100 Kingsway Road, Birkirkba	Mr. Andrew Dattatraya
PROJECT TITLE	
Development Application	
PROPOSED TITLE	STATUS
1.0000	Approved
2.0000	Approved
3.0000	Approved
4.0000	Approved
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100.0000	Approved



PROJECT LOCATION	CLIENT
100 Pines/1000 Street	Mr. Andrew Database
Zone 1	
PROJECT TITLE	
Secondary Construction	
PROPOSED TITLE	RENO
DATE	DATE
1/2019	1/2019
DATE	DATE
1/2019	1/2019
DATE	DATE
1/2019	1/2019

PA/06306/12 - 16d - valid
 Recommended for Approval
 Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Manduca) -
 11/03/2019

16d



Section AA
 SCALE 1:100
 To sanction as built

MP&DC LTD
 Mulla Planning & Design Consultants Ltd
 Partit Daghwan Farrugia
 The Parnis, Level 1, 100-100/101 Street,
 Birkirkra VLE 1105, Malta
 Tel: (+356) 21 443 443
 info@mpanddc.com

PROJECT LOCATION	CLUBHOUSE
MR. PRADEEP HOMER	MR. ANDREW DUBALDRA
Zone 1	
PROJECT TITLE	
Subsidiary Construction	
PROPOSED TITLE	
OWNER	ARCHITECT
DATE	DATE
1. 2019	2019
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100. 2019	2019

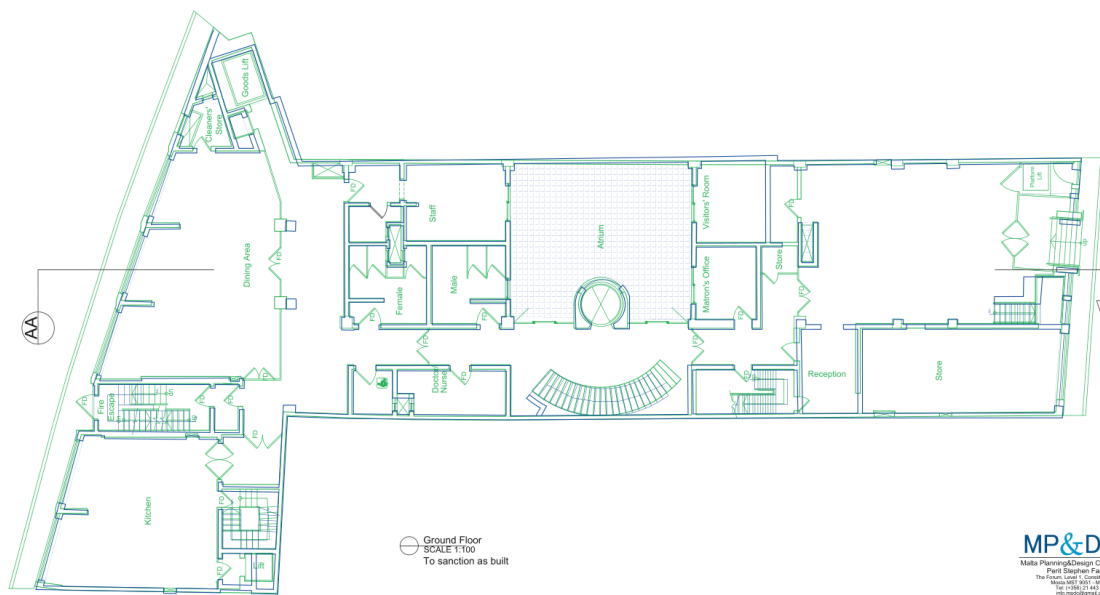



Basement Floor
 SCALE 1:100
 To sanction as built

MP&DC Ltd.
Reg. Co. 200707
Malta Planning & Design Consultants Ltd.

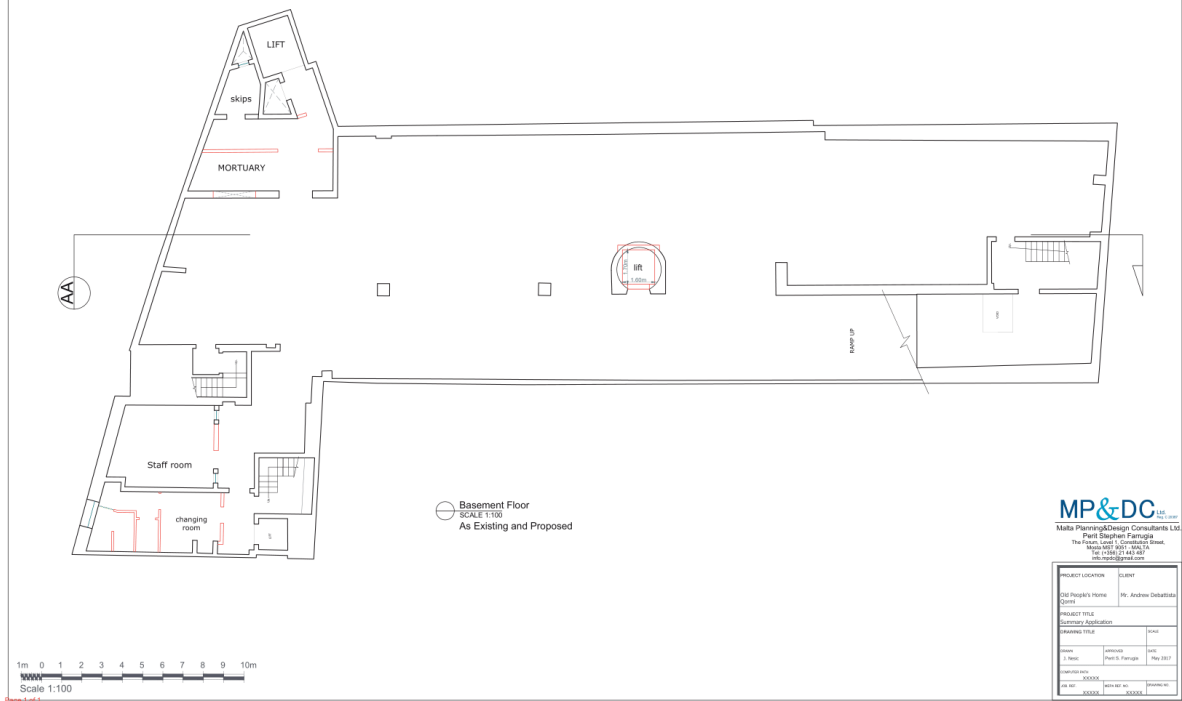
Tel: +61 (0)2 9594 1100
 Fax: +61 (0)2 9594 1101
 Email: nhmrc@nhmrc.gov.au

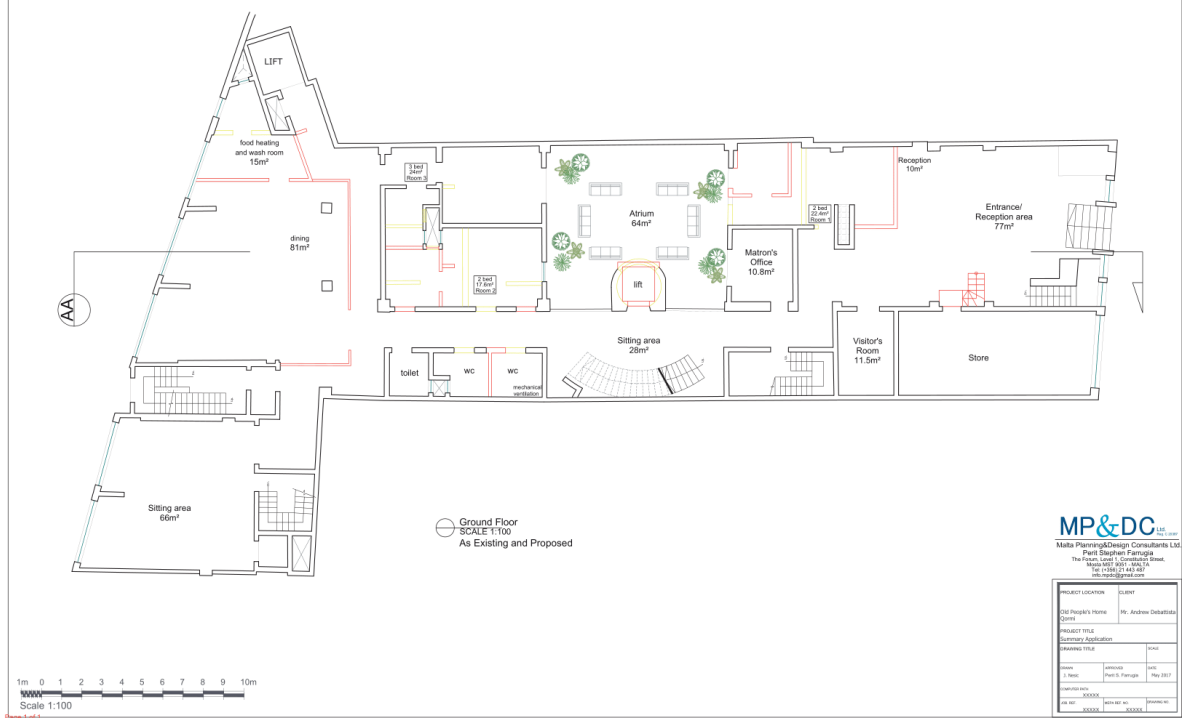
PROJECT LOCATION		CLIENT	
Old People's Home		Mr. Andrew DeBartolo	
PROJECT TITLE			
Summary Application			
DRAWING TITLE		SCALE	
ISSUES	APPROVED	DATE	
3. Noise	Peter S. Farrugia	Mar 2017	
COMPUTER DRAW			
JOB NO.	ARCHITECT NO.	DRAWING NO.	
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PA06030612-166-V0016
 Recommended for Approval
 Planning Commission (Development Permissions) - Approved - Sapientia & Sullivan (James Manduca) -
 1/10/2019

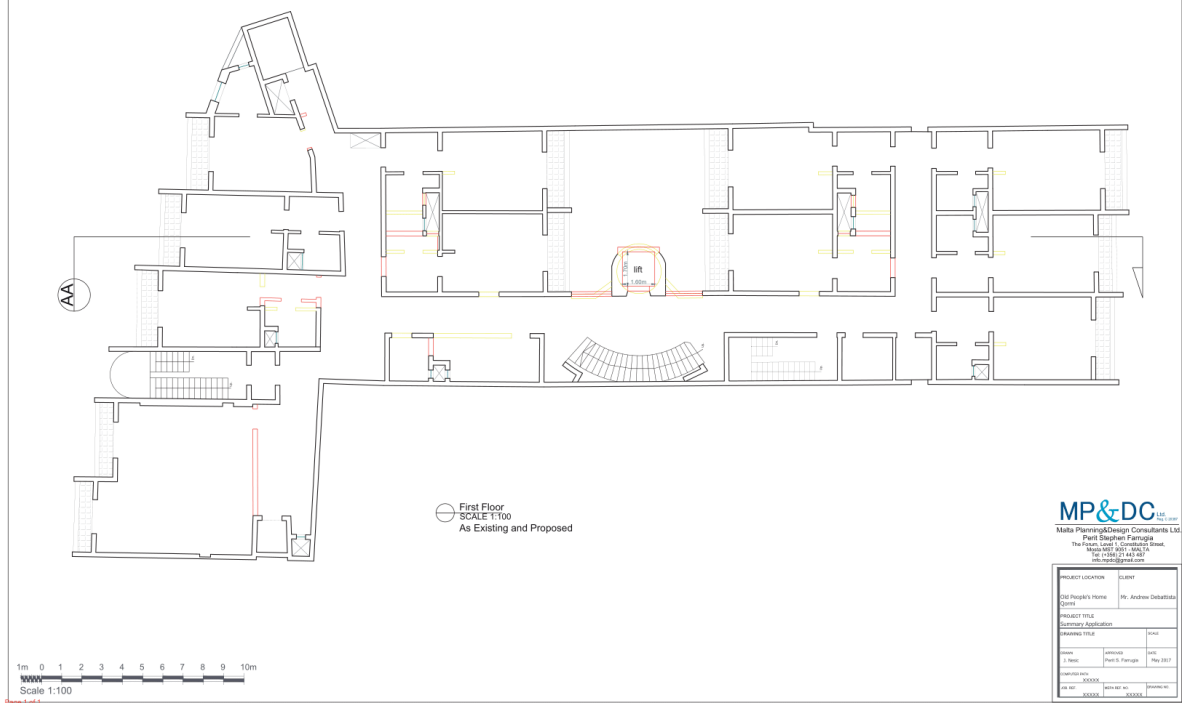
166
 Demolition Proposed
 Construction Proposed

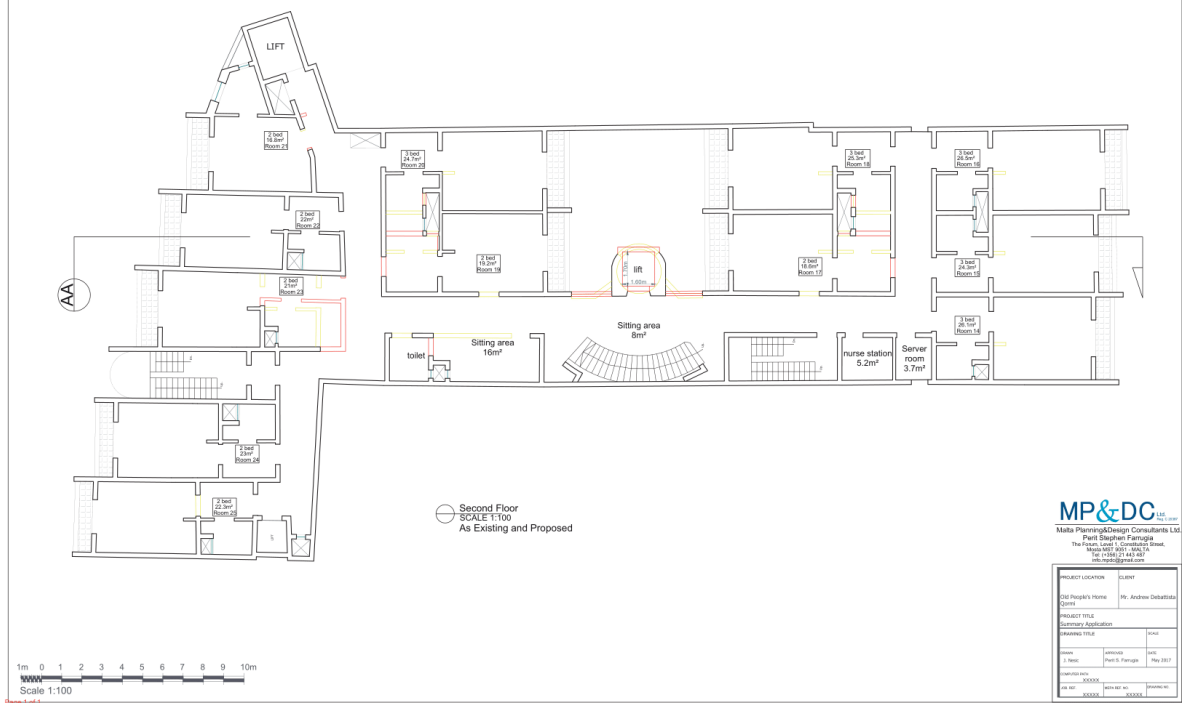


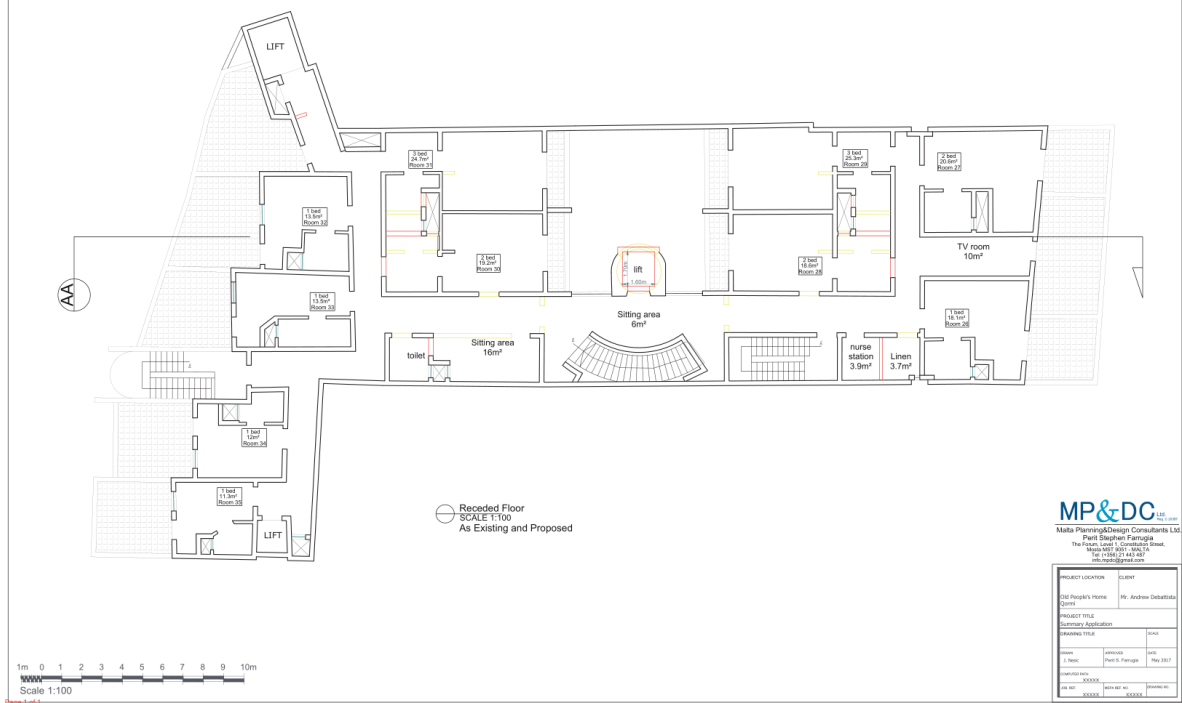


PA06030612-166-1666
 Recommended for Approval
 Planning Commission (Development Permissions) - Approved - Sapientia & Sullivan (James Manduca) -
 1/10/2019

16d
 Demolition Proposed
 Construction Proposed



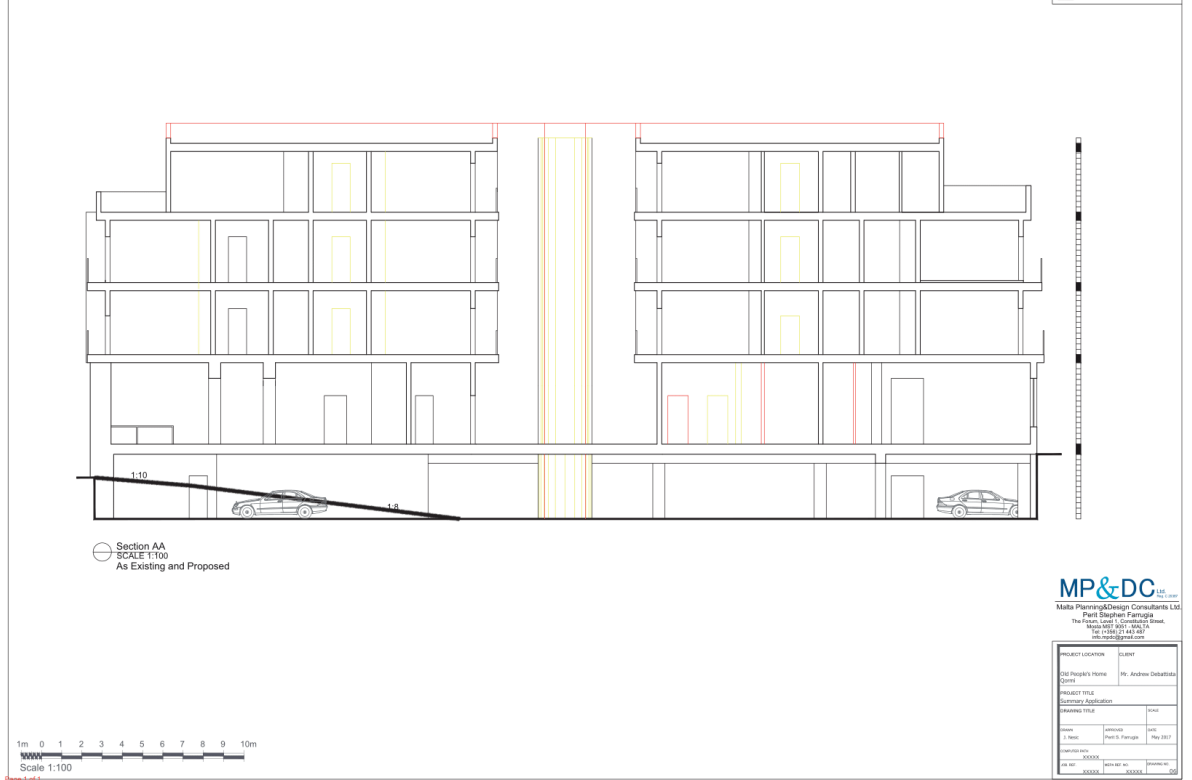






PA/00000000-000-0000
 Recommended for Approval
 Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Manduca) -
 1/10/2019

340
 Demolition Proposed
 Construction Proposed



Annex 3

Development Permit
PA 9999/17

Mr. Andrew Debattista obo SmartCarePinto Ltd

Date: 31 August 2018
Our Ref: PA/09999/17

Application Number: PA/09999/17
Application Type: Full development permission
Date Received: 21 October 2017
Approved Documents: PA 9999/17/8C - Site plan
PA 9999/17/84A - Proposed basement floor (changes)
PA 9999/17/84B - Proposed basement floor
PA 9999/17/84C - Proposed ground floor (changes)
PA 9999/17/84D - Proposed ground floor
PA 9999/17/84E - Proposed first floor (changes)
PA 9999/17/84F - Proposed first floor
PA 9999/17/84G - Proposed second floor (changes)
PA 9999/17/84H - Proposed second floor
PA 9999/17/84I - Proposed third floor (changes)
PA 9999/17/84J - Proposed third floor
PA 9999/17/84K - Proposed fourth floor
PA 9999/17/84L - Proposed fifth floor
PA 9999/17/84M - Proposed roof level
PA 9999/17/84N - Proposed section AA (changes)
PA 9999/17/84O - Proposed section
PA 9999/17/84P - Proposed elevations
PA 9999/17/100A - Proposed side elevation 1
PA 9999/17/100B - Proposed side elevation 2; and supporting documents:

PA 9999/17/46A - Environmental Health Directorate
PA 9999/17/45A - Department for Health Care Services Standards
PA 9999/17/90A - Access Audit Report
PA 9999/17/14A/92A - Engineer's Report
PA 9999/17/102A - Green Travel Plan

Location: 326 between Mdina Road and, Triq Guze Duca, Qormi, Malta
Proposal: Internal alterations on all levels and external alterations for ventilation purposes and increase room size on Guze' Duca Street. Construction of 2 extra floors as per height limitation adjustment policy for Retirement Homes.

Development Planning Act, 2016
Full Development Permission

The Planning Authority hereby grants development permission in accordance with the application and
PA/09999/17 Print Date: 24/10/2018

documents described above, subject to the following conditions:

- 1
 - a) This development permission is valid for a period of FIVE YEARS from the date of publication of the decision in the press but will cease to be valid if the development is not completed by the end of this validity period.
 - b) This permission relates only to the development as specifically indicated on the approved drawings. This permission does not sanction any other illegal development that may exist on the site.
 - c) Copies of all approved drawings and documents shall be available for inspection on site by Planning Authority officers at all reasonable times.
 - d) The development shall be carried out in complete accordance with the approved drawings, documents and conditions of this permission. Where a matter is not specified, then the conditions of this permission and of Development Control Design Policy, Guidance and Standards 2015 shall apply.
 - e) Before any part of the development hereby permitted commences, the enclosed green copy of this development permission shall be displayed on the site. This must be mounted on a notice board, suitably protected from the weather and located not more than 2 metres above ground level at a point on the site boundary where it is clearly visible and can be easily read from the street. The copy of the permission must be maintained in a good condition and it shall remain displayed on the site until the works are completed.
 - f) A Commencement Notice is to be submitted to the Planning Authority, by the permit holder on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, **if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised** - Article 72(4) of the Development Planning Act (2016).
 - g) All building works shall be erected in accordance with the official alignment and official/existing finished road levels as set out on site by the Planning Authority's Land Surveyor. The Setting Out Request Notice must be submitted to the Land Survey Unit of the Planning Authority when the setting out of the alignment and levels is required.
 - h) Where an officially schemed street, within the development zone, bordering the site is unopened or unformed, it shall be opened up and brought up to its proper, approved and official formation levels prior to the commencement of any development hereby being permitted.
 - i) It is the responsibility of the permit holder to ensure that development is carried out in accordance with the provisions of the Environmental Management Construction Site Regulations, Legal Notice 295 of 2007 (or subsequent amendments). Any hoarding shall be erected in accordance with Schedule 2 of the same Regulations.
 - j) New development on vacant or redeveloped sites shall be provided with a water cistern to store rainwater run-off as required by the Energy Performance of Buildings Regulations (2012) [published through Legal Notice 376 of 2012 and any amendments thereto].

- k) No steps, ramps or street furniture are to be constructed on or encroached onto the public pavement or road.
 - l) Any doors and windows, the lower edge of which is less than 2m above road level, and any gates shall not open outwards onto a public pavement or road.
 - m) Where present, window grilles (including 'pregnant' windows), sills, planters and other similar elements which are part of or fixed to the facade of buildings, the lower edge of which is less than 2 metres above road level, shall not project more than 0.15 metres from the facade over a public pavement or street.
 - n) Air conditioning units shall not be located on the facades of the building which are visible from the street or a public space.
 - o) There shall be no service pipes, cables or wires visible on the front elevation or on any other elevations of the building which are visible from the street or public space.
 - p) Any garages/parking spaces shall only be used for the parking of private cars and shall be kept available at all times for this purpose.
 - q) Any approved stores shall be used for domestic storage only and shall not be segregated from the rest of the building.
 - r) Any unit approved on more than one floor (duplex or more) shall remain physically interconnected as a single unit, and shall not be sub-divided into separate units without specific Planning Authority consent.
- 2
- a) The façade(s) of the building shall be constructed in local un-rendered and unpainted stone, except where other materials/finishes are indicated on the approved drawings.
 - b) All the apertures and balconies located on the façade(s) of the building shall not be in gold, silver or bronze aluminium.
 - c) Where a front garden is imposed, the 'solid part' of the boundary wall in the front garden shall not be higher than 1.4 metres above the external finished road level. Where the road is sloping, the wall shall be stepped accordingly. Any pillars or gateposts shall not exceed a height of 2.25 metres.
 - d) The height of the services on the roof of the building shall not extend beyond the approved height of the uppermost parapet wall.
- 3
- a) The development hereby being approved shall only be used as a Class 2A retirement home and shall not be used for permanent residential occupation or any other use notwithstanding the provision of the Development Planning (Use Classes) Order, 2014, or any amendment or addition to these Orders. The development hereby being approved shall be operated as one unit under one management and no structure within this development may be issued with an individual compliance certificate by the Authority.
 - b) The validity of this development permission shall be tied with the continued operation of the Class 2A retirement home. This development permission should not be construed as implying any entitlement for any future conversion of buildings, land and structures to a different use; or any ancillary development (including extensions, infrastructure, site

engineering operations) or commitment of additional land that are not clearly identified in this development permission. In the event that the approved development (part or as a whole) ceases to operate for the intended purposes and approved use, the permit will cease to be valid and all buildings and structures hereby being approved (including boundary walls and redundant ancillary infrastructure) shall be dismantled, at the expense of the developer, to the Authority's satisfaction, within a specific time period as stipulated by the Authority.

c) This development permission is being granted subject to the satisfactory completion of a public deed consolidating a legal agreement between the Planning Authority, the Ministry for the Family and Social Solidarity (MFSS) and the applicant, under the terms of Article 79 of the Development Planning Act, 2016 to ensure that the above mentioned condition is complied with. This deed shall be completed prior to the commencement of works on site and within three (3) months of the issue of this development permission. The Public Registry shall be notified with a copy of this deed.

- 4 To make up for the shortfall in parking provision of 22 parking spaces, this development permission is subject to a contribution amounting to the sum of € 25,623.10 (Twenty five thousand, six hundred, twenty three Euro and ten cents) in favour of Planning Authority's Urban Improvements Fund for the locality. The funds raised shall be used to fund traffic management, green transport, urban improvements or similar projects. The contribution shall not be refundable and the funds shall be utilised as required and directed by Planning Authority.
- 5 This permission is subject to a Bank Guarantee to the value of € 2,655.63 (Two thousand, six hundred and fifty-five Euro and sixty three cents) to ensure that the street is properly restored in accordance with the Environmental Management Construction Site Regulations, 2007 (Legal Notice 295 of 2007). The bank guarantee shall only be released after the permit submits a post-construction condition report together with photographs evidencing compliance with this condition, accompanied by clearance from the Local Council. The clearance from the Local Council is to be endorsed by the Mayor and the Executive Secretary of the Local Council. This guarantee shall be forfeited if, after 3 months from the date of notification by the Authority of a notice to effect the remedial works, these are not carried out. Its forfeiture shall not, however, preclude the applicant from adhering to all the conditions contained in this development permission.
- 6
 - a. The Green Transport Plan (GTP) at approved document PA 9999/17/102A shall be implemented as part of the development proposal.
 - b. Evidence of the commencement of the GTP Action Plan must be provided before the first operational compliance certificate for any part of the development is issued by the Planning Authority.
 - c. A GTP monitoring and review report shall be submitted to Transport Malta and the Planning Authority on an annual basis for 5 years from date of commencement of operations. If the targets established in the GTP are not being achieved by the end of these 5 years then the assessing authority may require up to a further 4 years of monitoring and review.

- 7 The development hereby permitted shall be subject to Final Compliance (Completion) Certification, verifying that the development has been carried out in full accordance with the approved drawings, documents and conditions imposed in this development permission, except where such conditions are enforced by other entities. Prior to the issue of any compliance certificate on any part of this development, the applicant shall submit to Planning Authority, in relation to that part of the building:
- (i) clearance from the Commission for the Rights of Persons with Disability verifying that the development fully satisfies the accessibility standards and/or any conditions imposed by the Commission in supporting document PA 9999/17/90A.
- Note: Should a partial compliance certificate be requested, a Bank Guarantee of EUR 10,000 shall apply to ensure that CRPD clearance is obtained*
- (ii) certification from a qualified engineer confirming that the development fully satisfies the requirements specified in supporting document PA 9999/17/14A/92A.
- (iii) clearance from the Department for Health Care Services Standards verifying that the development fully satisfies the standards imposed by the department in supporting document PA 9999/17/45A.
- 8 The conditions imposed and enforced by the Environmental Health Directorate are at supporting document PA 9999/17/46A. The architect/applicant is required to contact the Environmental Health Directorate, throughout the implementation of the development hereby approved, to ensure conformity with the imposed conditions. A copy of the relative correspondence issued by the Environmental Health Directorate shall be submitted to the Planning Authority accordingly.
- 9 **Conditions imposed and enforced by other entities**
- A. Where construction activity is involved:
- (a) the applicant shall:
- (i) **Appoint a Project Supervisor for the Design Stage and a Project Supervisor for the Construction Stage** and any such appointment shall be terminated, changed or renewed as necessary. The same person may be appointed to act as project supervisor for both the design and construction stage, if that person is competent to undertake the duties involved and
- (ii) **Keep a health and safety file** prepared by the Project Supervisor for the Design Stage.
- (b) When the construction works related to this application are scheduled to last longer than thirty working days and on which more than twenty workers are occupied simultaneously, or on which the volume of work is scheduled to exceed five hundred person-days, the project supervisor **shall communicate a prior notice to the Occupational Health and Safety Authority (OHSA) at least four calendar weeks before commencement of works.**

(c) The Project Supervisor for the Design Stage shall **draw up a health and safety plan** which sets out the occupational health and safety rules applicable to the construction activities concerned, outlining the measures to ensure cooperation between different contractors and shall also include specific measures concerning occupational risks that may be present at this site.

B. Where the development concerns a change of use to a place of work, the applicant shall obtain a Perit's declaration that the building conforms to the requirements of LN 44 of 2002.

C. Where the development concerns a place of work:

The applicant shall:

(i) obtain a Perit's declaration that the necessary requirements arising out of LN 44 of 2002 have been included in the plans and drawings; and

(ii) obtain a Perit's declaration that the building conforms to the requirements of LN 44 of 2002.

D. The development is to strictly adhere to the 'Design Guidelines on fire safety for buildings in Malta' to ensure that all Fire Safety measures and provisions are addressed as indicated in the Design Guidelines on Fire Safety for Buildings in Malta, published by the DCID in 2004, (or other relevant standard, provided it is approved by the Civil Protection Department), Policies, and the Laws and Regulations of Malta.

E. Prior to laying of water and wastewater services in the road, the development shall comply with the requirements of Legal Notice 29/10 Part III (Roads in inhabited Areas) Clause 12.

F. In the event of an accidental discovery in the course of approved works, any cultural heritage feature discovered should not be damaged or disturbed and the Superintendence is to be immediately informed of such discovery. Any cultural heritage features discovered are to be investigated, evaluated and protected in line with the Cultural Heritage Act 2002 (CAP 445). The discovery of cultural heritage features may require the amendment of approved plans.

In terms of Article 72(3) of the Development Planning Act, 2016, the execution and validity of this permission is automatically temporarily **suspended** and no works as approved by the said development permission may commence before the lapse of the time period established in Article 13 of the Environment and Planning Review Tribunal Act and subsequently will remain so suspended if the Tribunal so decides in accordance with the Environment and Planning Review Tribunal Act.

Where the approved drawings and/or documents are dimensioned, then the declared dimensions shall prevail over the actual size as depicted on the approved drawings and/or documents.

Developers are advised to check the invert level to the sewer main with the Water Services Corporation as they would have to make their own arrangements where a gravity service connection is not possible. In these cases, the architect has to indicate the solutions envisaged and to indicate on the plan what needs to be carried out and obtain approval from WSC. Developers are further reminded that connection of storm water into main sewers is not allowed.

If the declaration of ownership, as contained in the application form, is determined as incorrect by a Court of Law, then the said Court of Law can declare this development permission as null and void.

PA/09999/17

Print Date: 24/10/2018

This development permission does not remove or replace the need to obtain the consent of the land/building owner to this development before it is carried out. Furthermore, it does not imply that consent will necessarily be forthcoming nor does it bind the land/building owner to agree to this development. Where the land/building is owned or administered by the Government of Malta a specific clearance and agreement must be obtained for this development from the Land and/or Estate Management Departments.

This development permission is granted saving third party rights. This permission does not exonerate the applicant from obtaining any other necessary permission, license, clearance or approval required from any Government department, local council, agency or authority, as required by any law or regulation.

This development permit does not authorise any storage of substances listed in Occupational Health and Safety Authority Act (Cap. 424) - Control of Major Accident Hazards Regulations, 2003, as amended, in quantities that would render this site an establishment within scope of these regulations. The storage and handling of said substances may require a new or amended development permission in line with current policies and regulations.

For any non-residential uses hereby being approved, prior to commencement of any works on site or any eventual permitted change of use, the applicant shall be required to contact the Environment and Resources Authority to obtain any necessary operational permit or registration. This requirement does not apply to Class 2B, 2C, 4A and 4B uses as listed in the Development Planning (Use Classes) Order 2014, or its subsequent amendments.

This decision is being published on 12 September 2018.

Marthese Debono
Secretary Planning Commission (Development Permissions)

Notes to Applicant and Perit

Right for reconsideration

Where applicable, you have a right to submit a request for reconsideration to the Authority in terms of regulation 14 of Legal Notice 162 of 2016.

Right for appeal

You have a right to submit an appeal, against the decision, to the Environment and Planning Review Tribunal in terms of Article 13 of the Environment and Planning Review Tribunal Act, 2016.

Time limits

Requests for reconsideration or appeals must be made within 30 days from the publication of the decision notification in the local press as required by regulation 14(1) of Legal Notice 162 of 2016.

Fees to submit a request for reconsideration or appeal

In either case, there is a fee to be paid which should accompany the request for reconsideration or the appeal. The fees are as follows:

For reconsideration - 3% of the Development Permit Fee paid in respect of the original application, subject to a minimum of €69.88.

For appeal - 5% of DPF (Development Permit Fee) paid in respect of the original application, subject to a minimum of €150 + €50 administrative fee (LN 112 of 2016).

Submission of request for reconsideration or appeal

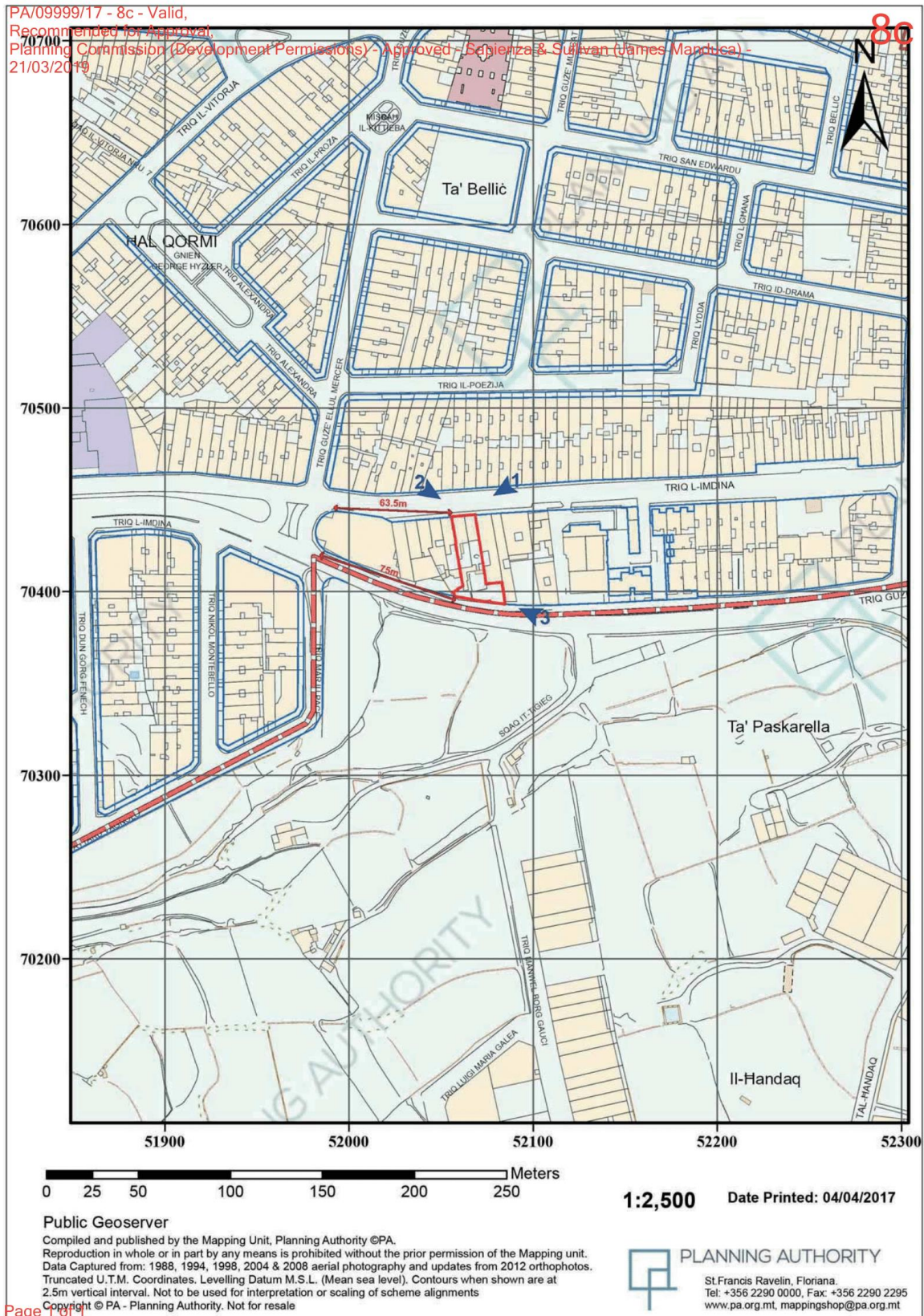
With regards to requests for reconsideration, Form PA 4/16 must be used for submission. All fields of the Form must be filled in as appropriate. Requests for reconsideration can only be submitted electronically.

With regards to appeals, as required by Article 13 of the Environment and Planning Review Tribunal Act, 2016, the submission must include the detailed grounds for appeal and the requests being made by the appellant. Appeals must be submitted physically at the offices of the Environment and Planning Review Tribunal, St. Francis Ditch, Floriana.

Important Notice

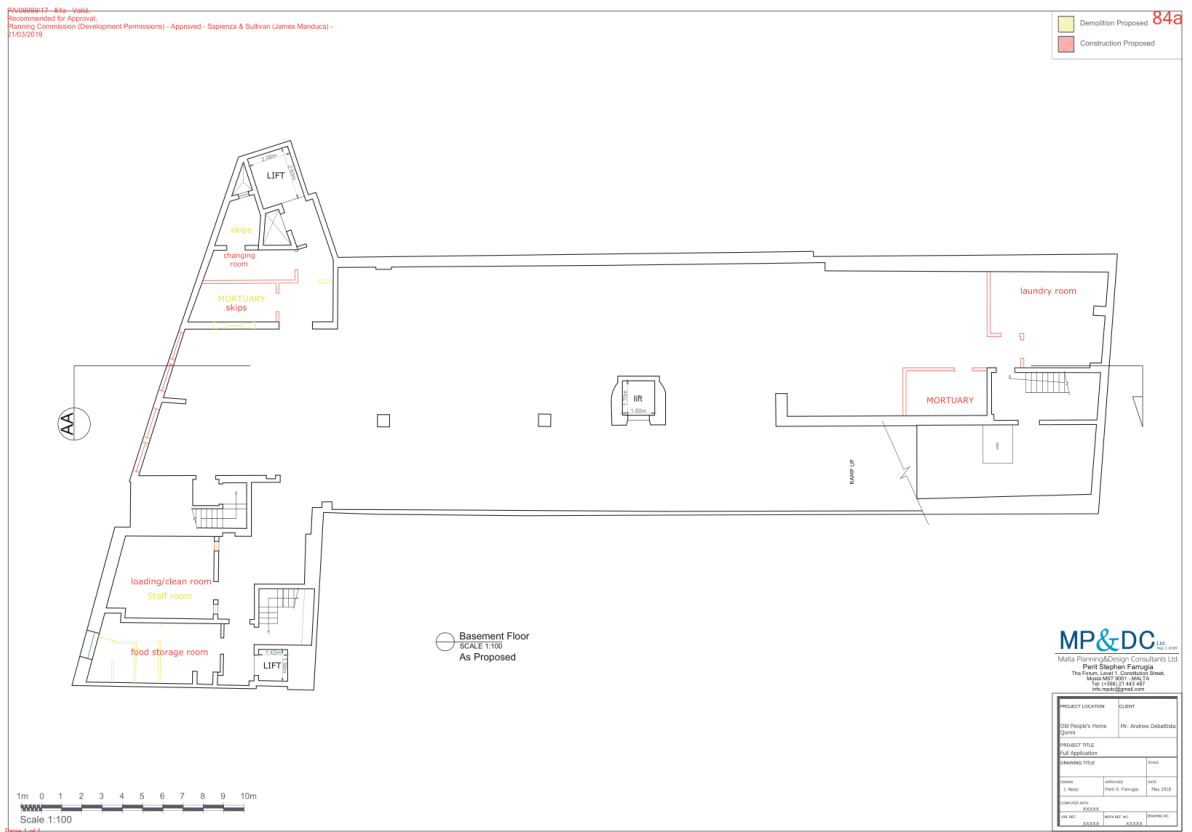
In view of the provisions of Article 72(4) of the Development Planning Act (2016), a Commencement Notice is to be submitted to the Planning Authority, by the perit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised.

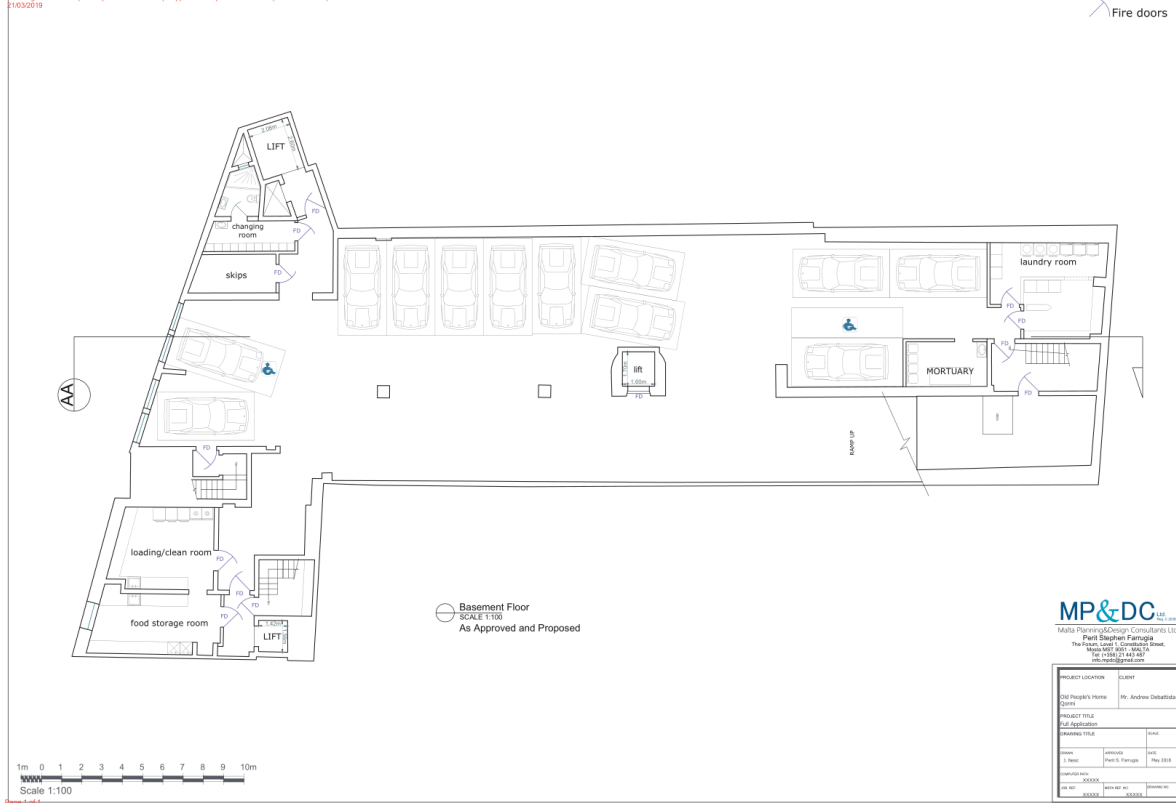
-PADCN-

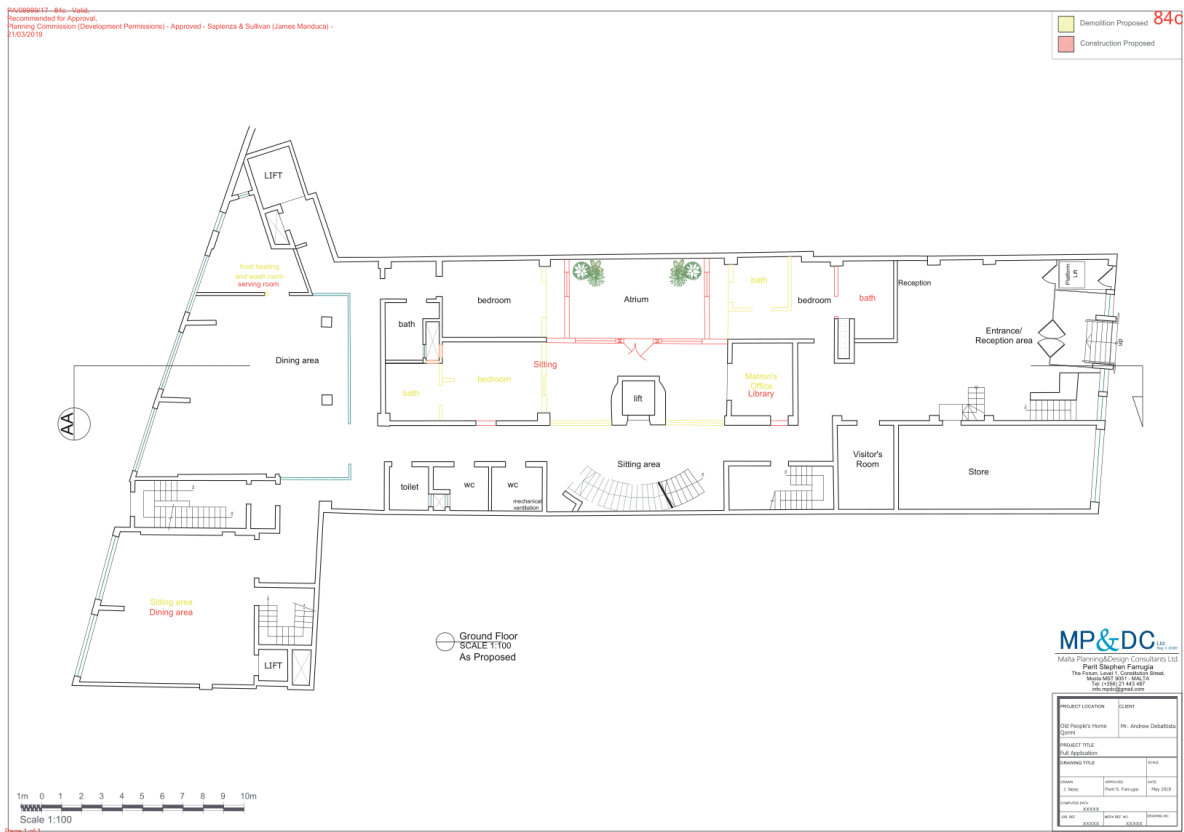


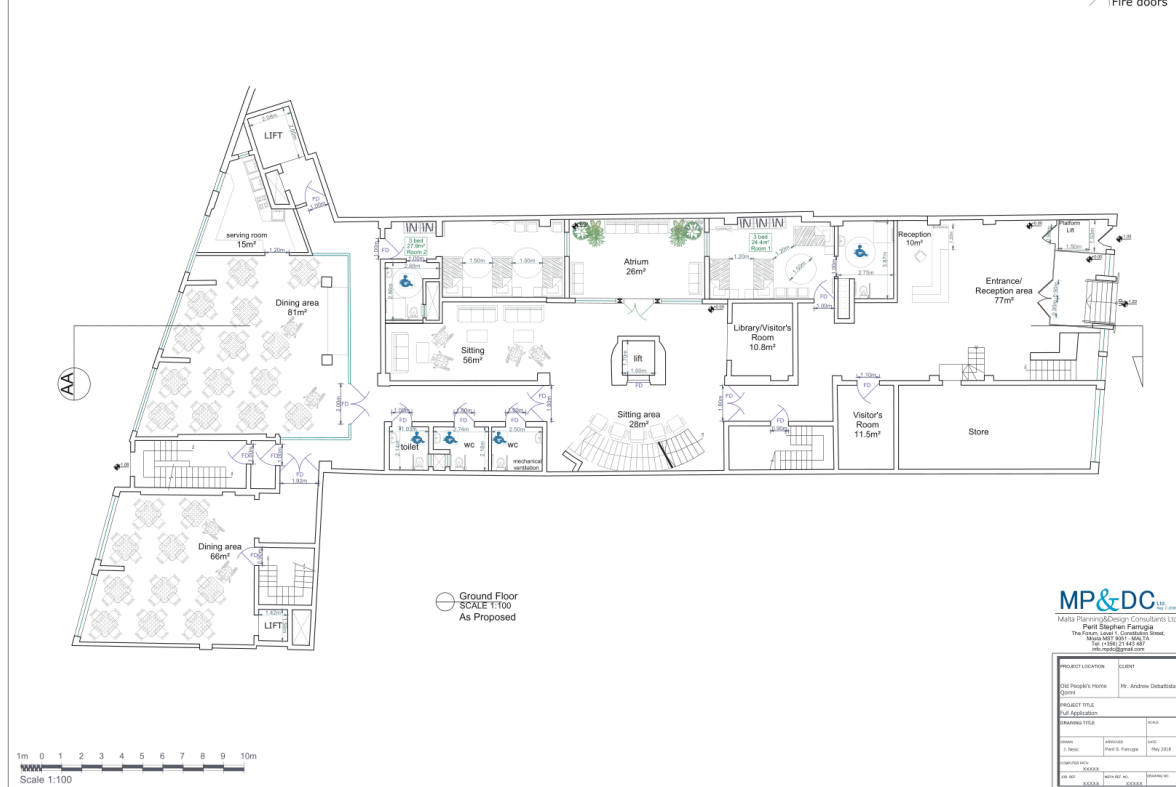
PA00000012-04a - valid
 Recommended for Approval
 Planning Commission (Development Permissions) - Approved - Sapientia & Sullivan (James Manduca) -
 11/03/2019

84a
 Demolition Proposed
 Construction Proposed







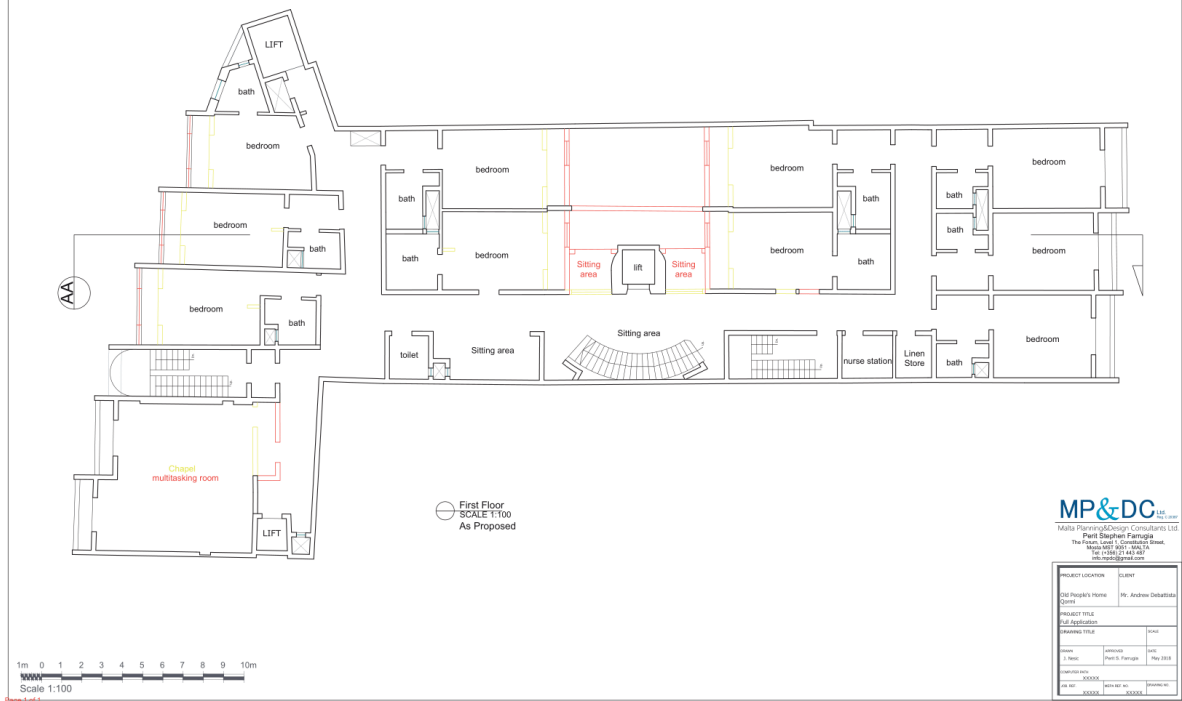


MP&DC Ltd
 Malta Planning & Design Consultants Ltd
 Paul Daphne Farrugia
 The Parnis, Level 1, Gattafiora Street,
 Gattafiora, GHA 1001, GHA, Malta
 Tel: +356(0)21 443 443
 info@mpanddc.com

PROJECT LOCATION	CLIENT
100 Parnis, Home Zone	Mr. Andrew Dattatolla
PROJECT TITLE	
DATE SUBMITTED	
DESIGNED BY	
CHECKED BY	
DATE	
PROJECT NO.	
DATE	
PROJECT NO.	
DATE	

PA/00000012-000-0000
 Recommended for Approval
 Planning Commission (Development Permissions) - Approved - Sapientia & Sullivan (James Manduca) -
 11/03/2019

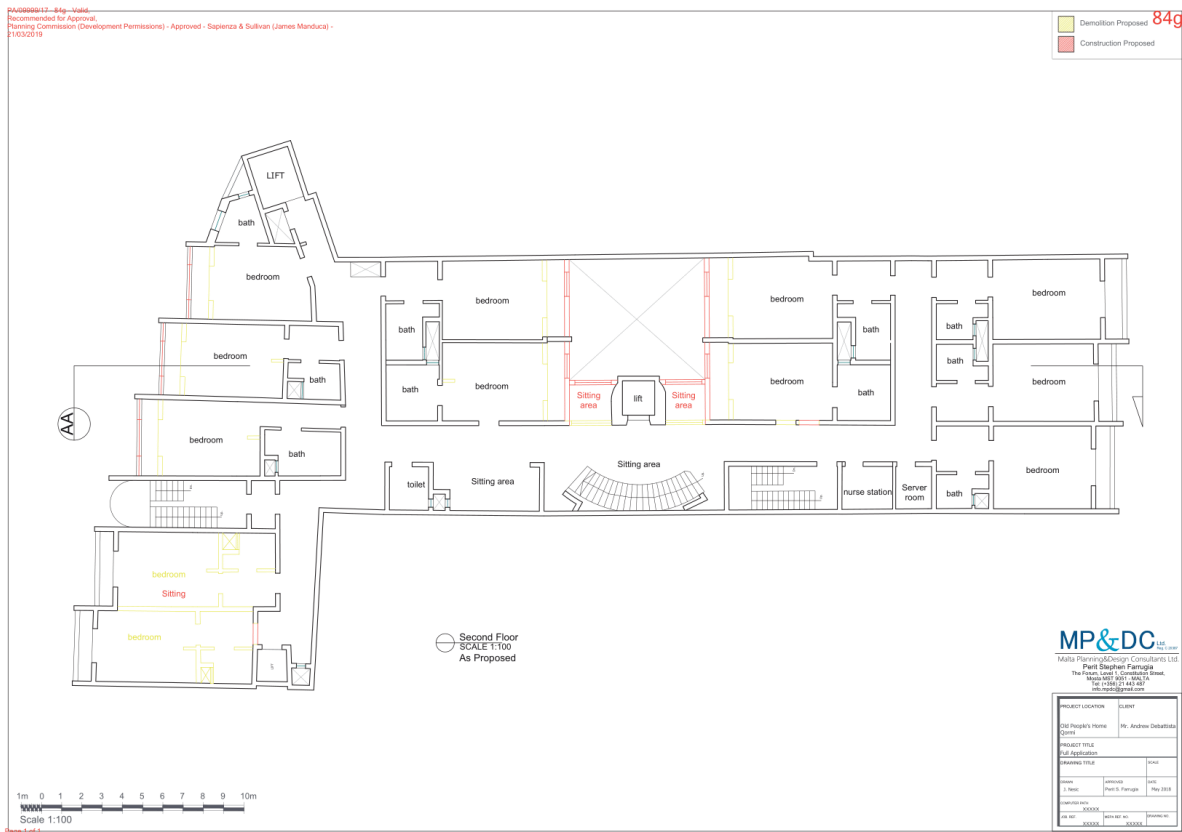
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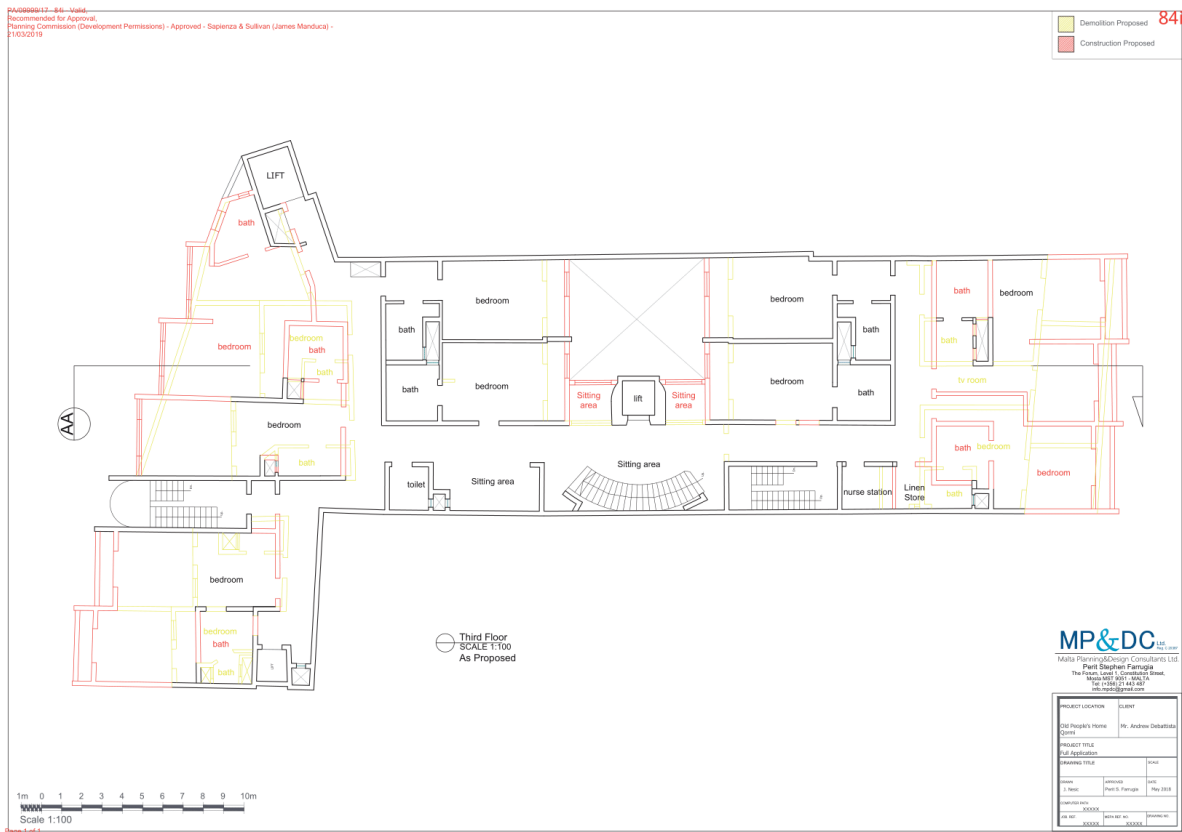


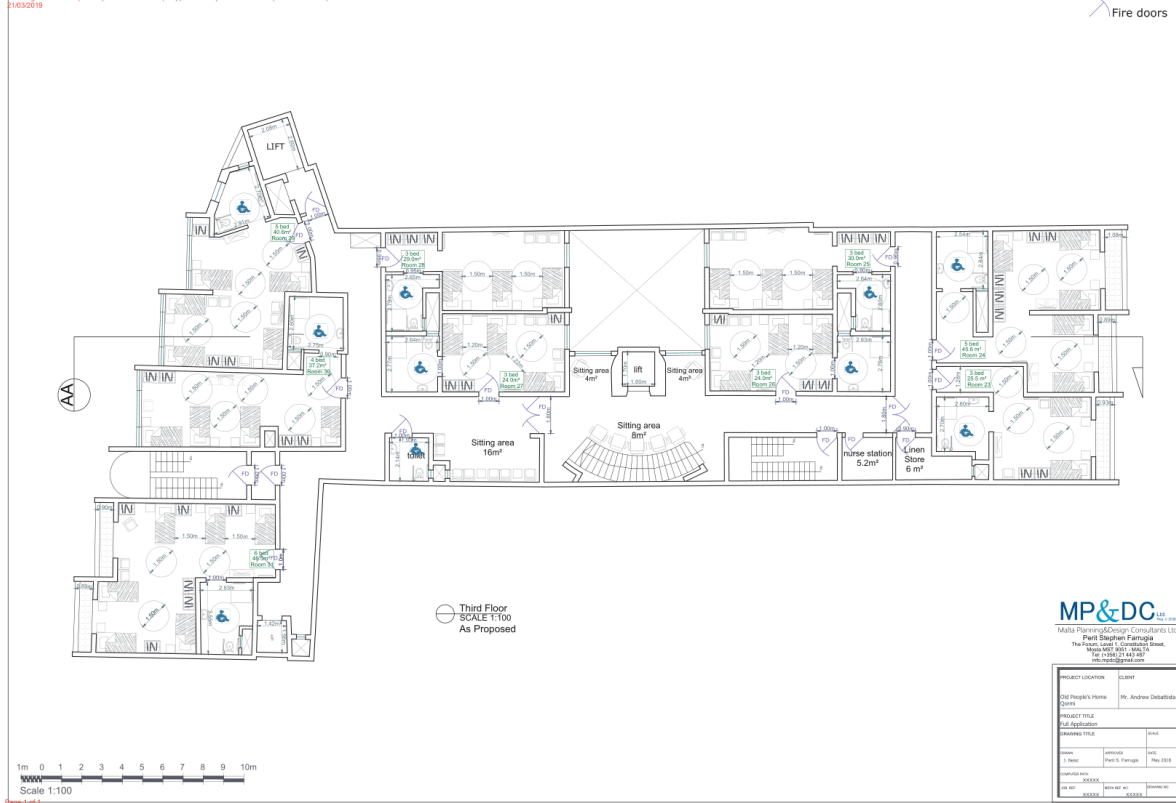


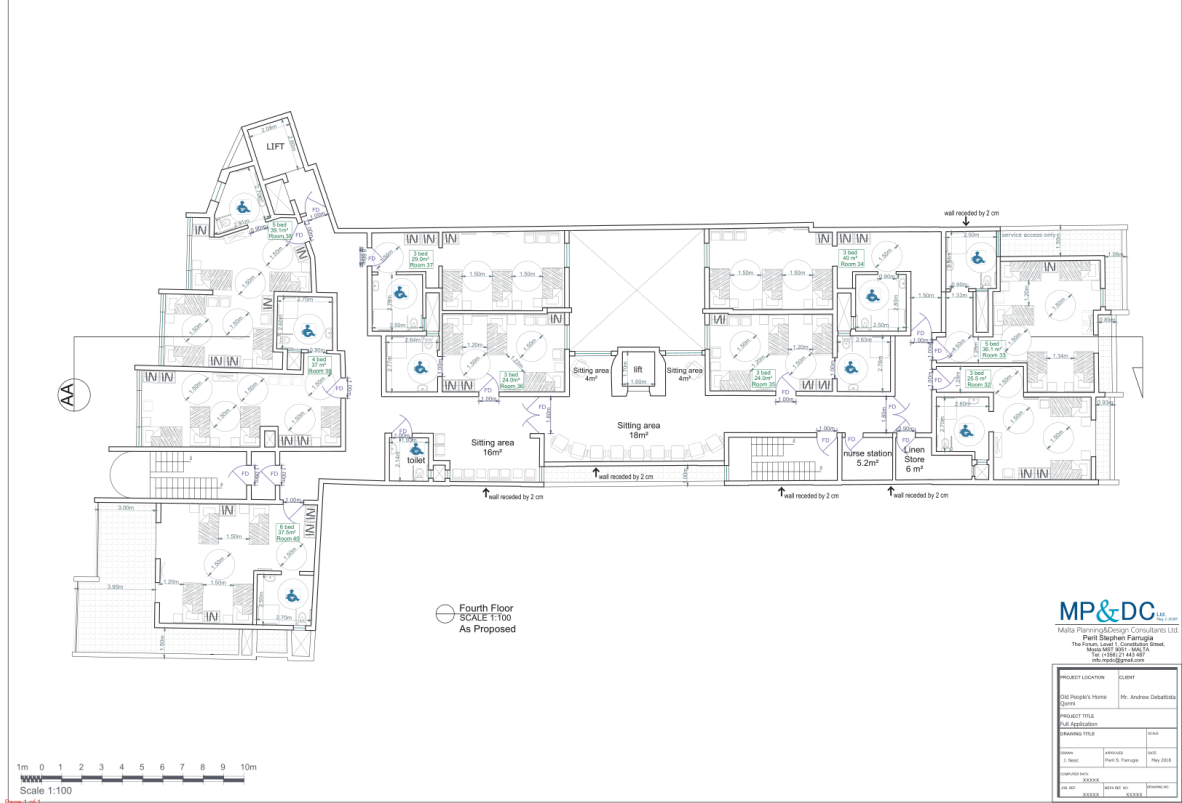
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 11/03/2019

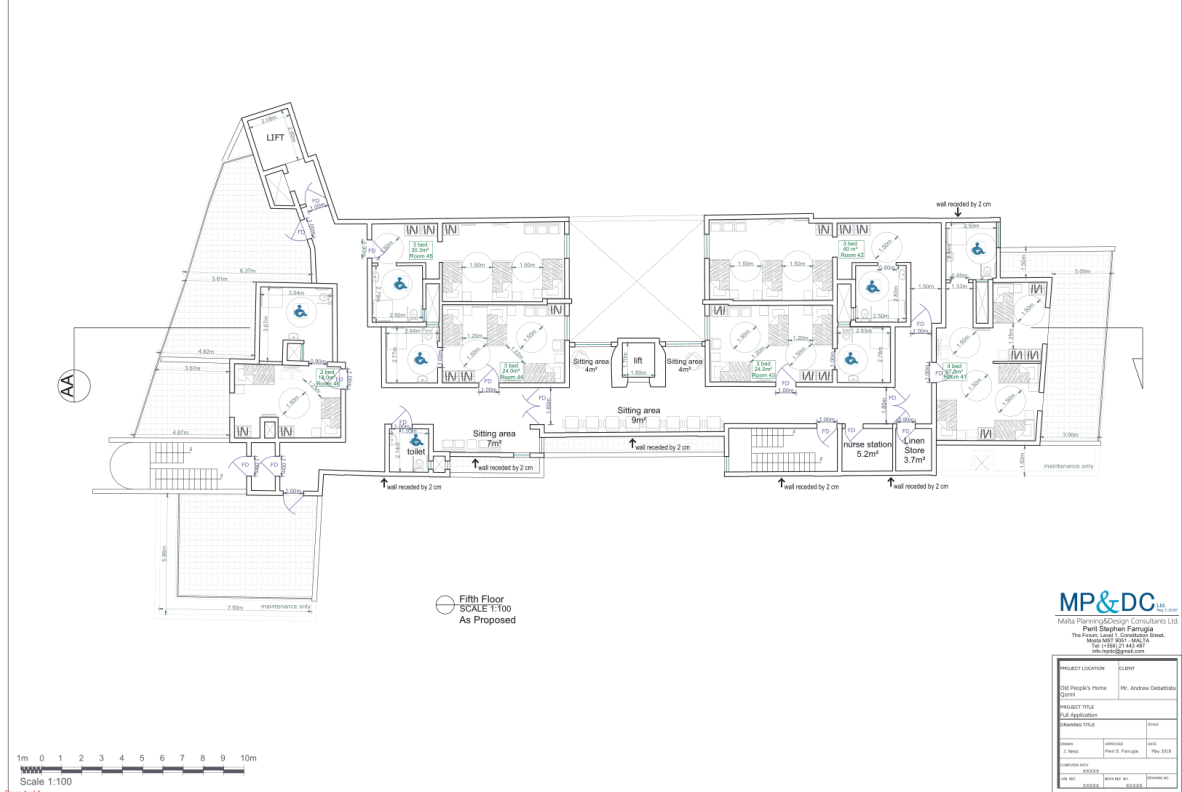
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 Demolition Proposed
 Construction Proposed







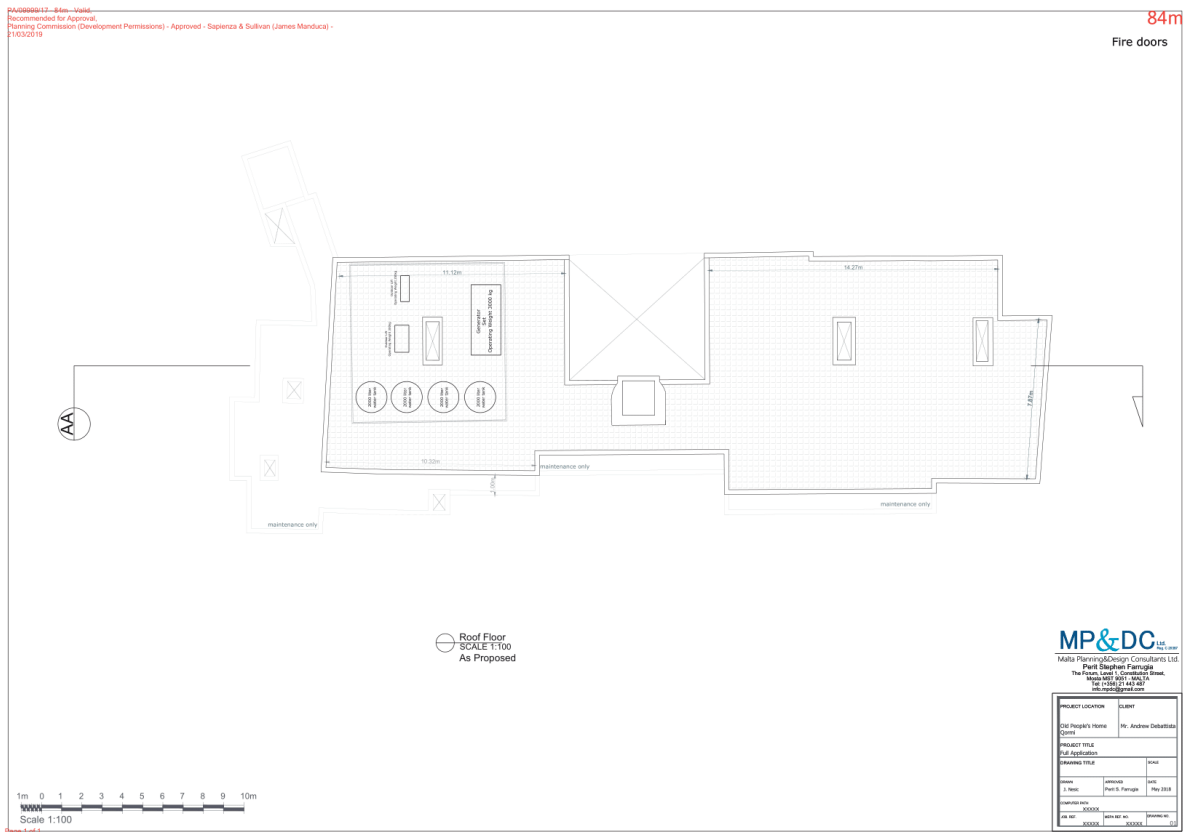




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 Planning Commission (Development Permissions) - Approved - Sapientia & Sullivan (James Manduca) -
 11/03/2019

84m

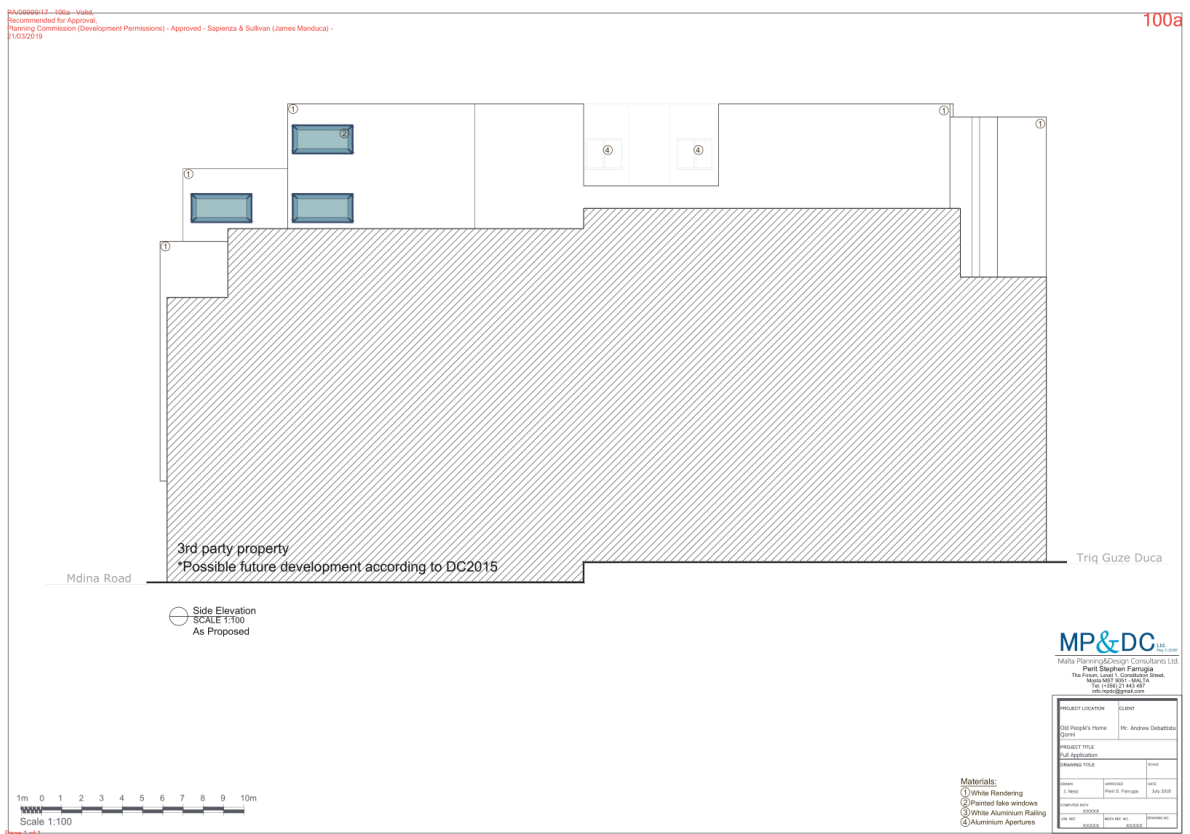
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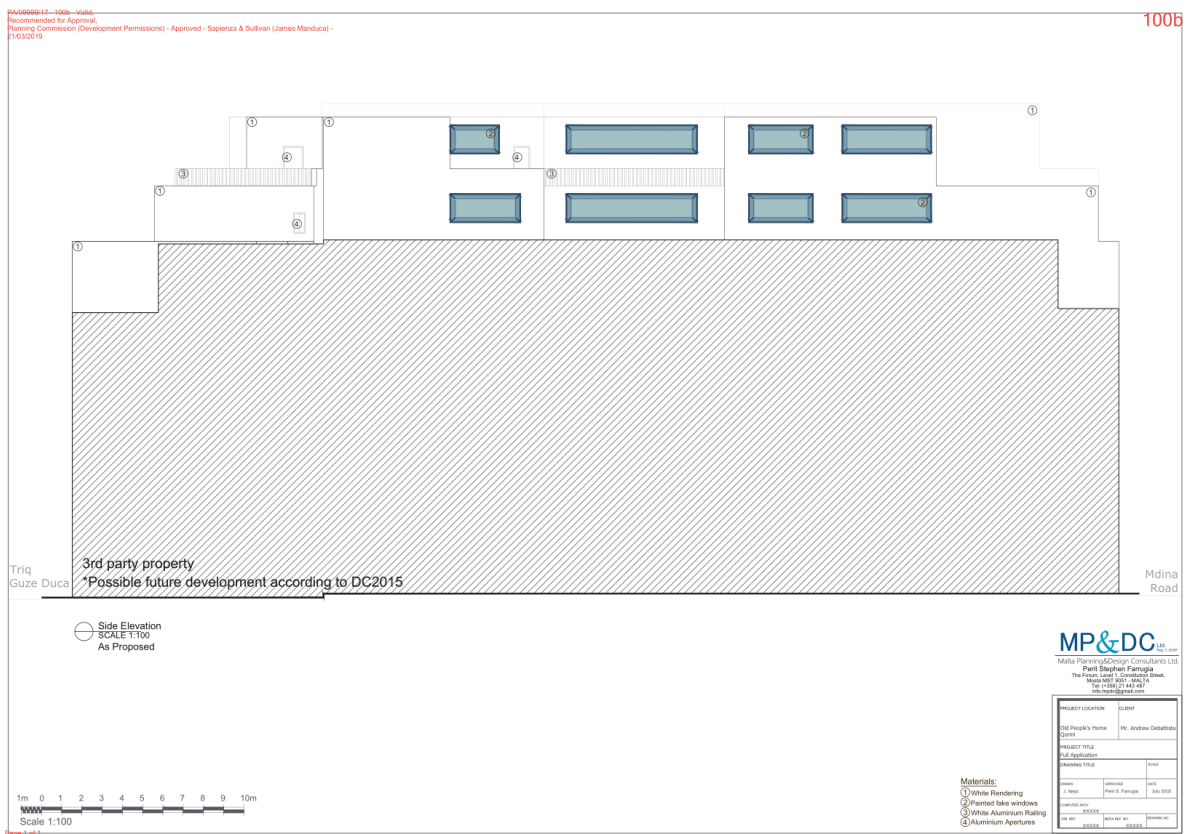


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 Recommended for Approval
 Planning Commission (Development Permissions) - Approved - Sapientia & Sullivan (James Manduca) -
 11/03/2019

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46a



OFFICE OF THE DEPUTY PRIME MINISTER
MINISTRY FOR HEALTH

Our Ref. : DH/54/2017/1048
Your Ref. : PA 9999/17

Planning Authority
Floriana
P.O. Box 200
Valletta.
CMR01

12th January, 2018

Re: Application by Mr. Andrew Debattista
PA No: 9999/17
Location: 326 Mdina Road and Triq Guze Duca Qormi

There is no objection from this end provided that:

- Applicant adheres with the copy of proposed sketch plans.
- Since proposed development will make use of an outside caterer a suitable pantry/holding room is to be provided.
- Proposed toilets leading to food rooms should be provided with an adequately ventilated ante room. Where natural ventilation is not possible, adequate extract ventilation by mechanical means is to be provided.
- Height of proposed food rooms should not be less than 2.4m.
- Proposed development should be provided with suitable staff changing facilities and an acutely ventilated garbage room.
- Proposed grease trap/s (unless self-cleansing)/gully traps are to be located in the open air.
- All food rooms including food stores are to be adequately ventilated. Where natural ventilation is not possible, adequate intake and extract ventilation by mechanical means is to be provided.
- To provide adequate measures for the hygienic disposal of refuse.
- Applicant is to take all the necessary measures to prevent above mentioned premises from being a statutory nuisance to neighboring properties.
- All Building and Sanitary Laws & Regulations are to be strictly complied with.

Referred.

Paul Bezzina
Senior Principal Environmental Health Officer
Reg No:045
F/Director (Environmental Health)

HEALTH INSPECTORATE SERVICES, HEALTH CERTIFICATION AND CONSULTATION UNIT
SERVIZZI TA' L-ISPETTORAT TAS-SANHA, TAQSIMA CERTIFIKAZZJONI U KONSULENZA
Environmental Health Directorate
Superintendence of Public Health
Continental Business Centre, Level 1, Triq il-Ferrovija, Santa Venera SVR9018
t +356 21332225, 21324093 e food.safety@gov.mt



Superintendence of Public Health
Sovrintendenza tas-Saħħa Pubblika

Ministry for Health

9 January 2018

PA/9999/17

Dear Sir

We refer to your request for comments dated 4 December 2017 on the above mentioned application for development permission

The applicant is to ensure that:

All proposed bedrooms [excluding ensuite] including those on the additional new floors are to be of adequate size, measuring 12 sq metres per person for single rooms and 8 sq metres per person for double rooms or triple rooms

Indoor communal space is to amount to 4 square meters per person.

The proposed standards at https://activeageing.gov.mt/en/Documents/NMS_ENG.pdf are to be followed and adhered to

All floors are to be serviced by a stretcher lift

The Environmental Health directorate as well as KNPD need to be consulted for their views

Regards

Dr M Micallef
Consultant
F/DHCSS



ACCESSIBILITY AUDIT REPORT

Date

24.05.2018

Reference

PA 09999/17

Proposal Location

326 between Mdina Road and, Triq Guze Duca, Qormi

Proposal Description

Internal alterations on all levels and external alterations for ventilation purposes and increase room size on Guze' Duca Street. Construction of 2 extra floors as per height limitation adjustment policy for Retirement Homes

Submitted for Vetting

Plans, Elevations and Sections

CRPD Decision

No objection

.....

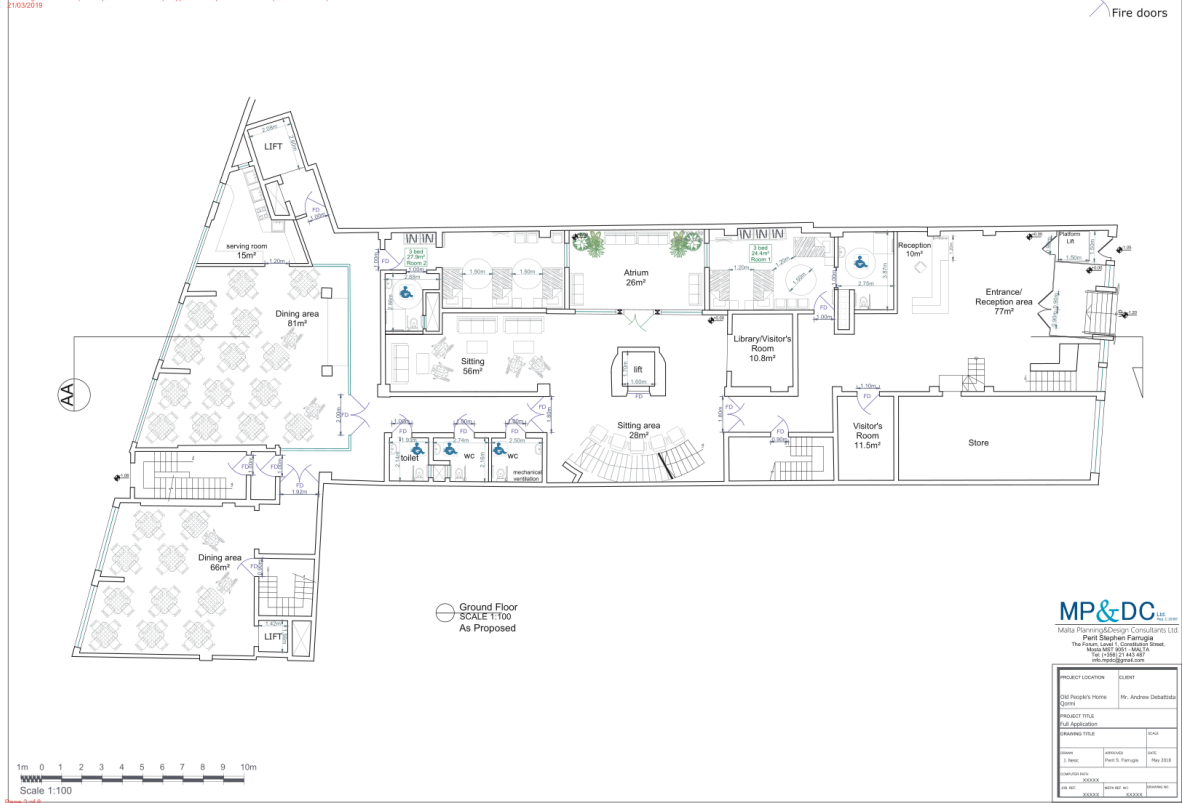
The no objection endorsement of the proposed development is on condition that all the building elements (structural, finishes and services) featured in the development shall conform to all the recommendations included in the Access for All Design Guidelines (2011) and other relevant guidelines published by CRPD and which are available on the CRPD website (www.crpdp.org.mt). Where applicable, the applicant's attention is drawn to recommended dimensions of elements such as door openings, accessible toilets and lifts where attention should be paid to ensure that structural dimensions take into account the tolerances required for wall tiling, door jambs, etc. and that lift shafts are large enough to accommodate lift cabins that conform to the said Guidelines.

Disclaimer

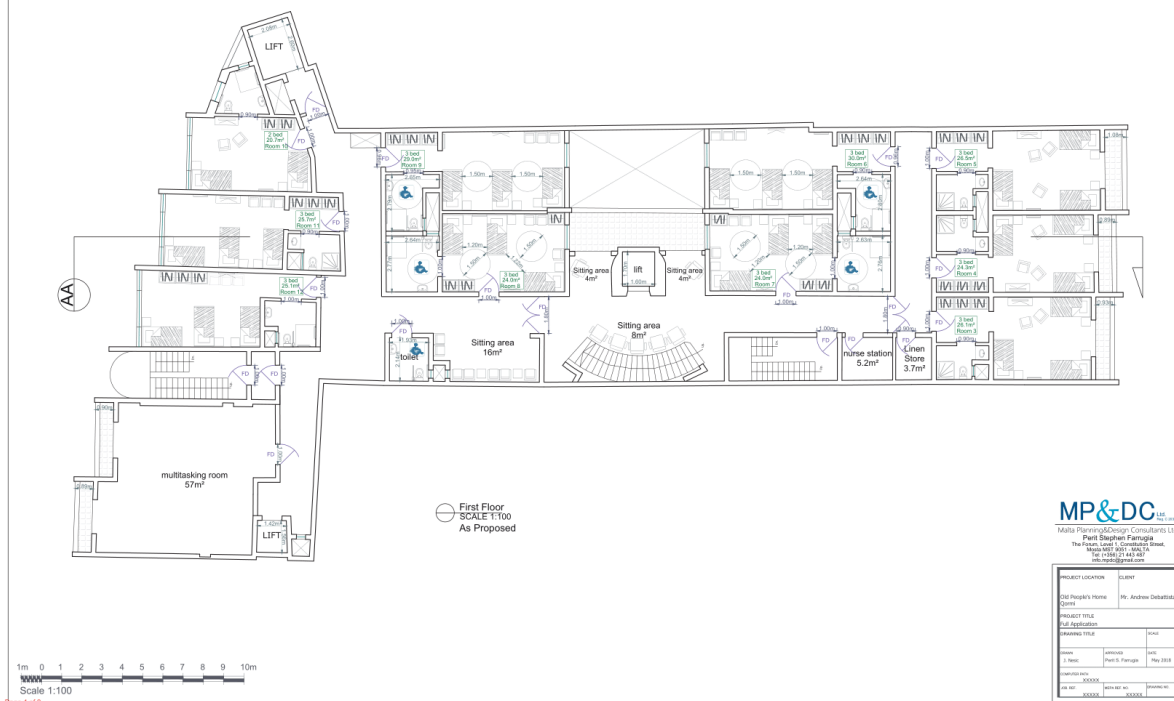
With respect to issues concerning Access for All, there is no objection to the issue of development permission for the proposed development as far as could be ascertained from the submitted drawings and subject to the conditions included in this report and the relevant standards as set in the Access for All Design Guidelines. It is the applicant's ultimate responsibility to ensure that the proposed development shall conform to the Access for All Design Guidelines and any approval given herewith does not exonerate the applicant from adhering fully to all the recommendations set in the said guidelines, notwithstanding the contents of this report. Recourse to the submitted drawings listed above shall not exonerate the applicant from fully adhering to the Access for All Design Guidelines. **The Commission reserves the right to inspect the property in question and to check that the above conditions are respected, in accordance with and in conformity to the Equal Opportunities Act 2000 (Cap413).**

Regards,

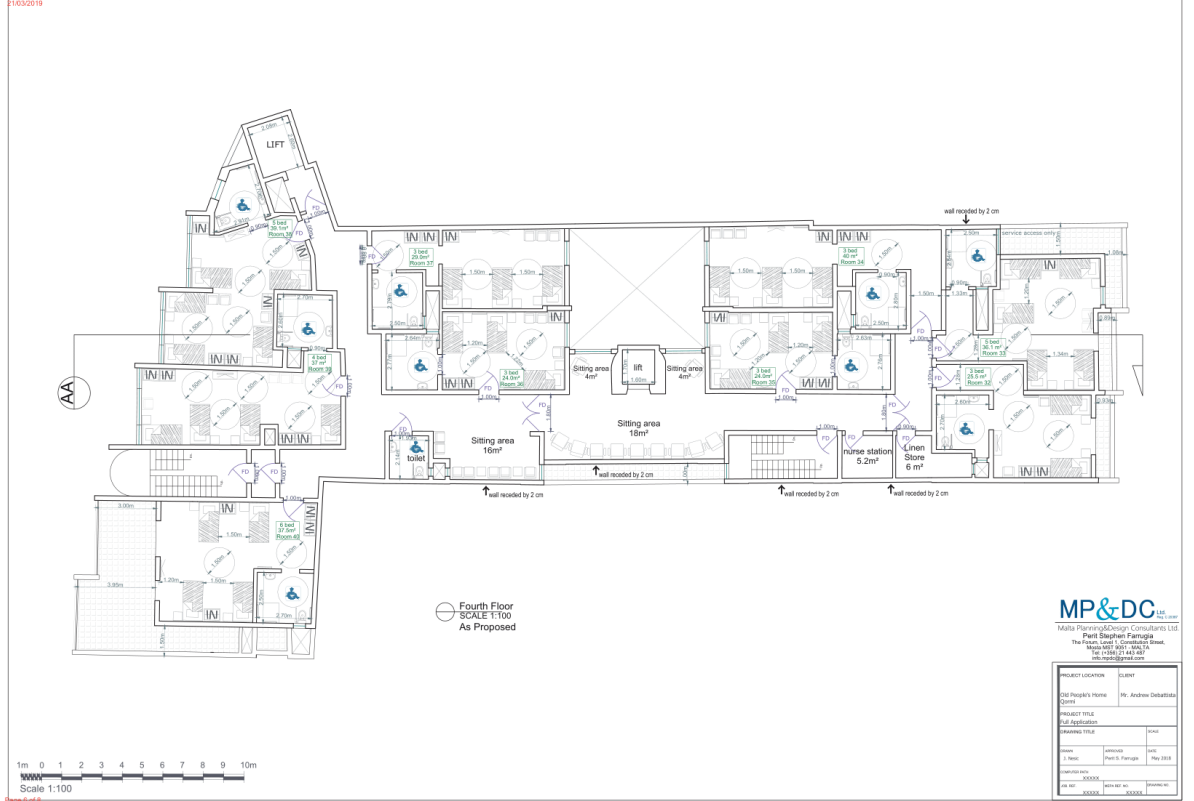
Perit Frank Muscat - Accessibility Consultant Architect



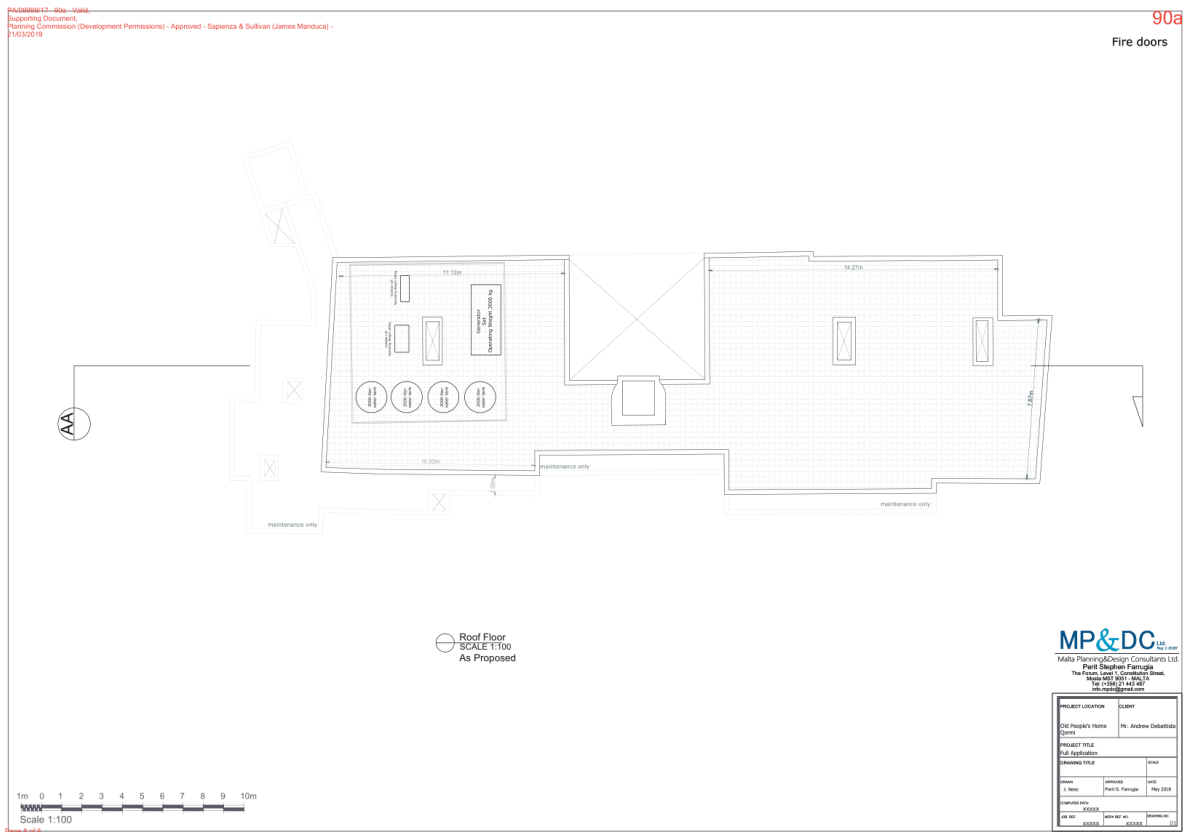
MP&DC Ltd	
Multi Planning & Design Consultants Ltd	
Parrif Daghwan Farrugia	
The Pegasus, Level 1, 100, Victoria Street, Valletta VLT 100, Malta	
Tel: +356 21 443 443	
info@mpanddc.com	
PROJECT LOCATION	CLIENT
100 Pegasus House, Valletta	Mr. Andrew Dattatraya
PROJECT TITLE	
Full Development	
DRAWING TITLE	DATE
DESIGNER	APPROVED
P. Farrugia	P. Farrugia
DATE	DATE
11/03/2019	11/03/2019
DATE	DATE
11/03/2019	11/03/2019











Perit Stephen Farrugia
MPDC Ltd
The Forum, Level 1
Constitution Street
Mosta.

TrackingNo. 200014

Fire Safety, Light, Ventilation & Noise Report
on the proposed internal/external alterations
and construction of 2 extra floors
(as per height limitation adjustment policy for Retirement Homes)
at 326, between Mdina Road & Guze Duca Street, Qormi.

1. Introduction

This report presents the findings of a review of the design of the proposed building structure and is focused on the construction, fire protection, light and ventilation features which require to be addressed. (The report also includes the necessary evacuation measures which are to be in place prior to the operation of these premises). The comments contained in this report pertain to those features necessary to:-

Provide adequate safe egress, for all occupants.
Provide structural stability, during a fire, for the required time.
Provide adequate ventilation and light
Provide access and facilities for the Fire Service.

and result from a review of the building design, as envisaged in the following attached drawings, dated Oct 2017, and endorsed on 14th November, 2017.

Basement level (garage)
Ground floor
First to fifth floor levels
Roof level
Section & Elevations

Those fire/life safety features e.g.

Fire detection & alarm, equipment (to BS 5839)
Marking & illumination of exits (to BS 5266)
Portable fire suppression equipment (to BS EN3)
Fixed fire suppression installation (to BS 9990)

which are not incorporated at this design stage, will require to be addressed and implemented by the developer at the 'finishes' stage.

Consequently, this report comments on the design and layout of the building structure, vis the following fire/life safety aspects:-

- Construction
- Protection of openings
- Ventilation & light
- Means of Escape
- Fire Service access & provisions

2. Design Review

2.1 Construction (Masonry/Concrete)

The building materials to be used in the construction of the principal supporting members, load bearing walls and floor/ceiling assemblies are to afford the fire resistance rating required of this category of structure, (120 minutes).

2.1.1 Internal Sub-divisions

Ground and Upper Floors – Structural fire separation between individual rooms and adjoining/overlying ancillary accommodation, respectively, is adequate. **Corridors at all levels are to be protected corridors.**

Basement Parking Level – Structural fire separation between the basement parking level and overlying occupancies is adequate.

2.2 Protection of Openings

2.2.1 Penetrations

Pipes, conduits, cables, ducts and similar building service equipment that penetrate walls and floors/ceilings should be protected by in-filling the space between the penetrating item and the fire barrier. The material used to in-fill must be capable of maintaining the fire resistance of the barrier.

2.2.2 Staircases– (all floor levels)

Access doors to the staircases are to have a fire resistance of 30 minutes. All doors are to be effectively self-closing and capable of resisting the passage of smoke at ambient temperatures.

2.2.4 Bedroom doors

All bedroom doors are to have a fire resistance rating of 30 minutes and be capable of resisting the passage of smoke at ambient temperatures.

2.2.5 Corridor Sub-division

As some residents will not be able to use the stairways without assistance, it is necessary to provide for the horizontal evacuation of residents (to places of temporary safety on all storeys), where those requiring assistance can await evacuation.

The sub-division of corridors as indicated on the attached drawings will satisfy this requirement. Cross-corridor doors should have a minimum fire resistance rating of 30 minutes, be effectively self-closing and capable of resisting the passage of smoke at ambient temperatures. (Cross-corridor doors should incorporate a vision panel in each door leaf).

2.2.6 Ancillary accommodation

Doors enclosing (or separating), the following areas of ancillary accommodation should have a fire resistance rating as follows:-

Staff rooms FD30.	Dining/Sitting rooms: FD30.
Chapel: FD30.	Store rooms & Server room: FD60.
Library FD 60.	Refuse/waste rooms FD 60

Additionally, all services shafts access panels are to have a fire resistance of 60 minutes and are to be kept locked.

3. Ventilation & Light

3.1 Underground parking level

The free floor area of the underground parking level is approximately 420m² (excluding, staircases/lifts enclosures, other structures and the vehicle ramp). Natural ventilation of this area is provided by high level windows all venting to open air on the rear façade. The aggregate area of these openings is 12.1m².

Air inlet/cross ventilation, (9m²), is also provided by the vehicle entrance structure,

The aggregate area of permanent openings as indicated above, will provide in excess of the required 10.5m² level of natural ventilation for the parking level, in accordance with Approved Document F (Ventilation), of the Building Regulations-UK.

Light. Given that non-habitable spaces may be artificially illuminated, a minimum light output of **150 lux**, for the garage and adjacent store rooms respectively will suffice, (in accordance with CIBSE Code for Interior Lighting).

3.3 Ground & overlying levels

All habitable rooms are adequately naturally ventilated by suitably sized, and openable, glazed apertures to the outside. The area of glazing installed in external walls,

(equivalent to 10% of the internal floor space of each habitable room), will provide the requisite level of natural light for each habitable room.

Sanitary accommodation is either ventilated by openable apertures to the exterior, or by apertures into vertical ventilation shafts terminating at roof level. One toilet at ground floor, is to be **mechanically** ventilated.

4. Means of Escape

The premises are designed to provide, initially, for the **horizontal evacuation** of the occupants to an adjoining fire protected compartment. Adjoining compartments have storey exits of sufficient capacity to cater for 50% of the total occupancy of the compartment, when taking into account both the number of the occupants in the adjoining compartment and the number of persons evacuating to it.

Vertical exit routes and ground floor exits are sufficient to provide for the safe discharge of the anticipated maximum occupant load. Final exits discharge directly to open air.

Travel distance, from any point in the building to the nearest exit or protected exit route, is not a limiting factor and does not exceed the safe minimum requirements.

5. Protection General

In addition to the foregoing, the building is to be protected throughout by:-

- An automatic fire detection and alarm system (to BS 5839)
- Emergency Exit Lighting & Signage (to BS 5266)
- Portable Fire Suppression Equipment (to BS EN 3)

6. Fire Service access & provisions

Vehicular approach to the building is not a limiting factor. Access into the building is available from the front.

6.1 Fire-fighting lift

The building is to be provided with a fire-fighting lift. The fire-fighting lift is to be in conformity with the requirements of EN81-72 – 2015.

6.2 Fire Mains

Dry rising mains are to be installed in the two staircases, (as indicated on the attached drawings).. The **outlets** from the fire mains (landing valves), are to be installed at every level in each staircase . Additionally, a fire main **inlet**, connected to the rising mains, is to be located external to the building and in a position readily accessible to fire pumping appliances.

7. Noise Mitigation Measures

It is not anticipated that the operation of these premises will cause any noise nuisance to neighbours.

8. Fire Evacuation Planning

The primary aims of the evacuation of these premises are:-

- to remove residents, staff and others from immediate danger
- to keep the distance of any movement as short as possible
- to avoid routes which may need to be used by fire-fighting personnel
- to remove residents to a refuge area remote from the fire and suitable for their comfort and continued treatment, (as may be necessary)

Emergency evacuation planning is therefore required to ensure that acceptable standards of fire safety for residents, staff and visitors are in place. A written emergency plan should clearly define:

- duties of management
- staff with specific responsibilities or duties
- means for raising the alarm in case of fire
- the number of staff on duty and the number of staff required in a fire emergency
- procedures to ensure that sufficient staff are always available 24 hours a day.
- methods for the movement or evacuation of the occupants in a fire emergency
- procedures to ensure the location of residents requiring assistance to evacuate
- means for first aid fire-fighting
- periodic and formally recorded staff training in all of the above matters.

8.1 Fire Notices & Signs

In addition to the more detailed staff instructions, brief, clearly printed, general fire notices should be exhibited in conspicuous positions in all parts of the premises. These should include:-

- floor plans indicating escape routes and refuge areas on all floors
- action to be taken in the event of fire
- the location of portable fire-fighting equipment.

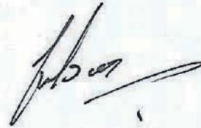
Conclusion (Fire/Life Safety)

The aspects concerning the fire safety of the building structure, as reviewed at this stage, are as indicated above. Once the requirements of paras.2.2, 3, 5, 6 and 8 above are incorporated in the finished development, it is considered that the structure and layout, will meet with the Design Guidelines on fire safety for buildings in Malta and Approved Document B (Fire Safety), Building Regulations –UK, and the related British Standards


quoted therein. Light and ventilation provisions are in conformity with Approved Document F (Ventilation), Building Regulations-UK, and CIBSE Guidelines, respectively.

It is therefore certified that:-

- a). The measures contained in this report are in conformity with International Standards.
- b). The design can achieve acceptable levels of light and ventilation in accordance with the Codes and Standards quoted herein, (as required by articles 11(2) (c), (3), and 13(1) respectively, of Legal Notice 227 of 2016).



F.J. Wilson GFireE., MIIRSM., MIFPO.
Fire Protection and Safety Consultant.



ECL CONSULTING ENGINEERS
ING. JOHAN ALOISIO
WARRANT NR: 759
M: +356 9986 8828 E: JA@ECLCE.COM

Ing. J. Alosio
Building Services Engineer
(Warrant No.759)

14th November, 2017.

PA/9999/17 - 14a - Valid,
Supporting Document,
Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Manduca)
21/03/2019

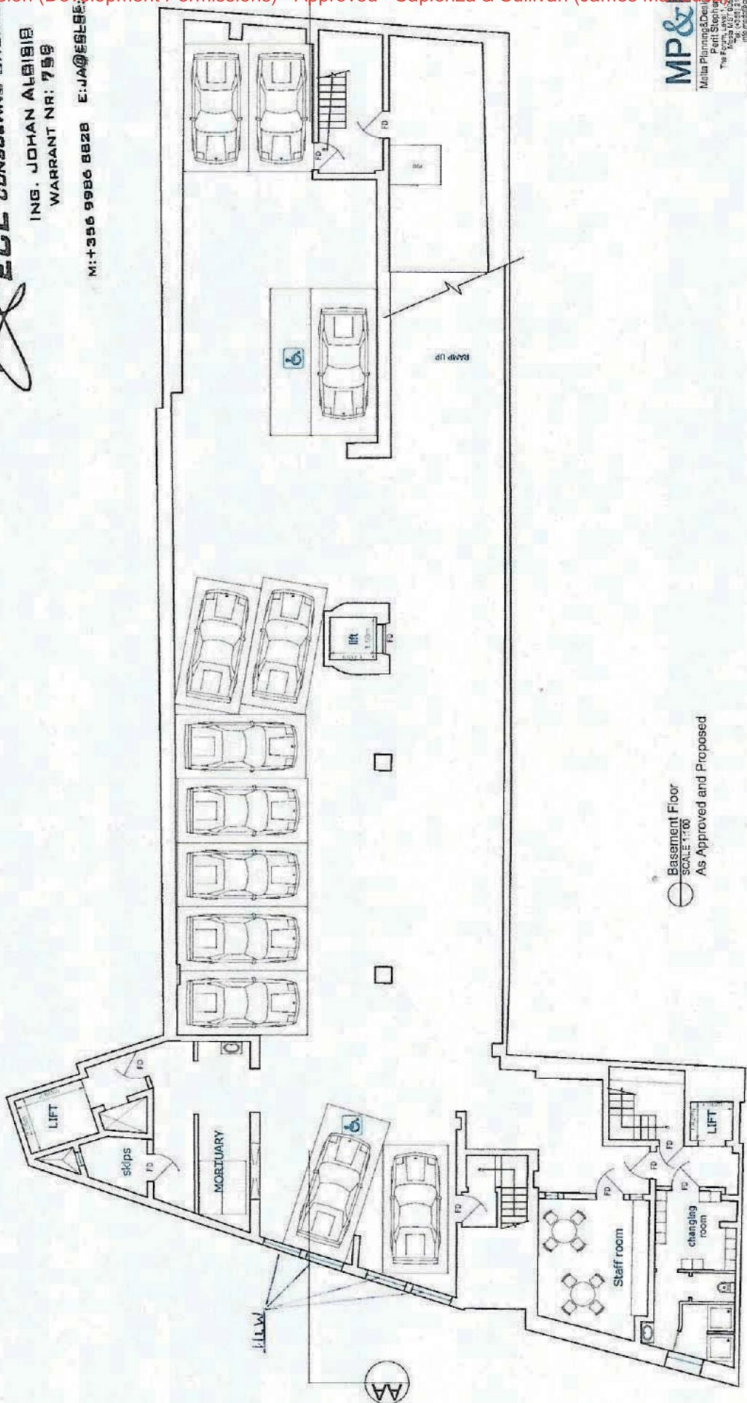
Line Safety & Ventilation Report
DAVID 14 JUL 17 REGRS

ECL CONSULTING ENGINEERS
ING. JOHAN ALBIB
WARRANT NR: 759

M: +356 9986 8828 E: JAL@ECL.EE.MX

MP&DC
Malla Planning & Design Consultants Ltd.
The Planning Commission
10, St. James Street, Valletta, VLT 1010

PROJECT LOCATION	1010/17
Client	St. Andrew's Cathedral
Project Title	St. Andrew's Cathedral
MD Application	1010/17
Submission Title	1010/17
Author	1010/17
2. Date	1010/17
3. Date	1010/17
4. Date	1010/17
5. Date	1010/17
6. Date	1010/17
7. Date	1010/17
8. Date	1010/17
9. Date	1010/17
10. Date	1010/17



Basement Floor
SCALE 1:100
As Approved and Proposed

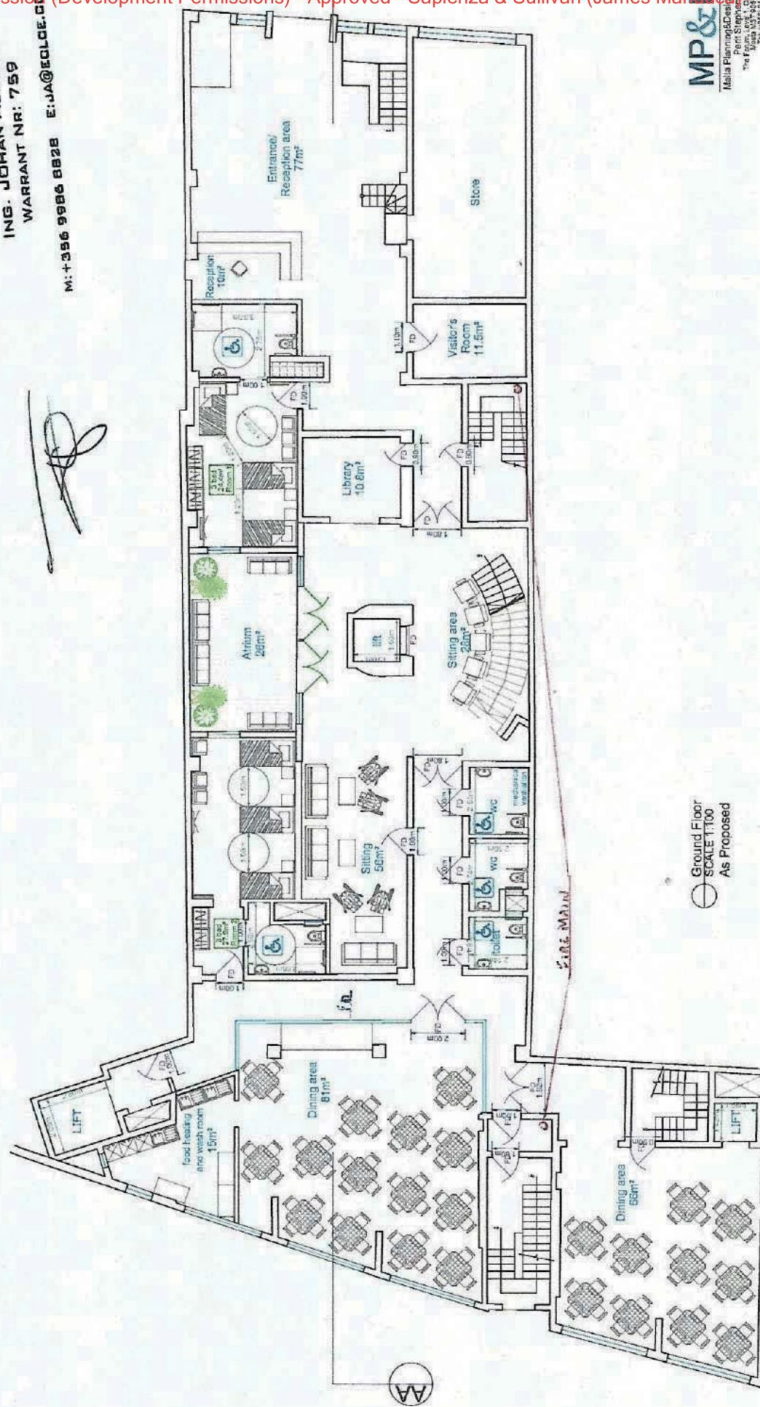


14a

FIRE SAFETY & VENTILATION REPORT
DATE 14/11/17 REFERS

PA/09999/17 - 14a - Valid,
Supporting Document,
Planning Commission (Dev
21/03/2019

ECL CONSULTING ENGINEERS
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WARRANT NR: 759
M: +356 9986 8828 E: J.A@ECL.EC.NL



MP&DC
L35
May 2009

Malla Planning & Design Consultants Ltd
Pent Stephen's Farm
The Forum, Level 1, Constitution Street,
Moss, M3 9DS, UK, UK
Fax: 01274 810000

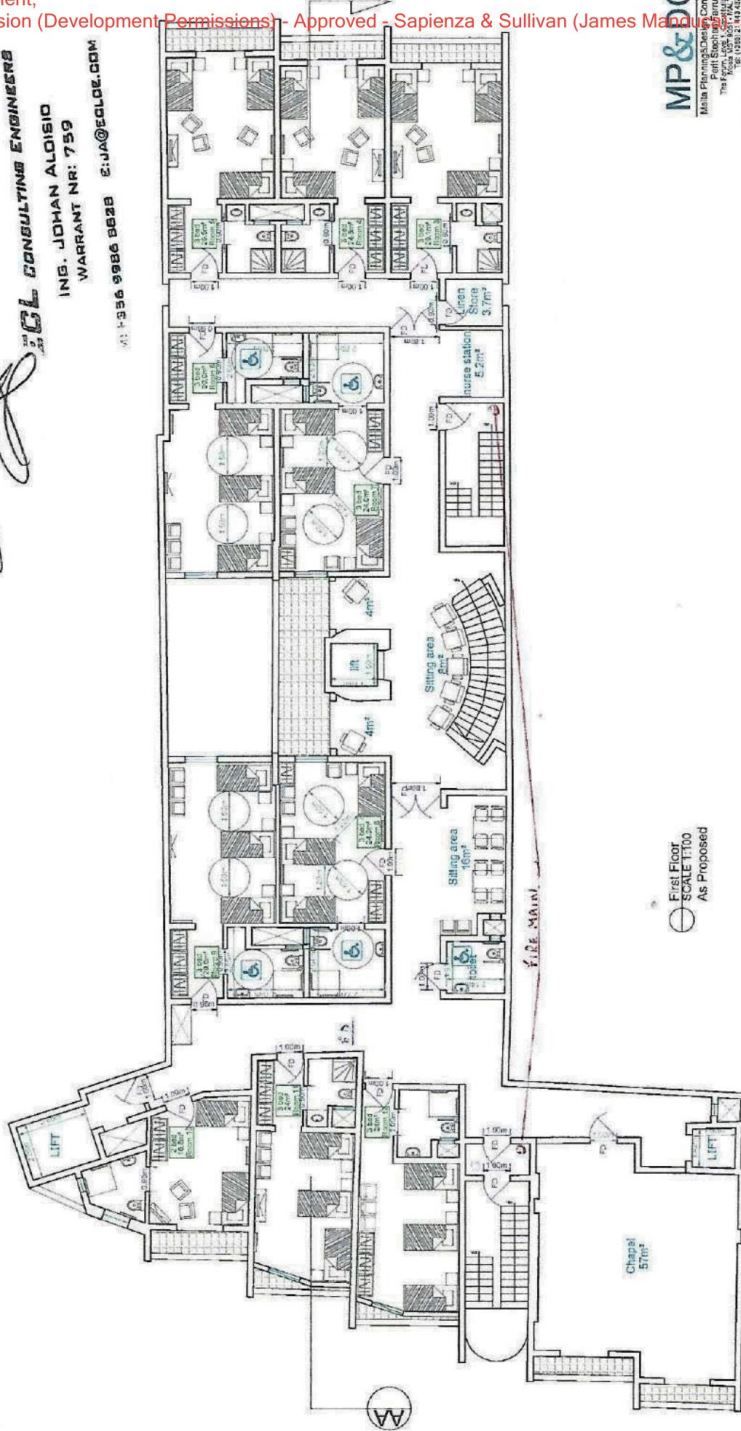
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Old People's Home Quana	M. Andrew Dobbertin						
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DRAWING TITLE	NAME	DATE					
SCALE	APPROVED	DATE					
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COMPETITION	REVIEW						
COLOR	HATCH	TEXT					

PA09999/17 - 14a - Valid,
Supporting Document,
Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Macdonald)
21/03/2019

FIRE SAFETY & VENTILATION REPORT
DATED 14 JULY 2018

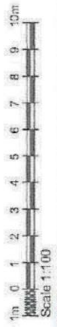
MP&DC CONSULTING ENGINEERS
ING. JOHAN ALDOISIO
WARRANT NR: 759
E: J.ALD@ECLD.EU

TEL: +356 9986 9628



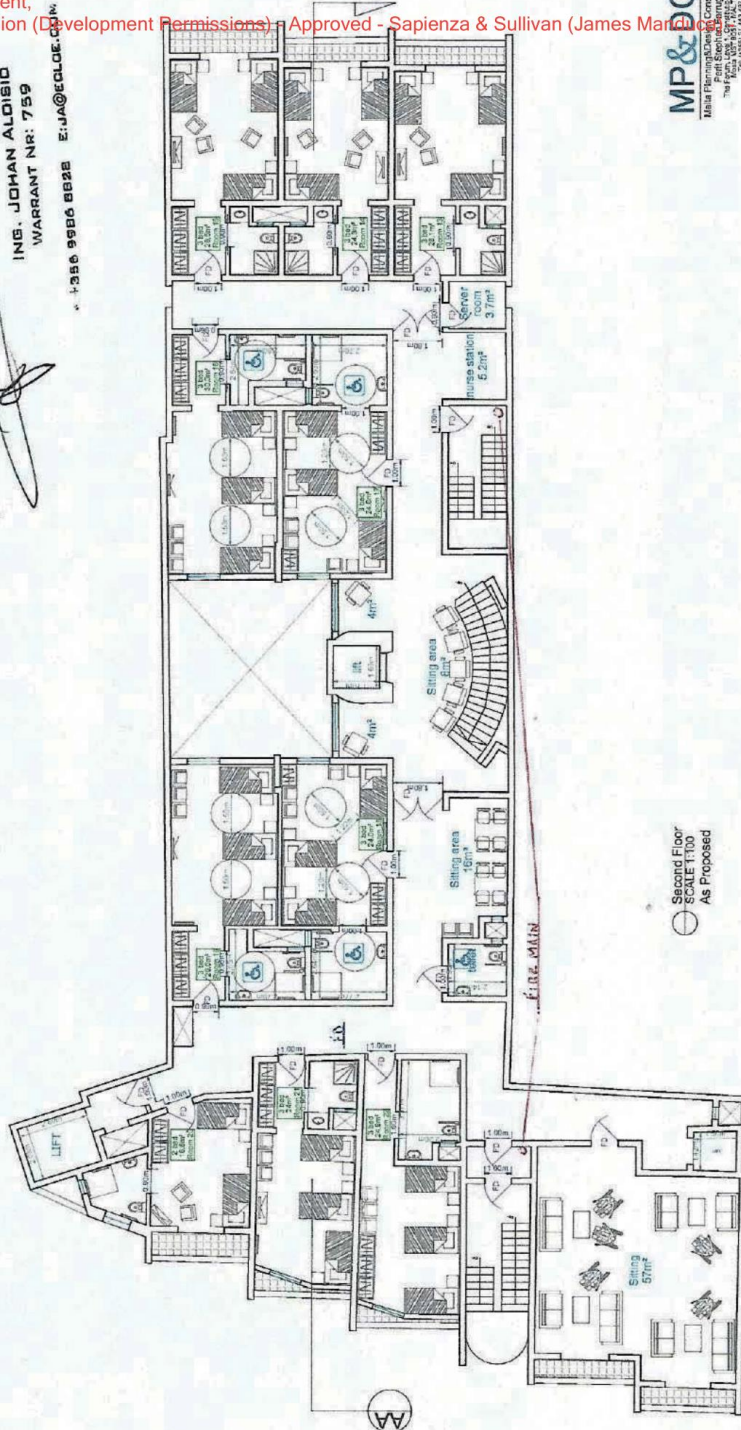
MP&DC
Mulla Planning & Design Consultants Ltd.
The Mulla Group, 1st Floor, 100, St. John's Road, Valletta, VLT 1000, Malta
Tel: +356 2144 4400

PROJECT LOCATION	CLINIC
CLIENT	M. Aldousio
PROJECT TYPE	Healthcare
DATE	08/12/18
PROJECT TITLE	Healthcare
DATE	08/12/18
PROJECT NO.	759
PROJECT NO.	759



FIRE SAFETY & VANDALISM REPORT
DATED 14/11/77 REFERS

4356 9986 8828 E:JAC@CLOD.COM



MP&DC
LTD.
Paving the way

[illegible]

FIRE SAFETY & VENTILATION REPORT
DATED 14/11/17 REFERS

EGL CONSULTING ENGINEERS

ING. JOHAN ALOISIO
WARRANT NR: 759

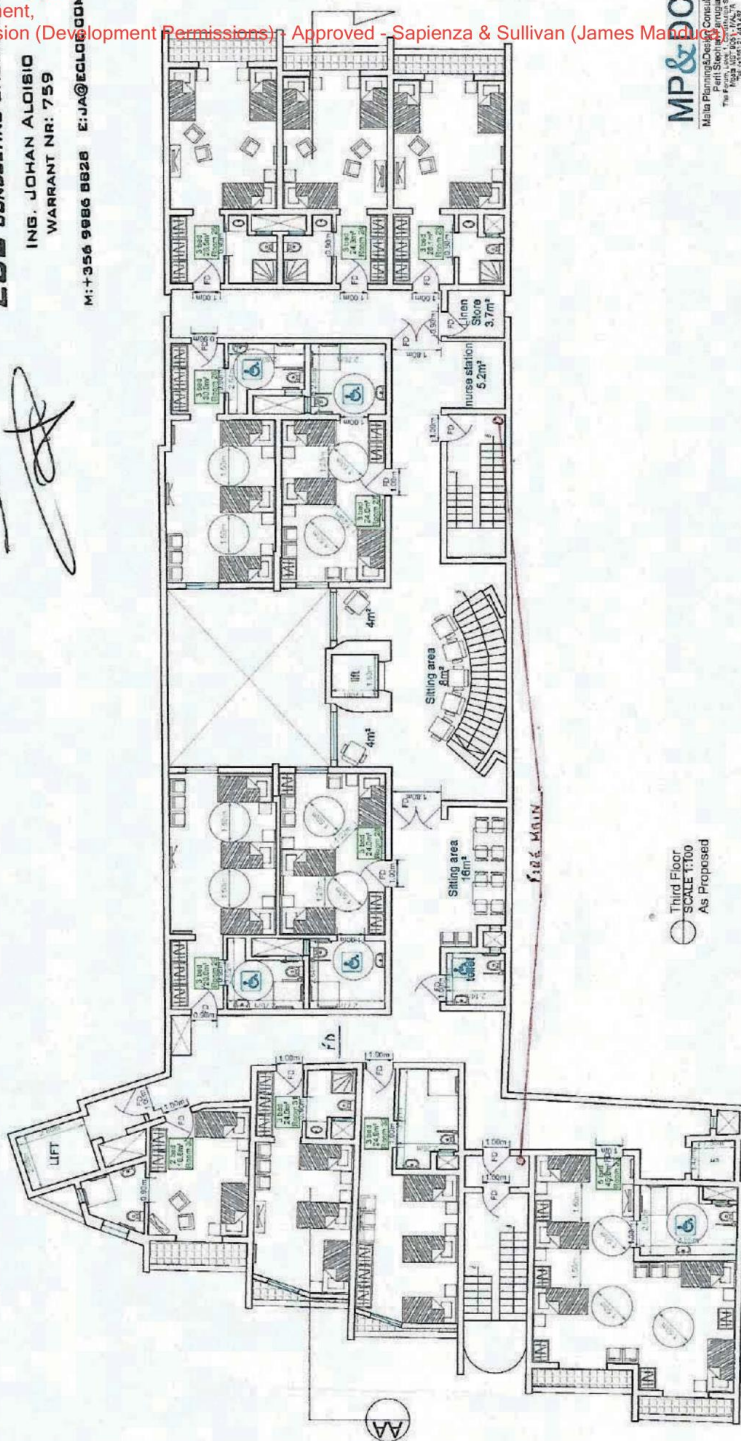
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MP&DC

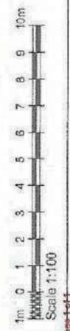
Malta Planning & Design Consultants Ltd.
Perth Stochastic Arrangals
The Forum, Level 1, Corner of
Marsa MGT 0051 - 1/A, VA
Tel: (+356) 21 443 437
info@mpdc.com

PROJECT LOCATION	CLIENT	PROJECT TITLE	DATE
Old People's Home Gurney	H. Anderson Dubois & Co.	PROJECT TITLE Full Application DRAWING TITLE	DATE 4/23/17
Design	ARCHITECT Peters, Kuehse	PROJECT TITLE Full Application DRAWING TITLE	DATE 4/23/17
CONCEPT DESIGN	ARCHITECT Peters, Kuehse	PROJECT TITLE Full Application DRAWING TITLE	DATE 4/23/17

14a



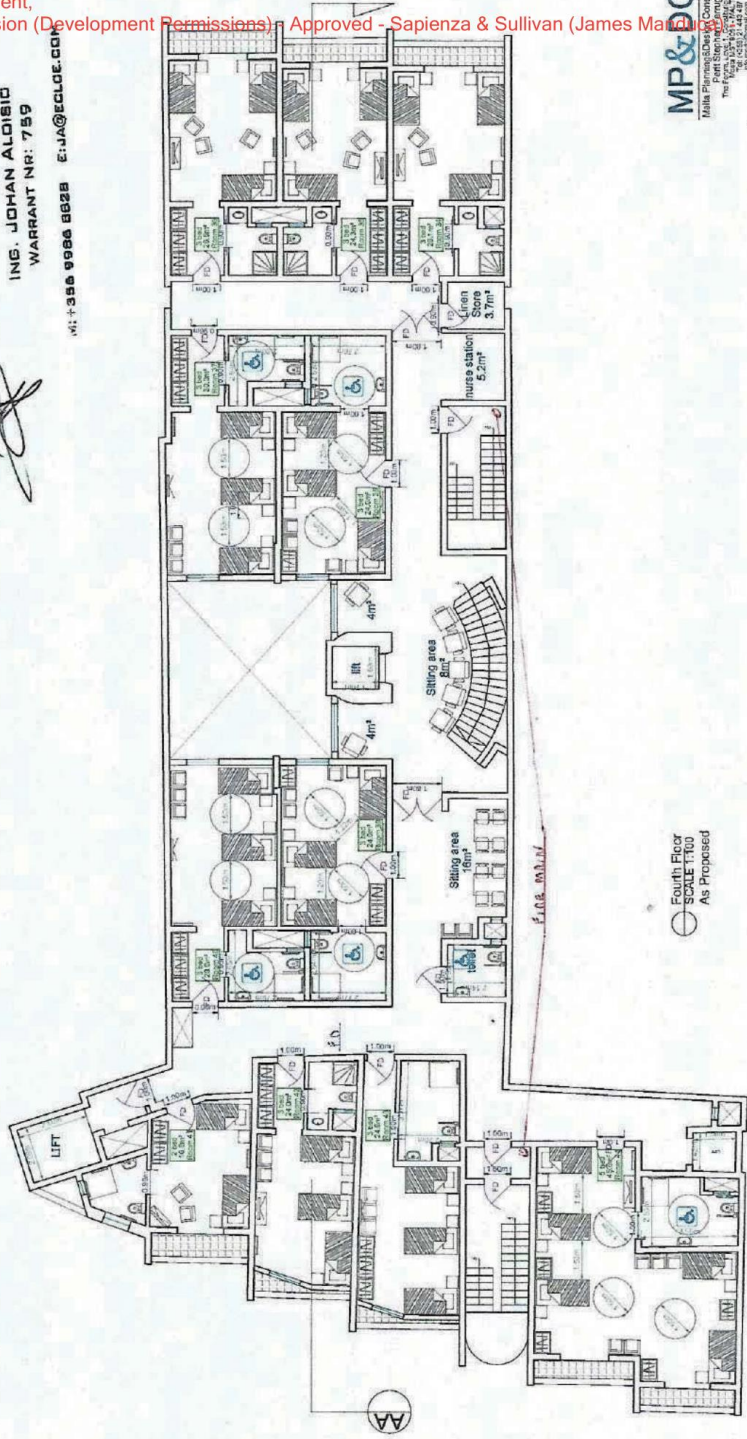
Third Floor
SCALE 1:100
As Proposed



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Supporting Document,
Planning Commission (Development Permissions) Approved - Sapienza & Sullivan (James Martin)
21/09/2019

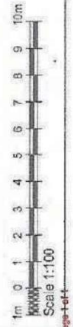
Fire Safety & Ventilation Review
DATED 14/11/17 REFERS

ECL CONSULTING ENGINEERS
ING. JOHAN ALDOISIO
WARRANT NR: 759
M: +356 9986 8828 E: JAL@ECLDE.COM



MP&DC
Mulla, Shriyani & Co. Chartered Accountants
Partnership Firm
The Pinnacle, 1st Floor, 100, St. James Street,
Valletta, VLT 1000

PROJECT LOCATION	Valletta
Client/Project Name	M. Andrew Dolaschella
PROJECT TYPE	Commercial
PROJECT NO.	14a
PREPARED BY	Ing. Johan Aldoisio
DATE	14/11/17
SCALE	1:100
PROJECT NO.	14a
PROJECT NAME	14a
PROJECT ADDRESS	14a
PROJECT CITY	Valletta
PROJECT COUNTRY	Malta

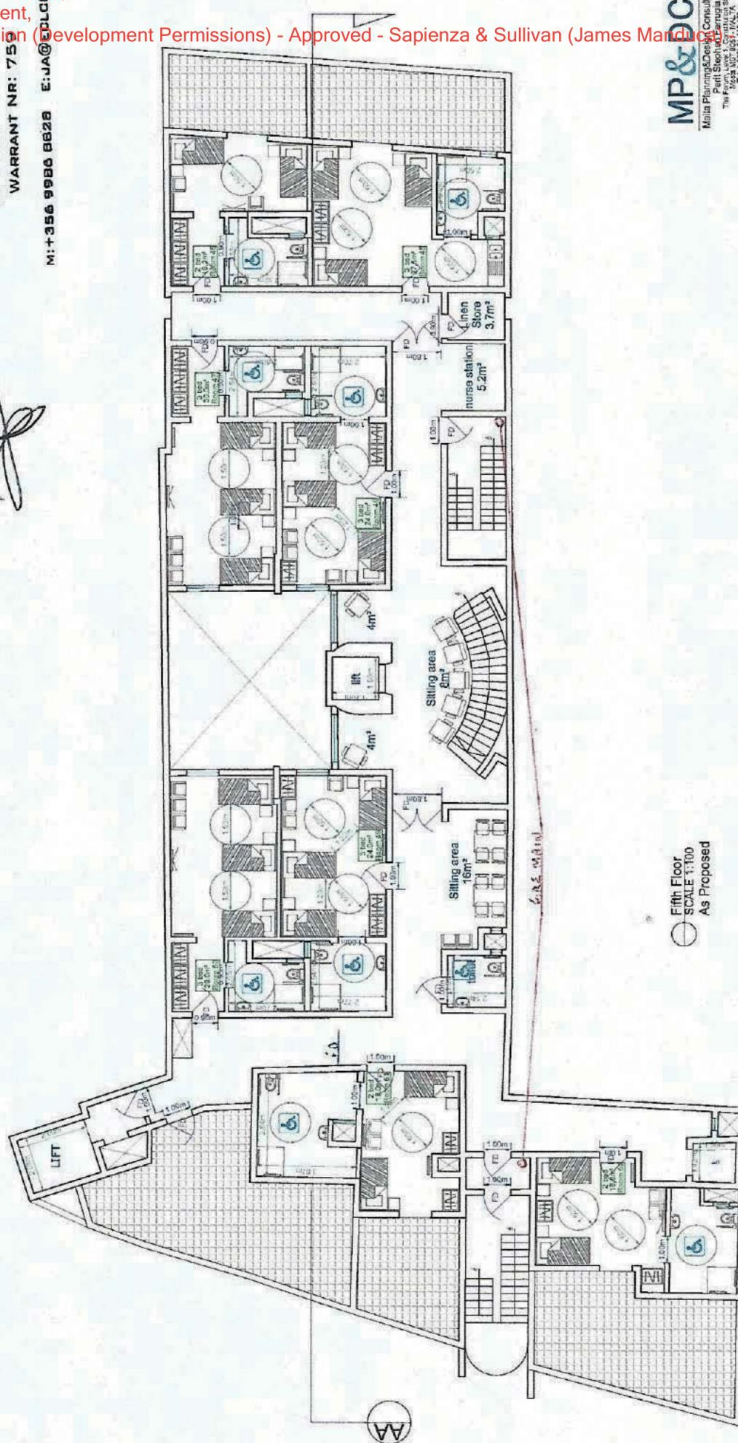


Fourth Floor
SCALE 1:100
As Proposed

FIRE SAFETY & VENTILATION REPORT
DATED 14/11/17 REFERS

PA/09999/17 14a - Valid,
Supporting Document,
Planning Commission (Ex
21/03/2019

ECL CONSULTING ENGINEERS
ING. JOHAN ALOISIO
WARRANT NR: 75
M: +356 9986 8628 E: JAO@ECLCONSULTING.COM



MP&DC^{LLC}
May 1999

Maila Planning & Design Consultants Ltd.
Peril Steephurst Farm
 The Farm, Level 5, Connaught Sq est,
 Mezz Mt 0053, NVA, VA
 Tel: (+359) 31 413 497
 E-mail: info@maila.com

PROJECT LOCATION	CLIENT	PROJECT TITLE	DATE
Cardinal & Monroe Carmel	Mr. Andrew Dammert	Full Application	04/2017
PROJECT TITLE		DATE	
CARDINAL TITLE		DATE	

10m

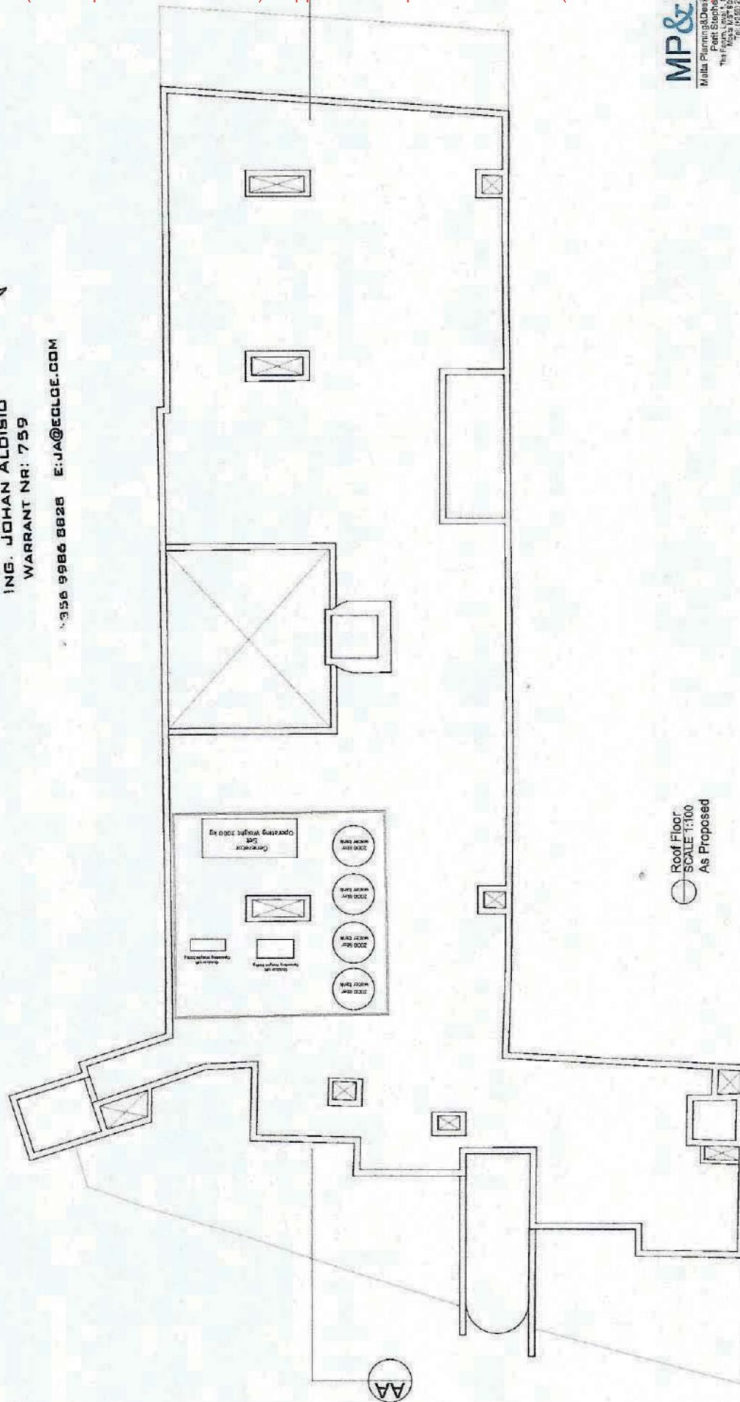
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Supporting Document,
Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Martin)
21/09/2019

Fire Safety & Ventilation Report
DATED 14 JULY 2019

ECL CONSULTING ENGINEERS
ING. JOHAN ALDOISIO
WARRANT NR: 759
356 9986 8828 E:JA@ECLCLOE.COM



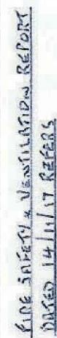
MP&DC
Mulla Planning & Development Consultants Ltd.
The Firm's Name, Address and Contact Details
The Firm's Name, Address and Contact Details
The Firm's Name, Address and Contact Details

PROJECT NAME	PROJECT NO.	PROJECT DATE	PROJECT TITLE
PROJECT NAME	PROJECT NO.	PROJECT DATE	PROJECT TITLE
PROJECT NAME	PROJECT NO.	PROJECT DATE	PROJECT TITLE
PROJECT NAME	PROJECT NO.	PROJECT DATE	PROJECT TITLE

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Sheet

PROJECT LOCATION	CUSTOMER
Old Friends Home	PW Modern Builders
Qtd needs	
PROJECT THIS	
Prod Application	
CONTAINER TITLE	DATE
OWNER	APPROVED
A. BISH	APR 16 2014
CONTAINER TYPE	DATE
STYLER	OCT 2017
ANALYST	APPROVED
	APR 16 2014

14a

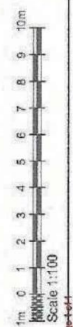


Section AA
SCALE 1:100
As Proposed

SAFETY ENGINEERS

ING. JOHAN ALOISIO
INDEPENDENT NR: 759

WARRAN
M: +356 9986 8828 E: JAC@ECLOG.COM



PA/09999/17 - 14a - Valid,
Supporting Document,
Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Mandel & Sullivan)
21/03/2019



FIRE SAFETY & VENTILATION REPORT
DATED 14/11/17 REFERS

Page 16 of 16

MP&DC Ltd.
Malta Planning & Design Consultants Ltd.
Part Stephen's Group
The Port of Valletta, Valletta, Malta

PROJECT LOCATION	CLIENT
Old People's Home Gard	M. Anwarul Kabir
PROJECT TYPE	
Commercial	Arch
Design	MECHANICAL
3. Name	Part 8 - Foreign
LOCATION	DATE
10/02/2017	03/2017
PROJECT NO.	REVISION NO.
0000000000	0000000000

ING JOHAN ALBISIO
WARRANT NR: 759
CONSULTING ENGINEERS
T. LA@EDGE.COM

Scale 1:100

B. D. ATHERSON ASSOCIATES Co. Ltd.
..... FIRE PROTECTION & SAFETY CONSULTANTS
P.O. Box 27 Naxxar, Malta
Tel/Fax: (356) 21 434865 Mob: 9949 8928

25th May 2018

Perit Stephen Farrugia
MPDC Ltd
The Forum, Level 1
Constitution Street
Mosta.

Ref: PA/9999/17

Fire Safety, Light, Ventilation & Noise Report
on the proposed internal/external alterations
and construction of 2 extra floors
(as per height limitation adjustment policy for Retirement Homes)
at 326, between Mdina Road & Guze Duca Street, Qormi.

REPORT VALIDATION

The changes to the design of the above development do not impact negatively on the fire safety and ventilation of the building.

It is confirmed therefore, that the fire safety and ventilation report dated 14th November 2017, remains valid to cover the changes indicated in the attached (16) drawings, dated May 2018, as endorsed on 25th May 2018.



F.J. Wilson GFireE, MIIRSM, MIFPO
Fire Protection & Safety Consultant.



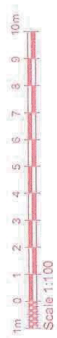
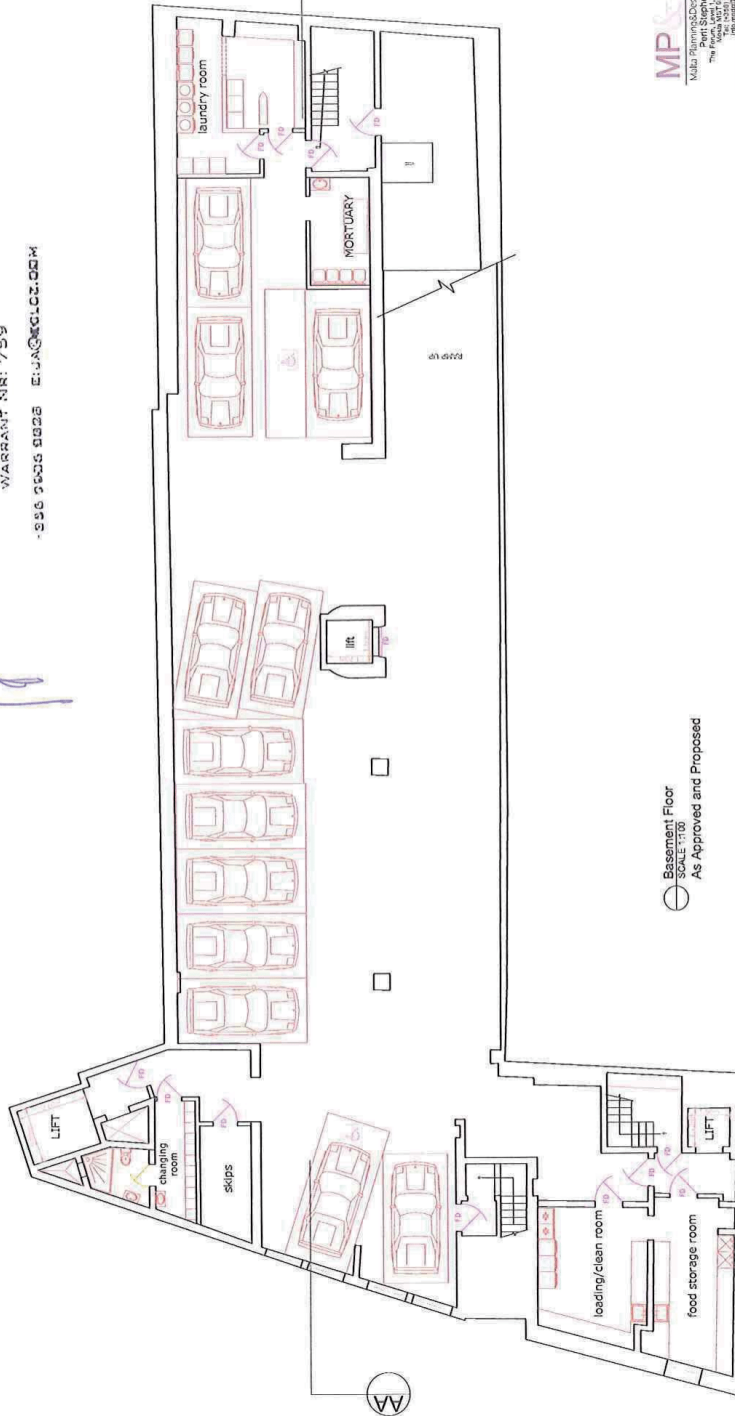
Ing. J. Aloisio
Building Services Engineer
(Warrant No: 759)

ESL CONSULTING ENGINEERS
ING. JOHAN ALDIBIO
WARRANT NR: 759
7599 9906 9828 E:JAL@ESL.CZ.COM

Fire Safety Report - Validation
DATED 25/11/18 REEKS

Fire Safety Report
CONSULTING ENGINEERS
ENG. JOHAN ALMOID
WARRANT NR: 759
-336 2005 0028 EUGENIUM

[Signature]



MP & DS
Muller Planning Design Consultants Ltd
Part of Muller Planning Design Consultants Ltd
The Muller Group is a registered company
No. 02052014
100, Victoria Road, Weybridge, Surrey, UK
TW20 0EX

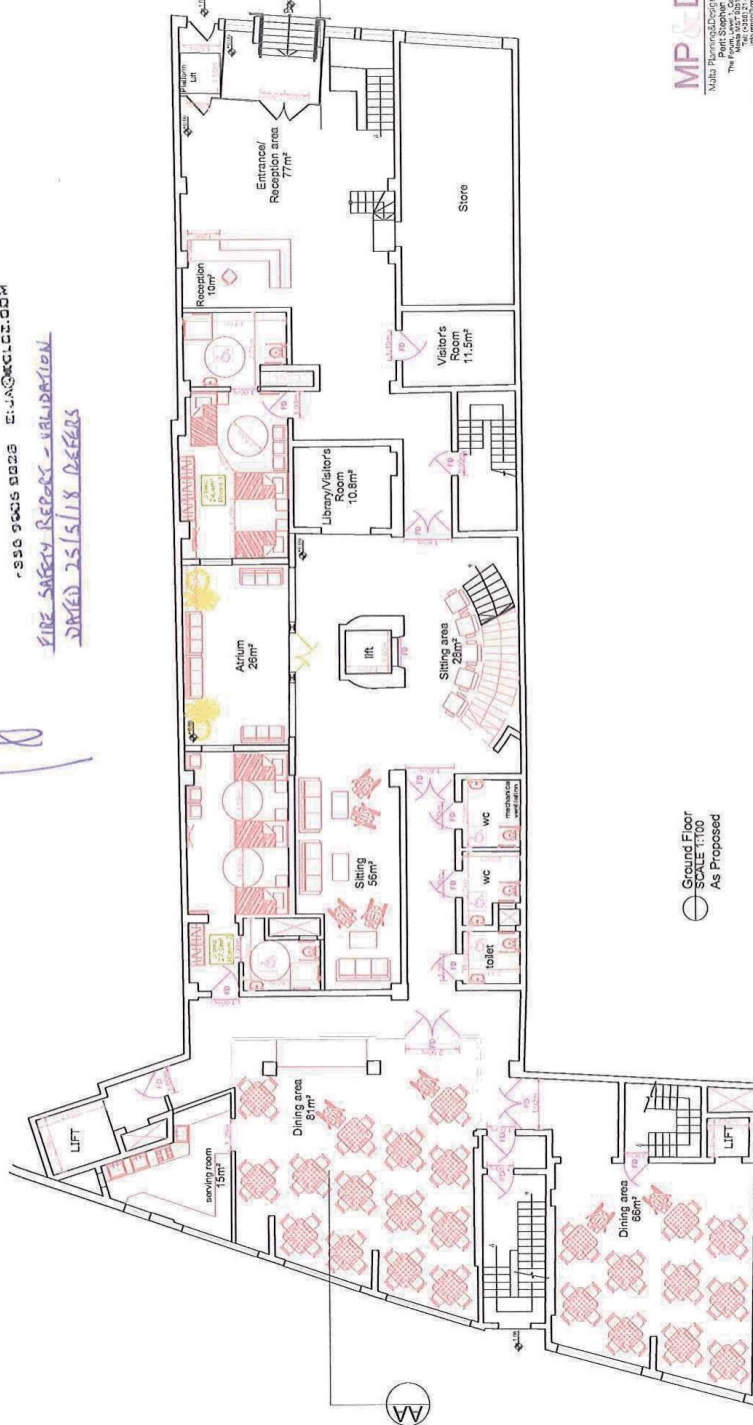
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Client Name	Mr. James Mann	Project Name	Basement Floor
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Project No.	PA/09999/17-92a	Project No.	PA/09999/17-92a
Project Title	Basement Floor	Project Title	Basement Floor
Project No.	PA/09999/17-92a	Project No.	PA/09999/17-92a
Project Title	Basement Floor	Project Title	Basement Floor
Project No.	PA/09999/17-92a	Project No.	PA/09999/17-92a
Project Title	Basement Floor	Project Title	Basement Floor
Project No.	PA/09999/17-92a	Project No.	PA/09999/17-92a

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92a



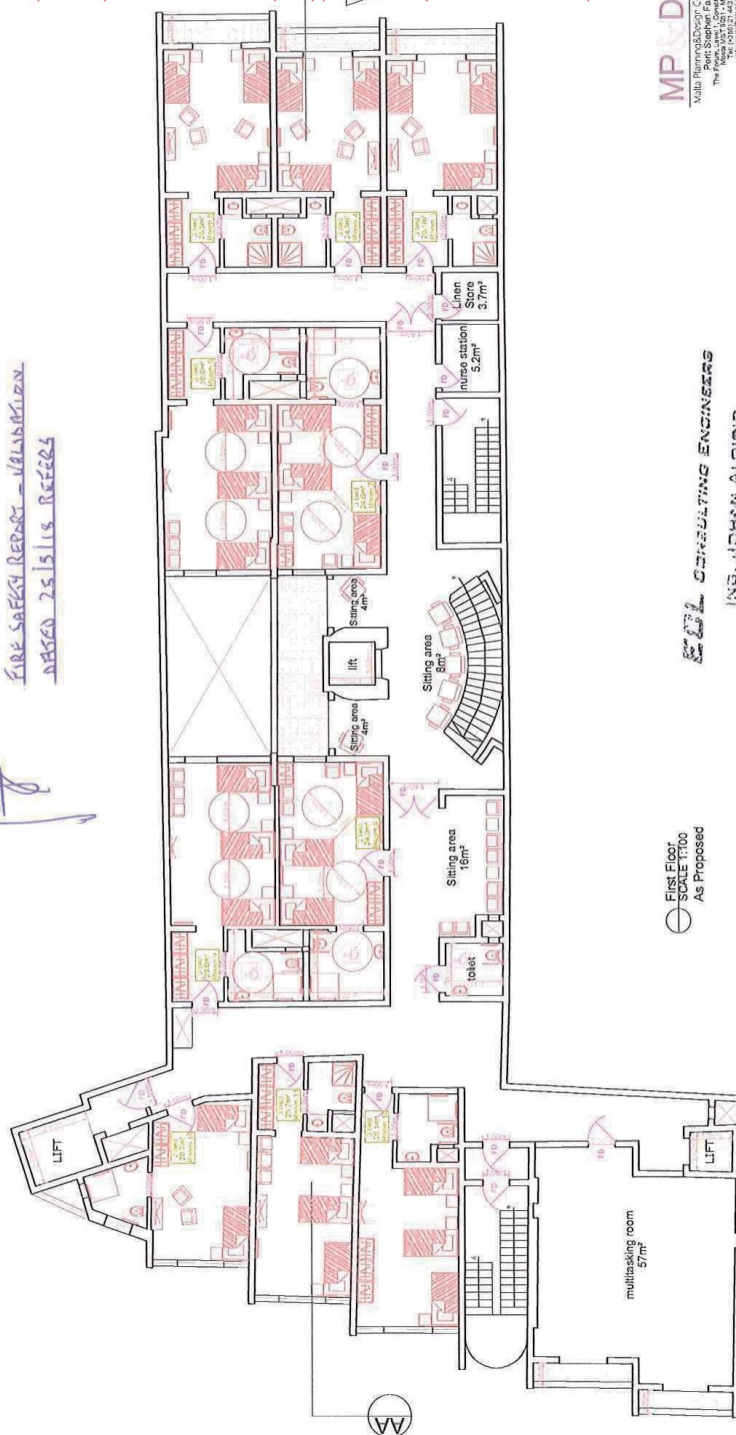


Ground Floor
SCALE 1:100
As Proposed

PROJECT LOCATION	CLIENT
Old People's Home Qatar	Mt. Ararat Development
PRODUCT TITLE	PROJECT TYPE
Full Application	Full Application
DRAWING TITLE	Name
Phase:	Completed
1. Initial	Phase 5 - Finalize
Completion date	Date
	March 2018
Job Ref.	Project No.
000000	92



PA/09999/17-92a - Valid,
Supporting Document,
Planning Commission (Development Permissions) - Approved- Sapienza & Sullivan (James
21/08/2019



MP & D LTD
New Zealand

Valia Planning & Design Consultants Ltd

Malta Planning & Design Consultants Ltd
Port Stephen Farrugia
 The Fourth Level 1, Conception Street,
 Naxos VLT 8281 - MALTA
 Tel: +356 21 462 479

PROJECT LOCATION	CLIENT	
Old People's Home Germ	My Ancient Debut	
PROJECT TITLE		
Full Application		
DRAWING TITLE	NAME	
STATUS	APPROVAL	DATE
3 times	None to be approved	None to be approved
COMMENTS		
DATE REC'D	DATE REC'D	DATE REC'D

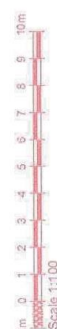
92a

CONSULTING ENGINEERS

NO. JOHN ALDRIDGE
WARRANT NR: 759

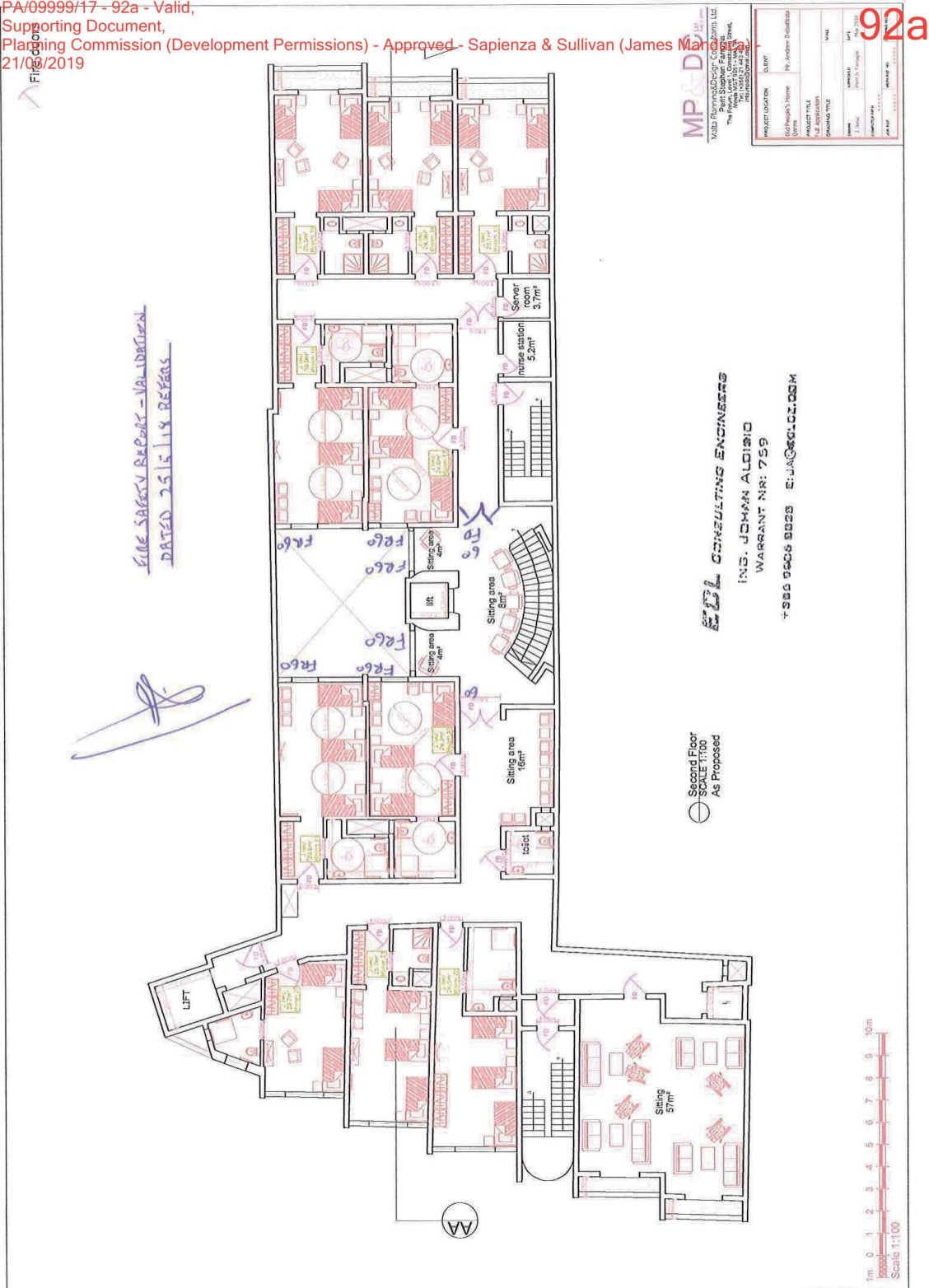
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First Floor
SCALE 1:100
As Proposed

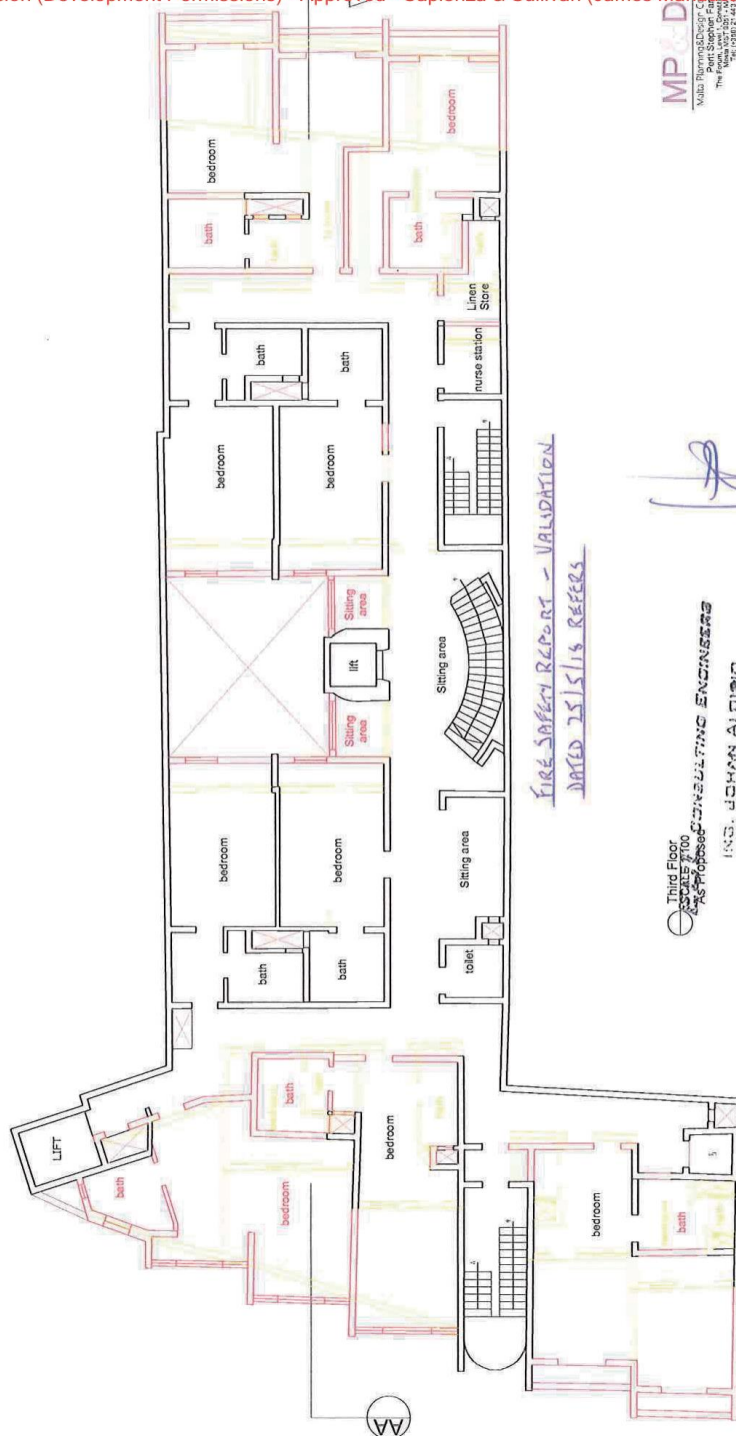
multitasking room
57 m²

92a





Construction	Demolition
21/03	



FIRE SAFETY REPORT - VALIDATION
DATED 25/5/18 REFERS

Third Floor
SCALE 7100
ASTROSOP CONSULTING ENGINEERS
INC. JOHAN ALBINO
WARRANT NR: 759
0220 0620 0920 ELIABO.CLODOM

PROJECT LOCATION		CLIENT
OUT People's Home Gorms		Mr. Andrew DeBenedictis
PROJECT TITLE		
PUE Application		
DRAWING TITLE		None
Drawn	APPROVED	DATE
J. Habel	Paula's Partner	May 2010
CUMULATIVE INFO.		9
DATE REV.		REVISION NO.

A vertical scale bar labeled "Scale 1:100" with markings from 0 to 10 meters. The scale is marked in meters (m) and decimeters (dm). The markings are as follows:

Marking	Value
0	0 m
1	1 m
2	2 m
3	3 m
4	4 m
5	5 m
6	6 m
7	7 m
8	8 m
9	9 m
10	10 m

Fire

PROJECT LOCATION	CLIENT						
Old People's Home Gorin	Dr. Andrew Dubucqz						
PROJECT TITLE							
Full Application							
DEMANDING TITLE							
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STATUS	SEARCHED	DATE					
1 - None	Print 5 - 10 pages	May 2010					
<table border="1"> <tr> <td>STATUS</td> <td>SEARCHED</td> <td>DATE</td> </tr> <tr> <td>1 - None</td> <td>Print 5 - 10 pages</td> <td>May 2010</td> </tr> </table>	STATUS	SEARCHED	DATE	1 - None	Print 5 - 10 pages	May 2010	
STATUS	SEARCHED	DATE					
1 - None	Print 5 - 10 pages	May 2010					

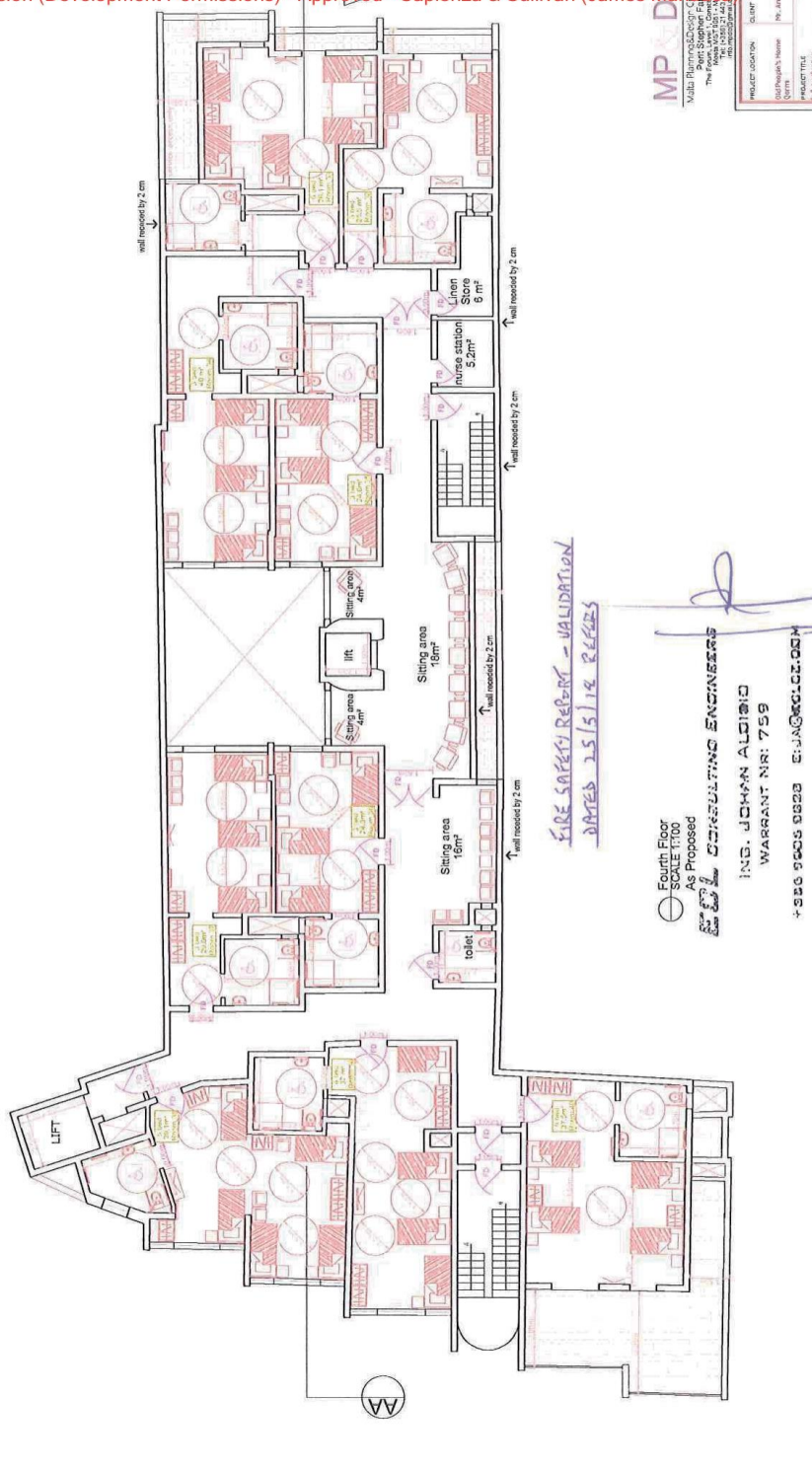
Hand-drawn fire safety floor plan of a restaurant. The plan shows a large dining area with numerous circular tables, a kitchen area with a sink, a bar area, a lounge area with a sofa, a toilet, a linen store, a nurse station, and a lift. The plan is annotated with fire safety symbols and measurements. A scale bar indicates 10m. The plan is dated 25/11/18 and refers to a fire safety report.

FIRE SAFETY REPORT - VALIDATION
DATED 25/5/18 REFERS

330 9605 0028 E:JACK@CLOUTIER.COM
 WARRANT NR: 759
 JOHN ALBINO
 SCALE: 1/100
 Third Floor
 CONSULTING ENGINEERS

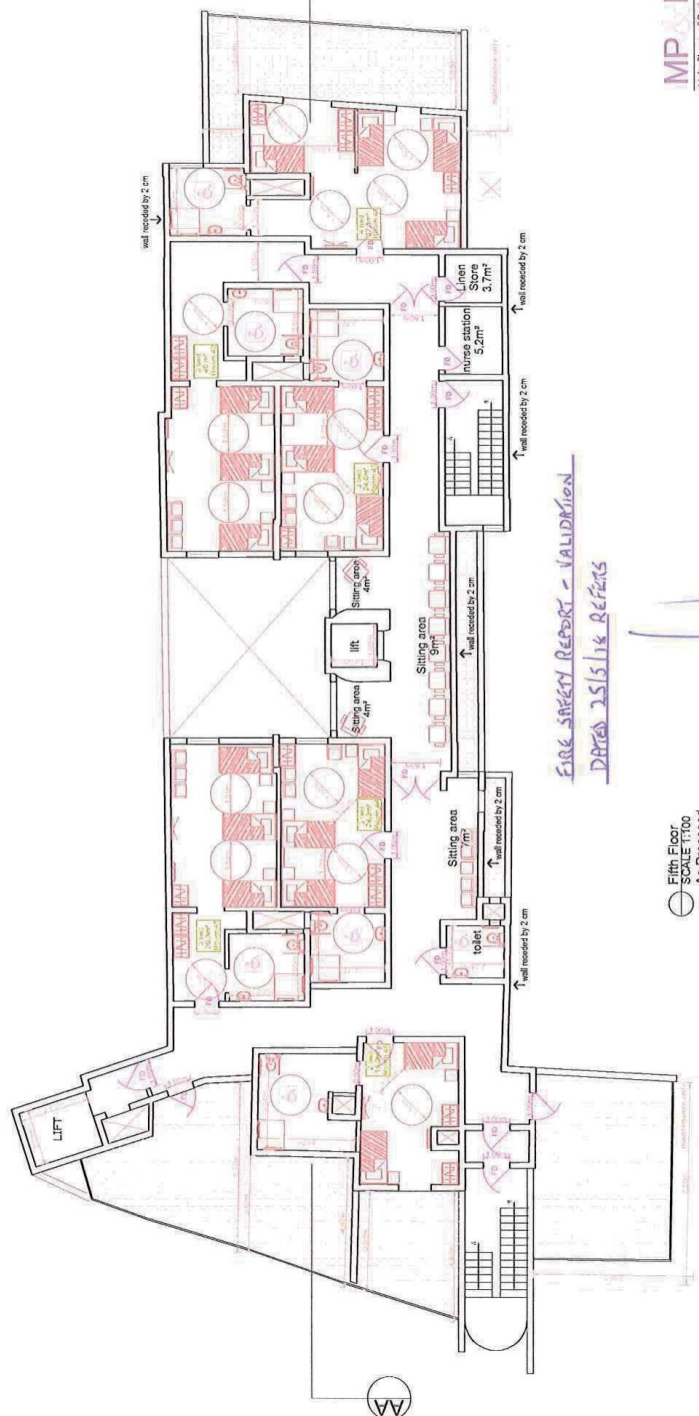
into next year. OK	
PROJECT LOCATION	CLIENT
Old People's Home Qurtz	Mr. Andrew Dubowitz
PROJECT TITLE	
1st Application	
DRAWING TITLE	DATE
STATUS	APPROVED
1st Issue	Issue 1 Sample
COMMENTS	DATE
DATE	RECEIVED BY

92a



MPDC Ltd.
Malta Planning & Design Consultants Ltd.
Pent. Stephen Fenech
The Forum, Level 1, Constitution Street,
Marsa MDT 2021, MALTA
Tel: (+356) 21 443308

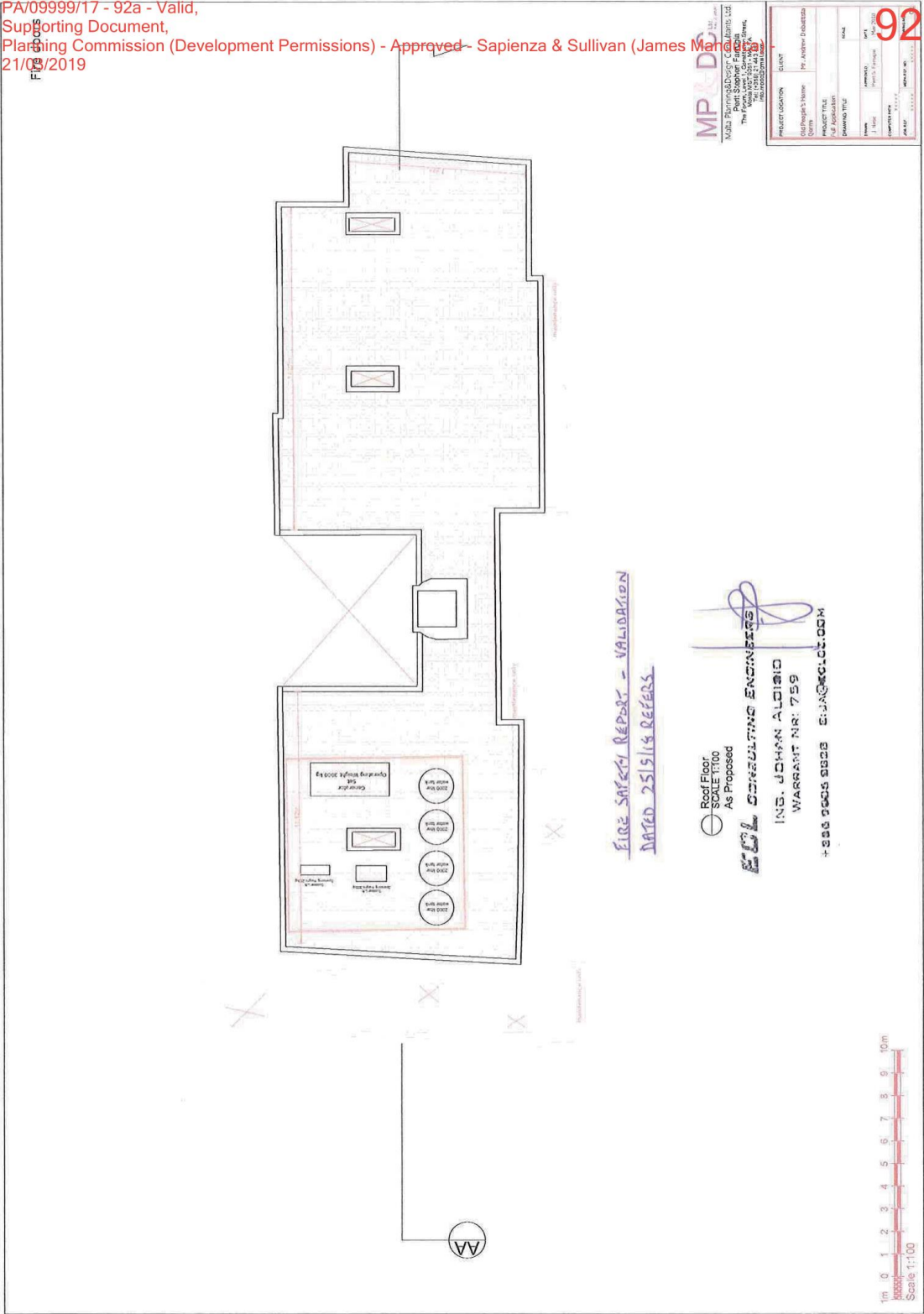
info@redstartpa.com					
PROJECT LOCATION			CLIENT		
Old People's Home Corms			Mr. Andrew Diodatza		
PROJECT TITLE					
Full Application					
DRAWING TITLE			NAME		
SHEET NO.		DATE	APPROVED BY	SCALE	DATE
01		17 Nov. 2019	Peter A. Gumpel	As-Noted	18 Nov. 2019
QUANTITY		UNIT PRICE	TOTAL		% PAID



FIRE SAFETY REPORT - VALIDATION
DATED 25/5/18 REFERS

○ Fifth Floor
SCALE 1:100
As Proposed

AS Proposed
W&L
 CONSULTING ENGINEERS
 INS. JOHN ALBISIO
 WARRANT NR: 759
 + 555 955 5525 E-MAIL: JALBISIO@W&L.COM





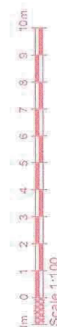
1:10

1:3

Section AA
SCALE 1:100
As Proposed

*FIRE SAFETY REPORT - VALIDATION
DATED 25/5/14 REFERS*

ES&L CONSULTING ENGINEERS
ING. JOHAN ALDOUB
WARRANT NR: 759
+966 9500 9000 EUN@ES&L.COM



MP & DC
Muller Planning Design Consultants Ltd
Part Stephen Muller
The Muller Group
Newcastle upon Tyne
NE4 6BE
0191 275 1411
info@mullerplanning.co.uk

PROJECT LOCATION		CLIENT	
Site Name	St. Andrew's Church	Project Name	St. Andrew's Church
Project Type	Religious	Project No.	17/0999/17-92a
Planning Title	Religious	Project Date	21/03/2019
Project No.	17/0999/17-92a	Project Date	21/03/2019
Project Date	21/03/2019	Project Date	21/03/2019
Project Date	21/03/2019	Project Date	21/03/2019

92a





PA/09999/17 - 102a - Valid,
Supporting Document,
Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Manduca) -
21/03/2019



A Green Travel Plan for the Qormi Old People's Home

Smart Homes Limited

9 July 2018

Page 1 of 22

102a

PA/09999/17 - 102a - Valid,
Supporting Document,
Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Manduca) -
21/03/2019



Nexia BT Advisory Services Limited
The Penthouse, Suite 2, Capital Business Centre
Entrance C, Triq taz-Zwejt,
San Gwann SGN 3000, Malta
T: +356 2163 7778 | F: +356 2163 4383
info@nexiabt.com | www.nexiabt.com
Company no: C48584 – Vat no: MT 19617411

102a

The Directors
Smart Homes Ltd.
Smarthomes, Underlying Zephyr Apts.
Victory street
Gzira

9th July 2018

Dear Sirs,

Re: Green Travel Plan for the Qormi Old People's Home

Engagement background

Reference is made to our letter of engagement dated 16th April 2018 whereby Nexia BT Advisory Services Limited was requested to assist Smart Homes Limited (hereinafter referred to as "the Client" or "the Promoter"/ or "Smart Homes") to compile a green travel plan in respect of the Qormi Old People's Home (hereinafter referred to also as 'Care Home').

We have the pleasure of enclosing herein the said Green Travel Plan.

Objectives and scope of work

The purpose of this engagement has been to draw up an independent Green Travel Plan for submission to the Planning Authority. This report is exclusively intended for the stated purpose agreed by us and the Client and shall not be used for any other purpose.

Our work has involved a number of meetings with senior executives of our Client, as well as several discussions with professional advisors to our client who are engaged to advise our Client on various technical and operational matters.

Nexia BT is a member firm of the "Nexia International" network. Nexia International Limited does not deliver services in its own name or otherwise. Nexia International Limited and the member firms of the Nexia International network (including those members which trade under a name which includes the word NEXIA) are not part of a worldwide partnership. For the full Nexia International disclaimer, see www.nexia.com.

2

Page 2 of 22

Limitation of liability

This engagement did not constitute an audit and therefore for the purposes of this engagement, we did not verify the data provided during the course of this work, unless as otherwise necessary for the purposes of meeting our obligations in relation to the provision of services.

Smart Homes Ltd will release and indemnify Nexia BT Advisory Services Limited and its related companies and their personnel from any claims, liabilities, costs and expenses resulting from or in connection with this engagement, except to the extent determined to have resulted from the deliberate misconduct of Nexia BT Advisory Services Limited's personnel. No liability will be accepted towards any other party to whom our reports may be divulged, with or without our consent.

Forms of report

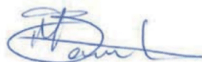
For your convenience, this report may be made available to you in electronic as well as hard copy format. Multiple versions and copies of this report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive.

Confidentiality and reliance

Our duties in relation to this engagement are owed solely to Smart Homes Ltd and accordingly we do not accept any responsibility for loss occasioned to any third party acting or refraining from action as a result of our report.

Since others may seek to use this report for different purposes other than as set out in our letter of engagement, this report or parts thereof should not be quoted, referred to or shown to any other parties unless so required by court order or a regulatory authority, without our prior consent in writing.

Yours faithfully,



Mark Bamber, Engagement Partner
For and on behalf of NEXIA BT Advisory Services Limited

Contents

1.	Executive Summary	5
2.	Introduction	9
3.	Scope and objectives of a Green Travel Plan	12
4.	Measures, actions, and investments	14
5.	Managing and monitoring the benefits.....	21



1. Executive Summary

1.1 Project Background

A private investment is being made in the design, build and operate model of a one hundred and forty-eight (148) bedded care home in the central village of Qormi. The investment is supported by a team of multidisciplinary professionals in the sector, to ensure, that the design not only abides by the regulations emanating from the National Minimum Standards set out by the Ministry for Health, but more importantly, facilitates a patient centred approach which focuses on the residents' dignity, holistic care, compassion and competence.

For this reason, the design contemplates various multipurpose areas where social activities and events can be conducted. The objective behind this is to offer the residents a home like ambience rather than an institutional care setting.

Staff training and development to in-house staff will also be at the core of the Promoter's philosophy. Comprehensive input on the subject of dementia care, as well as training on the most common comorbidity issues comprising though not limited to mental health issues such as depression and anxiety, will also be offered on an ongoing basis.

The training provided can help staff deliver person centred care for the benefit of all individual residents. The aim is to focus on attitudes, skills and knowledge, to ensure that staff members feel well equipped to support their residents.

The Promoter also recognises the central role family members play in supporting their loved ones. Thus, it is also the Client's intention to provide sessions for groups of family caregivers within the home so that together they can smoothen the often, difficult transitory period faced by many residents when admitted to a care home.

1.2 Objective of a Green Travel Plan

The Qormi Care Home recognises its responsibilities to contribute to a greener environment. For this reason, it is committed to sustainable transport and aims to implement a number of measures, which will either help to reduce the need for staff to use their car to work, or which will promote awareness of the benefits of alternative travel methods.

The aim of the proposed travel plan is to minimise the impact of travel on the environment within the context of running an efficient business. The Qormi Care Home is thus proposing an effective travel plan which will essentially bring environmental, social and health benefits to both the Care Home and its staff as well as to the Qormi local community that we primarily intend to serve.

In general, the package of measures being proposed are aimed at promoting sustainable travel choices and reduce reliance on car travel.

The scope behind the measures being proposed is to produce real benefits to the Care Home and the Qormi Village at large including

- A positive corporate social responsibility message;
- Demonstration of good environmental and transport practice;
- A reduction in emissions, contributing to environmental targets both corporately, locally and nationally;
- Healthier and more motivated staff;
- Improved access to the care home for staff, visitors and patients;
- Assurance that the site is economically and environmentally sustainable over time; and
- Cost/energy savings.

Whereas for staff, the proposed effective travel plan will be:

- Offering increased travel choices;
- Contributing to improved health and reduces stress;
- Enabling travel cost savings through cheaper alternatives and car sharing;
- Reduce parking pressure;
- Support employees, who, out of necessity or choice, do not use a care; and
- Slow down the growth of car use.

1.3 Creating healthy communities for an ageing population

As years unfolded the Ministry for Health officials in line with GoM policy has advocated strongly the need to increase domiciliary care services. Research has shown improved clinical outcomes when clients are supported to retain their independence in the comfort of their own home. In the event, that this is not a clinically plausible option, and thus institutional long- term care is resorted to, retaining clients close to their roots, in the comfort of their own village, being also the ambience that they would have been brought up in, is ideal. Thus, having a care home within one's own village hub, definitely makes the transition smoother, both for the client himself/herself as well as for the family members and or care-givers, who very often can be an elderly spouse or grown up adult with his/her own family commitments. In the case of the former, it is pertinent to highlight that very often the spouse is an elderly woman who does not drive, thus commuting to a care home within her own village would make life easier for both.

Malta is no different than the rest of Europe, thus similar to other countries, local Government has for a number of years been facing a

challenge posed by the tremendous increase in our ageing population. In fact, GOM's continuous struggle to meet the ever-increasing demand for a wide spectrum of rehab and elderly services has generated an interest in the procurement of private beds which has in turn led GOM to enter into a number of PPP agreements with private entrepreneurs willing to invest in this sector. This obviously presents an extremely viable option to GOM both in terms of decrease in capital expenditure as well as in terms of accountability, cost containment and operational management control.

Given such a business opportunity coupled by the vacuum for the provision of such services in the market, we have seen an increased interest in the area, by a number of entrepreneurs, who were or are willing to tap in the elderly sector primarily.

Whilst being fully aware of the fact that GOM itself is contemplating extending its services at St Vincent De Paul as well as in rehabilitative services, local statistical demographic data clearly indicates that we are still far off from reaching market saturation particularly in village or suburb areas where most of our elderly population still resides. This is not only in view of having seen family support decreasing on the island, but also in view of smaller families emerging, increase in health awareness and a more knowledgeable client, longer life expectancy leading to higher dependency levels as well as a wide spectrum of dementia and rehab services which to date either remain untouched or are hugely far off from the desired wide spectrum of services and/or level of quality care.

The design, build and operate PPP model being contemplated by the Qormi Care Home Project, is thus envisaged to not only meet the ever-increasing demand of the elderly population for long term care services but it intends to offer a wide spectrum of services within one's own village also. This will in turn enable to mellow the stigma associated with institutional care by dovetailing the village life with that of the care home through the provision of day services

and social events as well as the eventual provision of outreach services for similar elderly residents in the village.

It is the intention of the Qormi Care Home project to provide a support network of services and resources including social and educational events that enhance living for even village residents aged 60+. Qormi care home envisages to be part of ideally a national movement of Villages to address services and programmes to help villagers and eventually care home residents as they age in their own communities.

The philosophy behind this investment is that of creating a healthy community within the village core. It is the care home's vision to address the need for an ageing healthy community by:

- a. Addressing residents' basic needs
- b. Optimising health and well being
- c. Promoting social and civic engagement within the village via a visit to the Care Home
- d. Supporting Independence

Whilst the above four pillars constitute the foundation of a healthy ageing community, supporting the independence for elderly residents is fundamental. This is better known as *'ageing in place'* or the idea that elders should have the option to remain in their own homes, societies and environments as long as possible, to avoid or reduce, the need for institutional arrangements.

Qormi care home management team believes that progress towards a healthy ageing population should not be hindered by a fragmented approach to ageing services. Instead Qormi Care Home advocates for more collaboration amongst GoM and Local Council level programmes in both the public and private sectors.

The health needs of the ageing population go well beyond the provision of healthcare services to include housing, transportation, environment, social services, finances, education, employment and technology amongst others. The Care Home Management Team firmly believes that integrating efforts at all levels and across sectors will surely provide a more cohesive and comprehensive system for healthy ageing.

1.4 Reduction in care home visitors over time

Given the daily busy schedules and family/work commitments of many, we have over the years seen a drastic decrease in the number of care home visitors who essentially find the time to visit their loved ones.

Many are those who try and fit in a short visit very early in the morning prior starting his/her working day whereas others try and fit in a short visit late after work. Practically no one visits elderly during the day on weekdays, however weekends mostly Sunday still tops the list amongst Maltese care home visitors.

Qormi Care Home Management team who is well versed in the elderly sector, is fully aware of this state of circumstances, thus firmly believes that given the sporadic potential use of the existing twelve (12) car park spaces, potentially the excess demand for parking spaces will only occur on particularly days, mostly Sundays or on weekends, but remotely on weekdays.

Based on these important matters of emphasis, the measures set out in this document address the travel requirements of employees and the limited number of visitors that are expected to frequent the Home mainly during weekend visiting hours.

1.5 Proposed green travel measures

Measure 1: Provision of essential information for walkers and cyclists

The Old People's Home will actively encourage its employees, residents, guests, and other visitors to walk to and from the complex by providing the appropriate information to those interested. Such information will be provided in the form of leaflets and maps which will be available at reception within the Old People's Home, residents' rooms, and staff notice boards for dissemination. Management is committed to invest in the design and print of necessary promotional material including site plans of the area, in order to inform visitors and employees of the safe crossing next to Paskarella bus stop.

Additionally, this information will be available on the website of the Old People's Home and also on the local intranet portal for employees and also during staff recruitment events and induction training. The Old People's Home will commit a budget of €2.5K for the design and printing of this documentation.

Measure 2: Provision of cycling facilities to employees and visitors

The Old People's Home will invest in bicycle stands which would be available for use by its employees and visitors. In terms of capital expenditure, this measure will cost around €1K. These facilities will be made available at no charge to users.

Measure 3: Adequate showering and changing facilities

In order to further encourage employees to walk and cycle to and from the Old People's Home, the complex will have a number of showering and changing facilities for its employees. It is planned that the Old People's Home will have two changing rooms available with 2 showers each complete with drying and locker facilities. It is

estimated that this measure will involve around €6K in capital expenditure.

Measure 4: Encourage the use of electric vehicles

The promoter acknowledges the reduced impact that electric and LPG fuelled vehicles have on the environment. In view of this, the company commits itself to install two electric vehicle charging points within the Home's own on-premises parking facility at an incremental capital cost of €20K.

In order to promote their usage, the Care Home is also committed to promote this facility through the information pack given to care home residents and next of kin on admission as well as through its website and digital media.

Measure 5: Provide parking away from the town centre

The Home will provide for twelve (12) car park spaces on site. In addition, the Home will encourage the use of parking spaces in the Park and Ride facility in Qormi.

The Park and Ride facility in Qormi is a public facility available for the use of the public. Any member of the public enjoys access and the right to use these facilities, subject to availability of spaces. The promoters are unable to enter into any formal agreements to cover this measure.

The company will utilise one imported fully-accessible van, on a shuttle basis, to ferry visitors to and from the Home, hence significantly reducing traffic and parking demand in the main road of the locality. The company expects the capital expenditure on this van to amount to around €30K, while a recurrent expenditure including salaries, bonuses and NI contributions to drivers employed on a full-time basis will amount to another €54K per annum. It is also estimated that the Promoter will incur an extra €20K recurrent

expenditure covering insurance, fuel costs and repairs and maintenance.

Measure 6: Mini-van service for Old People's Home employees

In order to further reduce traffic and vehicle emissions in the area, the Old People's Home is committed to build a culture of avoiding car use or car sharing amongst its employees and also their visitors. It is expected that the majority of employees (expatriates) at the Old People's Home will use a mini-van to travel from the Old People's Home after completion of their work shift. It is envisaged that the mini-van will run a number of times throughout the day – typically mornings, one in the afternoon (for carers and housekeeping staff) and another one in the evening (for carers and food and beverage staff). The investment committed by the Promoter is included in Measure 7.

Measure 7: Encourage the use of the bus service offering to and from the Old People's Home

The proponents acknowledge that Malta Public Transport provides an efficient service that renders the site extremely well connected in the context of existing bus routes. The relevant bus stops are all within very close walking distance to the site.

Promoting the bus service to the area will motivate employees and visitors to opt for public transport when visiting the Old People's Home.

Measure 8: Provide employees free use of the Malta Public Transport service

The promoters are committing to finance employees' use of the public bus service for travel to and from the Old People's Home, and are committing to invest funds in covering this cost of employees' travel. It is estimated that this measure will involve around €38K in annual recurrent expenditure.

Management and monitoring of the measures

Whilst the Care Home owners will be the ones responsible to implement, administer, monitor and review the proposed plan, the enforcement thereof will be falling under the responsibility of the Care Home Manager and its Facility Manager, the latter being the one responsible for all the non-clinical and ancillary services of the Qormi Care Home.

The Home's Facility Manager will under the supervision of the Care Home Manager be the one setting up regular meetings with employees and liaising with care home transport users to continuously assess and improve the service through the collation of feedback and reporting.

2. Introduction

Reference is made to the letter of engagement dated 16th April 2018, where Smart Homes Ltd ('Our Client') engaged NEXIA BT Advisory Services Limited to compile a green travel plan in respect of the Qormi Old People's Home.

2.1 Project Background

The Qormi Old People's Home will be developed over a floor area of 3,568 square meters segregated into a four-storey building located in a nice and tranquil neighbourhood in central Qormi and close to a number of amenities, including but not limited to shops, restaurants, parks and other recreational areas.

The operation of the Home will incorporate mental, psychological, physical, cultural, social, emotional, sexual and spiritual welfare of its residents. In line with the National Minimum Standards (NHS), the Home will seek to address the following core principles:

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- Person-centred care;
- Respect of the dignity of its residents;
- Respect for each resident's privacy;
- Provision of medical and nursing care aimed at the retention of optimal physical and mental health;
- Provision of opportunities which promote the self-fulfilment of the residents, such as easy access to social, recreational, cultural, educational, productive and spiritual resources;
- Autonomy/empowerment in decision-making;
- Equal treatment to all residents;
- Provision of clear information and mechanisms which honour resident's right to complain and right to legal recourse; and
- Provision of an environment in which residents are enabled to engage in productive activities, and a healthy, independent and secure lifestyle.

The Home will be constructed in a way which ensures that the living space suits all residents' needs, particularly through the provision of a home-like environment rather than an institutional setting. The Home shall be well maintained, tidy, attractive and clean at all times in line with the ruling Public Health Regulations.

The Home premises will be secured from environmental hazards and from changes in weather conditions over the years. The Home will ensure that premises will be compliant to the required standards and shall be conducive to all residents.

2.2 Scope of the engagement

We have been contracted by Smart Homes Limited to compile a Green Travel Plan of the Qormi Old People's Home development in order to outline the long-term strategy of the Project with respect to the transport needs of all users (both employees and customers), by offering a choice of transport/ travel modes to and from the site,

with the ultimate aim of encouraging a more sustainable pattern of commuting.

We understand that this document will be submitted to the Planning Authority in conjunction with other documents supporting the Client's application for a development permit.

2.3 Objective and structure of this report

The overall objective of this report is to outline the main objectives of the Project promoter in relation to their commitment for a more sustainable pattern of commuting to and from the Old People's Home. More specifically, this report is structured as follows:

- Chapter 3 details the scope, objectives and intended benefits of the Green Travel Plan
- Chapter 4 highlights the measures, actions and targets which will form part of the Old People's Home's strategy towards a more sustainable environment
- Chapter 5 includes a management and monitoring plan as well as a high-level action plan and timeline for the planned actions.

2.4 Methodology

This Green Travel Plan has been developed following a number of consultations with upper management and other relevant stakeholders of the Old People's Home development. In particular, in developing this plan, meetings and discussions were held with Arch. Stephen Farrugia of Malta Planning and Design Consultants, and with Ms Jackie Camilleri, experienced technical subject matter advisor.

This plan also incorporates ideas and initiatives planned in a prior travel plan, drawn up by Malta Planning and Design Consultants, for a more limited-scope development concept for the site.

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Supporting Document,
Planning Commission (Development Permissions) - Approved - Sapienza & Sullivan (James Manduca) -
21/03/2019

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The outcome of these consultations were supplemented by desk-based research on other similar plans in Malta and abroad as well as a number of internal brainning storming sessions to generate ideas for a more sustainable pattern of commuting. Subsequently, this plan was articulated following management's confirmation of the measures, actions, and targets.

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3. Scope and objectives of a Green Travel Plan

3.1 Why produce a green travel plan?

The management of the Qormi Old People's Home development recognises that its activities and operations in the Qormi area will have an impact on society and the environment. It recognises that our population is highly dependent on private car usage which is, in turn, creating congestion across the island resulting in time-delays for employee, productivity losses, and an increase in the overall emissions, amongst other significant impacts. In light of this, the Project promoter are devising a Sustainable Green Travel Plan to mitigate the negative environmental impacts associated with the increased need for travel in the area, whilst at the same time seek to promote healthy and positive initiatives for its users.

This Green Travel Plan is management's long-term strategy for managing the travel needs of various users through a number of measures. It seeks to offer users a choice of travel modes to and from the Qormi Old People's Home and encourage sustainable and healthier patterns of movements. The Project promoter are aware of the benefits that such incentives will bring about and are committed to fostering a greener culture at the new Old People's Home development in Qormi.

3.2 Scope and objectives of this plan

This Green Travel Plan is directed to all the users of the Qormi Old People's Home. It relates to all the employees and residents of the Home. Additionally, it is also intended for guests and visitors to residents in the home, and other individuals making use of the facilities within the Home.

The overarching objective of this Green Travel Plan is to incentivise all employees and visitors to make sustainable and

efficient travel choices when travelling to and from the Qormi Old People's Home. This plan is a step forward towards a more environmentally sustainable society that diminishes the negative environmental and social impacts from travelling modes. The Green Travel Plan provides incentives and measures with a view of encouraging sustainable modes of transport and reduce dependency on the use of private cars.

This travel plan will address four important sub-objectives:

1. Encourage an active life-style by supporting walkers and cyclists
2. Reduce vehicle emissions
3. Encourage the use of public transportation
4. Reduce the environmental impact of travel by third parties across the greater part of the island.

The management of the Old People's Home will endeavour to deliver these set of objectives through a series of specific measures as outlined in the subsequent chapter of this document.

3.3 The intended benefits

Whilst this Green Travel Plan has the main goal of encouraging sustainable modes of transport in the vicinity of the Qormi Old People's Home development, there are other long-lasting benefits which need to be particularly accentuated:

- The Green Travel Plan will improve the health and well-being of third parties through reduced emissions in the area. It is widely recognised that pollution leads to respiratory diseases such as asthma in affected individuals.
- Moreover, by encouraging walking and cycling to and from the development, individuals will be leading a more active lifestyle. Physical activity helps the human body to stabilise at a healthy weight and prevents chronic diseases such as high blood pressure, heart disease, diabetes, asthma, arthritis and so on. Regular exercise also helps with stress and is known to have a positive impact on the brain function.
- The plan will lead to a number of cost savings for all users (such as fuel costs or parking fees saved).
- From a business perspective, an adequate Green Travel Plan enhances the corporate image of the Qormi Old People's Home as a unique facility that embraces the notion of environmental sustainability. This can have a positive impact on the demand even for future projects that may be undertaken by the company.
- Additionally, a Green Travel Plan helps with employee recruitment and retention, especially if it manages to reduce the stress associated with traffic congestion in the area and parking issues.



4. Measures, actions, and investments

In this section, we detail the proposed measures and specific actions that will be implemented at the Old People's Home to achieve the intended objectives and targets. The Project promoter have customised this action plan for all the users of the Old People's Home in such a way that it will lead to cost savings and lessen the environmental impact of travelling over the long-term scenario.

It should be noted that the measures and actions identified in this chapter are a mix between "soft" and "hard" measures. Hard measures refer to those initiatives that involve a financial commitment such as infrastructural facilities which will need to be set up to support the initiative. On the other hand, soft measures refer to those policies which will be set out across the firm and which do not involve a level of financial commitment, but encourage a cultural change within the organisation.

The total capital expenditure being committed for the implementation of this plan will be around €60K. Moreover, a number of measures will involve an annual financial commitment by the Project promoter. When including the discounted value of future operating costs (such as salaries and recurring expenditures) of these measures, the net present value of the package of measures proposed in this plan amounts to €1.56 million.

We segregate the specific measures and actions under each of the sub-objectives highlighted earlier in this document.

4.1 Emphasis on residents and visitors

We refer to the Government of Malta (GoM) policy on the ageing of elderly citizens set out under section 3.8 of this document. We are assured by specialists in the matter that Government prioritises accommodating elderly persons within the same community where

they used to live and socialise in their previous more autonomous years. Regrettably, it is a current reality that GoM is facing an accumulated waiting list for the accommodation of elderly residents, and this unsatisfied demand is one of the factors relevant to elderly persons being "accommodated" within general hospitals and similarly-unsuitable facilities. It is envisaged that on the launch of the Qormi Old People's Home, Government will have additional flexibility to accommodate high dependency clients hailing from the Qormi and surrounding areas to the Qormi home.

A further point identified by subject-matter experts to be emphasised is that many elderly clients have no spouses, and an increasing number have children living abroad or otherwise unable to visit regularly. This accounts for the high prevalence of elderly persons who, unfortunately, do not have any regular visits by relatives during their stay in care. Subject-matter experts have emphasised that a form of "abandonment" accounts for the increasing number of persons living alone who opt for long-term institutional care.

A third matter critical to this project is that for the typical 70 / 80-year old client, any visiting relatives are likely to be of working age and will consequently concentrate their visits either early in the morning or late in the evenings after working hours, or on weekends mostly on Sundays. These patterns are confirmed by random visits to the parking facilities of existing private care homes run by the larger operators that are also utilising a PPP business model – it can easily be seen that visitor parking is low during weekdays and throughout working hours, and peaks to some extent in the indicated timings. Qormi Care Home Management team who is well versed in the elderly sector, is fully aware of this state of circumstances, thus firmly believes that given the sporadic potential use of the existing twelve (12) car park spaces, potentially the excess demand for parking spaces will only occur on particularly days, mostly Sundays or on weekends, but

remotely on weekdays. From the 12 parking spaces, three parking spaces will be reserved for the on-call doctor, nursing manager and receptionist.

Based on these important matters of emphasis, the measures set out in this document address the travel requirements of employees and the limited number of visitors that are expected to frequent the Home mainly during weekend visiting hours.

Until such time the carpark becomes operational, the operator is committed to adopt a multifaceted approach, taking also into account the measures below, which the operator is committed to implement anyway in the meantime, in order to safeguard the interest of all stakeholders and care home users.

4.2 Encourage an active life-style by supporting walkers and cyclists

There is increasing evidence which indicates that physical activity supports a healthy body and immune system, and prevents the occurrence of chronic diseases at a later stage in life. It is widely acknowledged that an active lifestyle reduces the risk of cardiovascular diseases, diabetes, strengthens bones and muscles, improves mental health and mood, controls weight fluctuations, and in general improves the individual's ability to perform daily activities and contributes to a longer life.

With this in mind, the promoter of the proposed Old People's Home will encourage its employees, residents and their visitors to lead a more active lifestyle, whilst simultaneously reduce the country's dependency on the use of private cars.

Measure 1: Provision of essential information for walkers and cyclists

The Old People's Home will actively encourage its employees, residents, guests, and other visitors to walk to and from the complex by providing the appropriate information to those interested. Such information will be provided in the form of leaflets and maps which will be available at reception within the Old People's Home, residents' rooms, and staff notice boards for dissemination. Management is committed to invest in the design and print of necessary promotional material including site plans of the area, in order to inform visitors and employees of the safe crossing next to Paskarella bus stop.

Additionally, this information will be available on the website of the Old People's Home and also on the local intranet portal for employees and also during staff recruitment events and induction training. Information will be provided on the best pedestrian and cycling routes that could be used particularly for staff members and visitors that reside in nearby localities.

Specific actions:

- Actively promote walking and cycling in the marketing initiatives of the Old People's Home by developing and disseminate information leaflets and route maps. At the minimum, the leaflet should include information on the best pedestrian/cycling routes and essential safety measures.
- Periodically review the information and route maps to ensure that up to date information is provided to employees and visitors.
- Liaise with the web developers to upload this information in the "corporate responsibility" section of the external Old People's Home website. Similarly, upload this information on the local intranet.

- Liaise with the operations team at the Home to develop walking routes as part of the daily activities available for those residents physically able to undertake walking activities in the locality.
- The Old People's Home will commit an annual budget of €2.5K for the design and printing of this documentation.

Measure 2: Provision of cycling facilities to employees and visitors

The Old People's Home will invest in bicycle stands which would be available for use by its employees and visitors. In terms of capital expenditure, this measure will cost around €1K. These facilities will be made available at no charge to users.

Bicycles have the advantage of being relatively easy to operate, allow the user to travel short distances with minimal parking or traffic issues. Therefore, they provide users with a suitable alternative to traditional modes of travelling that is more flexible and convenient, and free from any negative impacts on the environment.

Specific actions:

- Purchase and install bicycle racks in a secure location on premises.
- Encourage employees and visitors to make use of the facility to travel short distances to and from the Home.

Measure 3: Adequate showering and changing facilities

In order to further encourage employees to walk and cycle to and from the Old People's Home, the complex will have a number of showering and changing facilities for its employees. It is planned that the Old People's Home will have two changing rooms available with 2 showers each complete with drying and locker facilities. It is estimated that this measure will involve around €6K in capital expenditure.

Specific actions:

- Commission the construction and finishing of the showering and changing room facilities.
- Encourage staff members to make use of these facilities when walking and cycling.
- Ensure that amenities are regularly cleaned on a daily basis. A cleaning schedule would be established to take into account the frequency of work shifts and number of employees using the facilities.

4.3 Reduction in vehicle emissions

It is widely acknowledged that the use of private passenger cars produce significant emissions of carbon dioxide coupled with nitrogen oxides, hydrocarbons and particulate matter and other greenhouse gas emissions. Whilst greenhouse gas emissions are a key contributor to the phenomenon of global warming, these also pose a number of health risks to humans. Poor air quality increases the incidence of respiratory ailments such as asthma and bronchitis, increases the chances of cancer and leads to increased pressure on national medical systems. With this in mind, the promoter plan to implement a number of measures in order to reduce the amount of travelling that is carried out using private cars and hence, reduce the amount of greenhouse gas emissions in the area.

Measure 4: Encourage the use of electric vehicles

Electric and LPG fuelled vehicles are considered to be a cleaner mode of travelling than the conventional private cars that run on diesel or petrol. Even though electricity is mainly produced using fossil fuels, electric and LPG fuelled vehicles still produce less greenhouse gas emissions than their conventional counterparts. Hence, such vehicles have a lower impact

on global warming when compared to traditional vehicles.

The promoter acknowledge the reduced impact that electric and LPG fuelled vehicles have on the environment. In view of this, the company commits itself to install two electric vehicle charging points within the Home's own on-premises parking facility at an incremental capital cost of €20K.

In order to promote their usage, the Care Home is also committed to promote this facility through the information pack given to care home residents and next of kin on admission as well as through its website and digital media.

Specific actions:

- Purchase and install electric vehicle charging points.
- Assign car parking spaces for electric vehicles.
- Promote this facility on the Old People's Home's external and internal website.

Measure 5: Provide parking away from the town centre

The Home will provide for twelve (12) car park spaces on site. In addition, since the centre of Qormi already suffers from intense vehicular traffic and a shortage of parking bays during business hours, the Home does not wish to contribute to worsening this problem. The diversion of traffic to the Park and Ride facilities will also reduce emissions in the town centre.

For this reason, the Home encourages the use of parking spaces in the Park and Ride facility in Qormi.

The Park and Ride facility in Qormi is a public facility available for the use of the public. Any member of the public enjoys access and the right to use these facilities, subject to availability of spaces. The promoters are unable to enter into any formal agreements to cover this measure.

The company will utilise one imported van, on a shuttle basis, to ferry visitors to and from the Home, hence significantly reducing traffic and parking demand in the main road of the locality. The company expects the capital expenditure on this van to amount to around €30K, while a recurrent expenditure including salaries, bonuses and NI contributions to drivers employed on a full-time basis will amount to another €54K per annum. It is also estimated that the Promoter will incur an extra €20K recurrent expenditure covering insurance, fuel costs and repairs and maintenance.

Specific actions:

- Encourage the use of free parking slots in public car park and Park & Ride facility.
- Purchase and register the 16-seater van.
- Recruit three licensed drivers and arrange shift schedules.

Measure 6: Mini-van service for Old People's Home employees

In order to further reduce traffic and vehicle emissions in the area, the Old People's Home is committed to build a culture of avoiding car use or car sharing amongst its employees and also their visitors. It is expected that the majority of employees (expatriates) at the Old People's Home will use a mini-van to travel from the Old People's Home after completion of their work shift. It is envisaged that the mini-van will run a number of times throughout the day – typically mornings, one in the afternoon (for carers and housekeeping staff) and another one in the evening (for carers and food and beverage staff). The mini-van would also be equipped with a powerful wi-fi system which would enable management/administrative staff to connect to the Old People's Home's network, view and answer emails, and continue working while in transit. The investment committed by the promoter is included in Measure 6.

Specific actions:

- Obtain an indication of the number of employees interested in using the mini-van.
- Lease or purchase a mini-van.
- Provide information on the mini-van service at recruitment events, induction training, staff notice boards etc.

4.3 Encourage the use of public transport

The public transportation system is one of the modes which plays a significant role in reducing the level of greenhouse gas emissions that are produced by the nation, and also in reducing the amount of congestion across the island. The current bus fleet that is being used by the Malta Public Transport is modern and equipped with the latest technology and any use of public transport instead of private vehicles is considered to be safer for the environment. Therefore, the public transport system in Malta is considered to be efficient and environmentally friendly.

Measure 7: Encourage the use of the Malta Public Transport service offering to and from the Old People's Home

The proponents acknowledge that Malta Public Transport provides an efficient service that renders the site extremely well connected in the context of existing bus routes. In fact, the site is currently served by Route 61 Valletta-Zebbug (every 20 mins, bus stops Bellic and Paskarella), Route 62 Valletta-Siggiewi (every 20 mins, bus stops Paskarella and Handaq), and Route 209 Mater Dei-Siggiewi (hourly, bus stops Bellic, Serer, and Paskarella). The relevant bus stops are all within very close walking distance to the site.

Promoting the bus service to the area will motivate employees and visitors to opt for public transport when visiting the Old People's Home.

Moreover, an efficient public transportation system complements the mini-van service for the employees of the Old People's Home (as proposed in measure 7). In this way, employees may use their preferred bus route to arrive at the Old People's Home and use the mini-van service for their journey back home.

Specific actions:

- Encourage employees to use the bus service in conjunction with the mini-van service offered by the Old People's Home.
- Provide information to residents, visitors and employees on public transport routes and timings, both on the website (internal and external) and in the form of a leaflet. Leaflets would be made available in central areas such as the reception, entrance/foyer, offices, etc.

Measure 8: Provide employees free use of the Malta Public Transport service

As already stated, the proponents acknowledge that Malta Public Transport provides an efficient service that renders the site extremely well connected in the context of existing bus routes. Measure 8 above already commits the promoters to encourage the use of the bus service by employees and visitors.

The promoters are committing to finance employees' use of the public bus service for travel to and from the Old People's Home, and are committing to invest funds in covering this cost of employees' travel. It is estimated that this measure will involve around €38K in annual recurrent expenditure.

Specific actions:

- Encourage employees to use the bus service in conjunction with the mini-van service offered by the Old People's Home.

- Finance Tal-Linja credit for each employee covering travel to and from the Old People's Home.

4.4 Reduce the environmental impact of travel by across the greater part of the island

Achievement: Reducing the need to travel, and enabling a short distance-driven modal shift

Ageing is a reality of life. As years have unfolded, the Ministry for Health officials in line with Government of Malta (GoM) policy have advocated strongly the need to increase domiciliary care services. Research has shown improved clinical outcomes when clients are supported to retain their independence in the comfort of their own home. In the event, that this is not a clinically plausible option, and thus institutional long-term care is resorted to, retaining clients close to their roots, in the comfort of their own village, being also the ambience that they would have been brought up in, is ideal. Thus, having a care home within one's own village hub, definitely makes the transition smoother, both for the client himself/herself as well as for the family members and or care-givers, who very often can be an elderly spouse or grown up adult with his/her own family commitments. In the case of the former, it is pertinent to highlight that very often the spouse is an elderly woman who does not drive, thus commuting to a care home within her own village would make life easier for both.

Malta is no different than the rest of Europe, thus similar to other countries, local Government has for a number of years been facing a challenge posed by the tremendous increase in our ageing population. In fact, GOM's continuous struggle to meet the ever-increasing demand for a wide spectrum of rehab and elderly services has generated an interest in the procurement of private beds which has in turn led GOM to enter into a number of PPP agreements with

private entrepreneurs willing to invest in this sector. This obviously presents an extremely viable option to GOM both in terms of decrease in capital expenditure as well as in terms of accountability, cost containment and operational management control.

Given such an opportunity coupled by the vacuum for the provision of such services in the market, we have seen an increased interest in the area, by a number of entrepreneurs, who were or are willing to tap in the elderly sector primarily.

Whilst being fully aware of the fact that GOM itself is contemplating extending its services at St Vincent De Paul as well as in rehabilitative services, local statistical demographic data clearly indicates that we are still far off from reaching market saturation particularly in village or suburb areas where most of our elderly population still resides. This is not only in view of having seen family support decreasing on the island, but also in view of smaller families emerging, increase in health awareness and a more knowledgeable client, longer life expectancy leading to higher dependency levels as well as a wide spectrum of dementia and rehab services which to date either remain untouched or are hugely far off from the desired wide spectrum of services and/or level of quality care.

The PPP model being contemplated by the Qormi Care Home Project is thus envisaged to not only meet the ever-increasing demand of the elderly population for long term care services but it intends to offer a wide spectrum of services within one's own village also. This will in turn enable to mellow the stigma associated with institutional care by dovetailing the village life with that of the care home through the provision of day services and social events as well as the eventual provision of outreach services for similar elderly residents in the village.

Effectively, the launch of this Home will enable elderly persons, currently or who would otherwise in the future be assigned to care facilities in other locations, to be accommodated within their home town. We believe that this, in itself, bestows significant care benefits, but from an environmental perspective, the reality of accommodating elderly persons in their own home towns is that, very often, friends and family who visit these persons are also likely to be hailing from the same town or the immediate vicinity.

We therefore believe that the introduction of such a facility in Qormi will enable elderly persons hailing from Qormi to make up the greater part of the resident population, and that many of their visitors (relatives and friends) will likewise probably hail from Qormi. This enables the elimination of the need to travel frequently from Qormi to other localities like Mosta or Attard and instead travel within Qormi to the Care Home in the town centre. Apart from dramatically shortening journey distance, we argue the possibility that in a majority of such cases, vehicle journeys across towns and villages may be substituted to possible walking or cycling within the town itself.

Reaching this specific objective is not dependent upon any specific measure to be taken by the promoter, other than the setting up of the Home itself. We nevertheless argue that this is a specific and tangible sustainability benefit.



5. Managing and monitoring the benefits

Appropriate management and monitoring of the Green Travel Plan is essential for its success. In order to ensure this, the promoters of the Qormi Care Home will continuously consult with staff members, visitors and residents of the project in order to adjust this plan in line with their needs.

At this stage, the promoter have engaged with professionals to formulate a preliminary view of the potential benefits accruing from these measures.

5.1 Potential benefits

It is being argued that the following targets are achievable and are attributable to the measures set out in the preceding chapter:

- 5% of Maltese employees at the Home would cycle or walk to their workplace on a frequent basis by 2020. Target shall increase to 10% of Maltese employees by 2025.
- 20% of visitors to the Home will arrive on foot, or will cycle to the facility by 2020. This target will increase to 40% by 2025.
- All vehicles purchased by the promoter will be efficient and economical in terms of fuel consumption and CO₂ per km. Vehicles should have an emission factor of less than 150g of CO₂ per km.
- 20% of housekeeping and care employees use either the mini-van service offered by the Home or other form of vehicle pooling by the end of the first operating year. This target rises to 60% within a full year of the start of operations.
- The Home will organise feedback sessions with users about the ease of using public transport to access the Home. Within three months of the session, a cumulative 50% of staff would be using the bus service, possibly combined with the mini-van service, to and from the Home.

- Prioritise the acceptance of residents hailing from Qormi or from the neighbouring localities. Prioritise green travel communications with relatives and other visitors to these residents.

5.2 Management and monitoring of the measures

Whilst the Care Home owners will be the ones responsible to implement, administer, monitor and review the proposed plan, the enforcement thereof will be falling under the responsibility of the Care Home Manager and its Facility Manager, the latter being the one responsible for all the non-clinical and ancillary services of the Qormi Care Home.

The Home's Facility Manager will under the supervision of the Care Home Manager be the one setting up regular meetings with employees and liaising with care home transport users to continuously assess and improve the service through the collation of feedback and reporting.

Moreover, the Facility Manager would be responsible for the setting up and regular upkeep of an employee database which records those employees who participate in the Home's green travel measures (such as the mini-van incentive or the walking/cycling incentive). The Facility Manager would also be responsible for the consolidation of feedback and Management reporting on a regular basis.

The Facility Manager would also be responsible to liaise with the appropriate parties to gather and disseminate the necessary information forming part of this plan. More specifically, this relates to the dissemination of information regarding the public transportation routes, pedestrian routes, cycling lanes and so on. Furthermore, the Facility Manager would also be required to liaise with the Human Resource department to ensure

that appropriate and sufficient information relating to this plan is provided at staff recruitment events and induction training.

The Facility Manager would be required to gather all the available feedback provided during performance meetings with employees of the Home from the Human Resource department. Similarly, the responsible individual would be required to gather any detail provided by residents and visitors in their feedback forms regarding their experience at the Old People's Home.

Monitoring of the travel plan will take place on a regular basis. In this respect, the Facility Manager will be responsible to set up meetings with Care Home Manager at least twice a year to report on progress and resolve any issues.



Annex 4

Development Permit
PA 8073/17

Mr. Andrew Debattista Segond

Date: 6 March 2018
Our Ref: PA/08073/17

Application Number: PA/08073/17
Application Type: Full development permission
Date Received: 8 August 2017
Approved Documents: PA 8073/17/1B/38A/38B

Location: No 37, The Penthouse, Triq Stella Maris, Sliema, Malta
Proposal: To amend PA 752/15. Alterations to existing duplex to form a 3 bedroom apartment at third floor and 1 bedroom apartment at fourth floor and duplex penthouse at fourth and setback floor.

**Development Planning Act, 2016
Full Development Permission**

The Planning Authority hereby grants development permission in accordance with the application and documents described above, subject to the following conditions:

- 1
 - a) This development permission is valid for a period of FIVE YEARS from the date of publication of the decision in the press but will cease to be valid if the development is not completed by the end of this validity period.
 - b) This permission relates only to the development as specifically indicated on the approved drawings. This permission does not sanction any other illegal development that may exist on the site.
 - c) Copies of all approved drawings and documents shall be available for inspection on site by the Planning Authority officers at all reasonable times.
 - d) The development shall be carried out in complete accordance with the approved drawings, documents and conditions of this permission. Where a matter is not specified, then the conditions of this permission and of Development Control Design Policy, Guidance and Standards 2015 shall apply.
 - e) Before any part of the development hereby permitted commences, the enclosed green copy of this development permission shall be displayed on the site. This must be mounted on a notice board, suitably protected from the weather and located not more than 2 metres above ground level at a point on the site boundary where it is clearly visible and can be easily read from the street. The copy of the permission must be maintained in a good condition and it shall remain displayed on the site until the works are completed.

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f) A Commencement Notice is to be submitted to the Planning Authority, by the perit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, **if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised** - Article 72(4) of the Development Planning Act (2016).

g) The development shall be carried out in accordance with the provisions of the Environmental Management Construction Site Regulations, Legal Notice 295 of 2007 (or subsequent amendments). Any hoarding shall be erected in accordance with Schedule 2 of the same Regulations.

h) Air conditioning units shall not be located on the facades of the building which are visible from the street or a public space.

i) There shall be no service pipes, cables or wires visible on the front elevation or on any other elevations of the building which are visible from the street or public space.

j) Any approved stores shall be used for domestic storage only and shall not be segregated from the rest of the building.

k) Any unit approved on more than one floor (duplex or more) shall remain physically interconnected as a single unit, and shall not be sub-divided into separate units without specific Planning Authority consent.

2 a) The façade(s) of the building shall be constructed in local un-rendered and unpainted stone, except where other materials/finishes are indicated on the approved drawings.

b) All the apertures and balconies located on the façade(s) of the building shall not be in gold, silver or bronze aluminium.

c) The height of the services on the roof of the building shall not extend beyond the approved height of the uppermost parapet wall.

3 To make up for the shortfall in parking provision of 3 parking space(s), this development permission is subject to a contribution amounting to the sum of € 6,289.32 in favour of the Planning Authority's Commuted Parking Payment Scheme for the locality within which the site is located. The funds raised shall be used as prescribed in the policy document "Commuted Parking Payment Scheme for Malta" (1998).

4 This permission is subject to a Bank Guarantee to the value of € 470.56 to ensure that the street is properly restored in accordance with the Environmental Management Construction Site Regulations, 2007 (Legal Notice 295 of 2007). The bank guarantee shall only be released after the perit submits a post-construction condition report together with photographs evidencing compliance with this condition, accompanied by clearance from the Local Council. The clearance from the Local Council is to be endorsed by the Mayor and the Executive Secretary of the Local Council. This guarantee shall be forfeited if, after 3 months from the date of notification by the Authority of a notice to effect the

remedial works, these are not carried out. Its forfeiture shall not, however, preclude the applicant from adhering to all the conditions contained in this development permission.

5 **Conditions imposed and enforced by other entities**

A. Where construction activity is involved:

(a) the applicant shall:

(i) **Appoint a Project Supervisor for the Design Stage and a Project Supervisor for the Construction Stage** and any such appointment shall be terminated, changed or renewed as necessary. The same person may be appointed to act as project supervisor for both the design and construction stage, if that person is competent to undertake the duties involved and

(ii) **Keep a health and safety file** prepared by the Project Supervisor for the Design Stage.

(b) When the construction works related to this application are scheduled to last longer than thirty working days and on which more than twenty workers are occupied simultaneously, or on which the volume of work is scheduled to exceed five hundred person-days, the project supervisor **shall communicate a prior notice to the Occupational Health and Safety Authority (OHSA) at least four calendar weeks before commencement of works.**

(c) The Project Supervisor for the Design Stage shall **draw up a health and safety plan** which sets out the occupational health and safety rules applicable to the construction activities concerned, outlining the measures to ensure cooperation between different contractors and shall also include specific measures concerning occupational risks that may be present at this site.

B. Where the development concerns a place of work:

The applicant shall:

(i) obtain a Perit's declaration that the necessary requirements arising out of LN 44 of 2002 have been included in the plans and drawings; and

(ii) obtain a Perit's declaration that the building conforms to the requirements of LN 44 of 2002.

C. The development is to strictly adhere to the 'Design Guidelines on fire safety for buildings in Malta' to ensure that all Fire Safety measures and provisions are addressed as indicated in the Design Guidelines on Fire Safety for Buildings in Malta, published by the DCID in 2004, (or other relevant standard, provided it is approved by the Civil Protection Department), Policies, and the Laws and Regulations of Malta.

D. Prior to laying of water and wastewater services in the road, the development shall comply with the requirements of Legal Notice 29/10 Part III (Roads in inhabited Areas) Clause 12.

In terms of Article 72(3) of the Development Planning Act, 2016, the execution and validity of this permission is automatically temporarily **suspended** and no works as approved by the said development permission may commence before the lapse of the time period established in Article 13

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of the Environment and Planning Review Tribunal Act and subsequently will remain so suspended if the Tribunal so decides in accordance with the Environment and Planning Review Tribunal Act.

Where the approved drawings and/or documents are dimensioned, then the declared dimensions shall prevail over the actual size as depicted on the approved drawings and/or documents.

Developers are advised to check the invert level to the sewer main with the Water Services Corporation as they would have to make their own arrangements where a gravity service connection is not possible. In these cases, the architect has to indicate the solutions envisaged and to indicate on the plan what needs to be carried out and obtain approval from WSC. Developers are further reminded that connection of storm water into main sewers is not allowed.

If the declaration of ownership, as contained in the application form, is determined as incorrect by a Court of Law, then the said Court of Law can declare this development permission as null and void. This development permission does not remove or replace the need to obtain the consent of the land/building owner to this development before it is carried out. Furthermore, it does not imply that consent will necessarily be forthcoming nor does it bind the land/building owner to agree to this development. Where the land/building is owned or administered by the Government of Malta a specific clearance and agreement must be obtained for this development from the Land and/or Estate Management Departments.

This development permission is granted saving third party rights. This permission does not exonerate the applicant from obtaining any other necessary permission, license, clearance or approval required from any Government department, local council, agency or authority, as required by any law or regulation.

This development permit does not authorise any storage of substances listed in Occupational Health and Safety Authority Act (Cap. 424) - Control of Major Accident Hazards Regulations, 2003, as amended, in quantities that would render this site an establishment within scope of these regulations. The storage and handling of said substances may require a new or amended development permission in line with current policies and regulations.

For any non-residential uses hereby being approved, prior to commencement of any works on site or any eventual permitted change of use, the applicant shall be required to contact the Environment and Resources Authority to obtain any necessary operational permit or registration. This requirement does not apply to Class 2B, 2C, 4A and 4B uses as listed in the Development Planning (Use Classes) Order 2014, or its subsequent amendments.

This decision is being published on 21 March 2018.

Marthese Debono
Secretary Planning Commission (Development Permissions)

Notes to Applicant and Perit

Right for reconsideration

Where applicable, you have a right to submit a request for reconsideration to the Authority in terms of regulation 14 of Legal Notice 162 of 2016.

Right for appeal

You have a right to submit an appeal, against the decision, to the Environment and Planning Review Tribunal in terms of Article 13 of the Environment and Planning Review Tribunal Act, 2016.

Time limits

Requests for reconsideration or appeals must be made within 30 days from the publication of the decision notification in the local press as required by regulation 14(1) of Legal Notice 162 of 2016.

Fees to submit a request for reconsideration or appeal

In either case, there is a fee to be paid which should accompany the request for reconsideration or the appeal. The fees are as follows:

For reconsideration - 3% of the Development Permit Fee paid in respect of the original application, subject to a minimum of €69.88.

For appeal - 5% of DPF (Development Permit Fee) paid in respect of the original application, subject to a minimum of €150 + €50 administrative fee (LN 112 of 2016).

Submission of request for reconsideration or appeal

With regards to requests for reconsideration, Form PA 4/16 must be used for submission. All fields of the Form must be filled in as appropriate. Requests for reconsideration can only be submitted electronically.

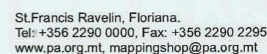
With regards to appeals, as required by Article 13 of the Environment and Planning Review Tribunal Act, 2016, the submission must include the detailed grounds for appeal and the requests being made by the appellant. Appeals must be submitted physically at the offices of the Environment and Planning Review Tribunal, St. Francis Ditch, Floriana.

Important Notice

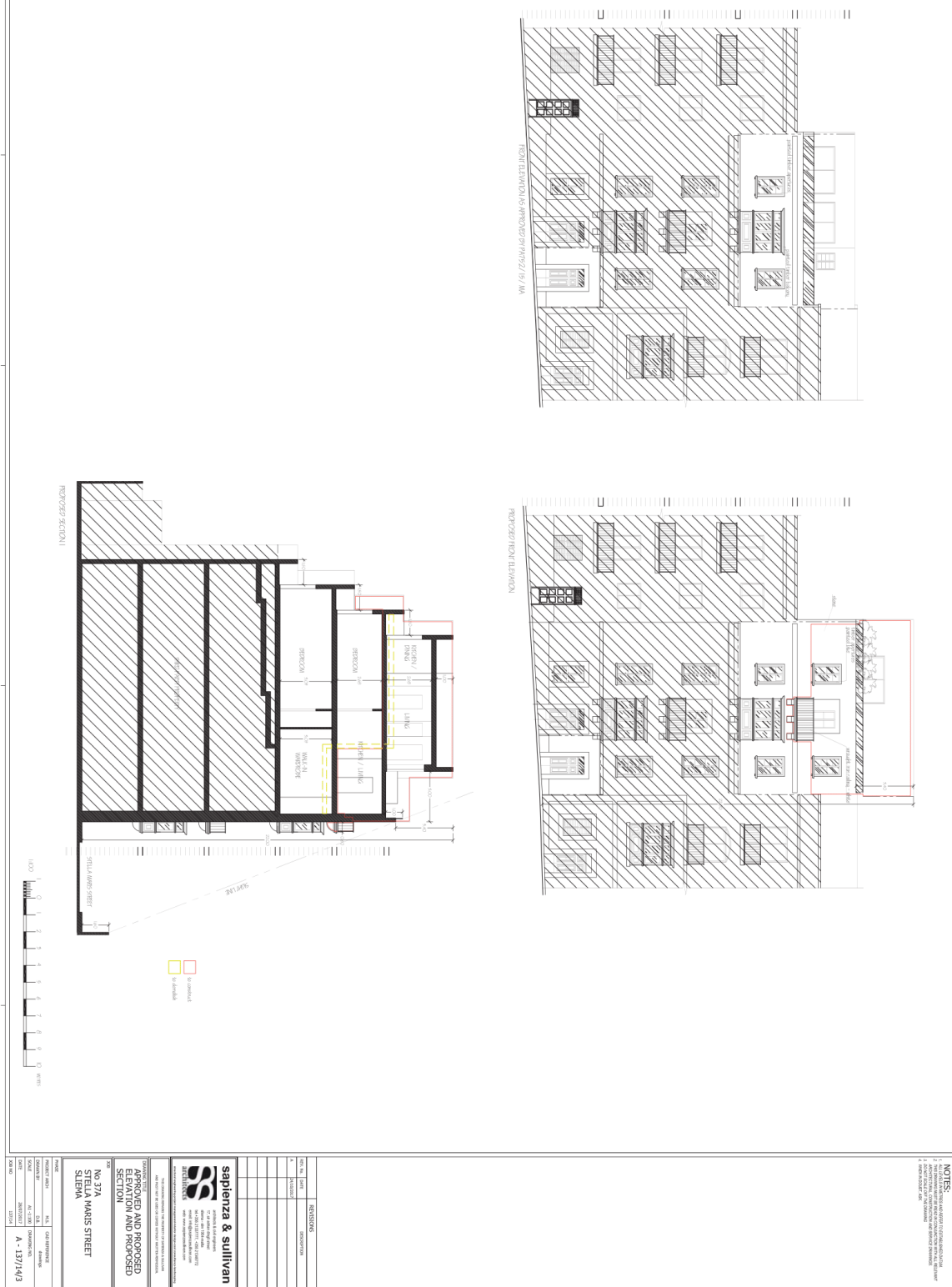
In view of the provisions of Article 72(4) of the Development Planning Act (2016), a Commencement Notice is to be submitted to the Planning Authority, by the perit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised.

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1b







ANNEX E – Security Trust Deed

The [-] day of [-] of the year 2019

DECLARATION OF TRUST

made by

GVZH Trustees Limited

(the “Trustee”)

and

Smartcare Finance PLC

(the “Issuer”)

and

Smartcare Holdings Ltd

(“SHL”)

and

Smartcare Pinto Ltd

(“SPL”)

Constituting

‘The Smartcare Security Trust’



THE SMARTCARE SECURITY TRUST

THIS Trust Deed, known or referred to as the “**Smartcare Security Trust**”, is entered into on the [-] day of [-] of the year 2019 by and between:

Of the first part, **GVZH Trustees Limited**, a limited liability company registered under the laws of Malta, bearing company registration number C 23095 and having its registered office situated at 192, Old Bakery Street, Valletta VLT 1455, Malta, which is duly authorised and qualified to act as a trustee or co-trustee in terms of the Trusts and Trustees Act (Chapter 331 of the laws of Malta), represented hereon by [-], holder of Maltese identity card number [-], as duly authorised (hereinafter referred to as the “**Trustee**”);

AND

Of the second part, **Smartcare Finance p.l.c.**, a public limited liability company incorporated under the laws of Malta, bearing company registration number C 90123 and having its registered office situated at 326, Mdina Road, Qormi, Malta, represented hereon by [-], holder of Maltese identity card number [-], as duly authorised (hereinafter referred to as the “**Issuer**”);

AND

Of the third part, **Smartcare Holdings Ltd**, a limited liability company registered under the laws of Malta, bearing company registration number C 90121, and having its registered office situated at 326, Mdina Road, Qormi, Malta, represented hereon by [-], holder of Maltese identity card number [-], as duly authorised (hereinafter referred to as “**SHL**”);

AND

Of the fourth part, **Smartcare Pinto Ltd**, a limited liability company registered under the laws of Malta, bearing company registration number C 86395 and having its registered office situated at 326, mdina Road, Qormi, Malta, represented hereon by [-], holder of Maltese identity card number [-], as duly authorised (hereinafter referred to as “**SPL**”);

WHEREAS:

(i) The Issuer by virtue of a resolution taken at the board meeting dated 4th April 2019 has authorised the issue of the Bonds (as defined below) under the terms and conditions set out in the Company Admission Document (as defined below) and determined to secure the same in the manner hereinafter appearing;

(ii) The Issuer, in terms of the Company Admission Document, has committed to use the net proceeds from the Bond Issue amounting to four million, eight hundred thousand Euro (€4,800,000) in the following manner:

(i) an amount of €1,520,000 will be used to pay Kai Investments Limited, a related company, which was contracted to undertake the finishing works and the acquisition of the equipment for the Care Home;

(ii) an amount of €1,200,000 will be loaned by the Issuer to SPL for the purpose of the latter repaying an outstanding financing facility taken out with Lombard bank, which was originally used to finance the acquisition of the Care Home;

(iii) an amount of €700,000 will be loaned by the Issuer to SPL for the purpose of the latter repaying an overdraft facility taken out with Lombard Bank, which was originally used to finance the acquisition of the Care Home;

(iv) an amount of €600,000 will be loaned by the Issuer to Smartcare Properties Ltd for the purpose of the latter acquiring and finishing an apartment in Sliema which will be rented out to third parties, as per section 2 of the Property Valuation Report set out in Annex D of the Company Admission Document; and

(v) the remaining amount of €780,000 will be loaned by the Issuer to SHL to be used for the general corporate funding purposes of the Smartcare Group.

(iii) SHL and SPL are to guarantee the obligations of the Issuer to the Primary Beneficiaries by constituting the Collateral Rights in favour of the Trustee in terms of this Trust Deed and the Company Admission Document;

- (iv) SHL has successfully registered a pledge over all the shares it holds in SPL in favour of the Trustee as the Initial Property/ies, to be held on the trust as hereinafter declared;
- (v) SPL has successfully registered a first ranking special hypothec over the Security Property, in favour of the Trustee as the Initial Property/ies, to be held on the trust as hereinafter declared;
- (vi) SPL shall further guarantee the obligations of the Issuer to the Primary Beneficiaries by constituting a pledge over the Insurance Policy (as defined hereinafter) in favour of the Trustee for the benefit of the Primary Beneficiaries;
- (vii) The Original Trustee is duly authorised and qualified to act as a trustee or co-trustee as defined in the Trusts and Trustees Act (Chapter 331 of the laws of Malta);
- (viii) The Original Trustee shall hold, manage and administer the Assets for the benefit of the Primary Beneficiaries; and
- (ix) The Trustee acknowledges and agrees that it is not itself a creditor of the Issuer and that the creditors of the Issuer in terms of the Smartcare Security Trust shall be solely the Bondholders whose names and other details shall be entered in and maintained by the Central Securities Depository of the Malta Stock Exchange, and who shall be recognised as the Primary Beneficiaries under this Trust.

NOW, THEREFORE, THIS TRUST DEED WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. In this Trust Deed, unless the context otherwise requires, the following definitions shall apply:

1.1.1. The term “Assets” shall mean the assets subject of the Collateral Rights;

1.1.2. The terms “Beneficiary” and “Beneficiaries” shall mean the Primary Beneficiaries and the Residual Beneficiaries as indicated in Schedule Two and Schedule Three of this Trust Deed;

1.1.3. The term “Bond/s” shall mean the issue of five million Euro (€5,000,000) secured bonds 2029 of a nominal value of one hundred Euro (€100) per bond issued at par and redeemable on the redemption date (as defined in the Company Admission Document) at their nominal value, bearing interest at the rate of 5% per annum under the terms and conditions set out in the Company Admission Document;

1.1.4. The term “Bondholders” shall mean the person or persons holding Admitted Debt Securities issued by the Issuer on Prospects MTF in terms of the Company Admission Document, as registered in the Register of Beneficiaries maintained on behalf of the Issuer by the CSD;

1.1.5. The term “Care Home” shall mean the Care Home for the Elderly situated at 326, Mdina Road, Qormi, Malta, as better described in the property valuation annexed to the Company Admission Document;

1.1.6. The term “Company Admission Document” shall mean the Company Admission Document dated [-] and ancillary documents submitted on [-] to the Malta Stock Exchange and approved by the Malta Stock Exchange on [-] for the Bonds to be admitted to trading on Prospects MTF.

1.1.7. The term “Corporate Advisor” shall mean Calamatta Cuschieri Investment Services Limited a limited liability company registered under the laws of Malta with company registration number C 13729, having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR 9034, Malta;

1.1.8. The term “Collateral Rights” shall mean:

- i. a first ranking special hypothec by SPL over the Security Property in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed and the Deed of Hypothec;

ii. a pledge by SHL over all of its shares held in SPL, from time to time, in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Pledge Agreement and the Trust Deed; and

iii. a pledge over the proceeds from the Insurance Policy in favour of the Security Trustee in its capacity as trustee of the Smartcare Security Trust pursuant to the terms of the Security Trust Deed;

1.1.9. The term “Corporate Trustee” shall mean any trustee that is constituted as a body corporate, wherever incorporated, and may include the Trustee and / or any other subsequently appointed trustee and, in any event, is to be an entity which is duly authorised and qualified to act as a trustee or co-trustee in terms of the Trusts and Trustees Act (Chapter 331 of the laws of Malta);

1.1.10. The term “Deed of Hypothec” shall mean a deed entered into by and between the Trustee, the Issuer and SPL, in the acts of Notary Sam Abela whereby SPL constituted in favour of the Trustee that part of the Collateral over the Security Property which according to law requires the execution of a notarial deed;

1.1.11. The term “Events of Default” shall have the same meaning as set out in the Company Admission Document;

1.1.12. The term “Future Property” means any future property which shall be settled into the Smartcare Security Trust, at any time during the term of the Smartcare Security Trust;

1.1.13. The term “Group” shall mean SHL and its wholly-owned subsidiary companies which, as at the date hereof, consist of the Issuer, SPL and Smartcare Properties Limited, principally involved in the business of healthcare for the elderly;

1.1.14. The term “Initial Property” shall mean the Collateral Rights;

1.1.15. The term “Insurance Policy” shall mean the insurance policy providing for the replacement value of the Security Property;

1.1.16. The term “Admitted Debt Securities” shall mean the Bonds issued by the Issuer in terms of the Company Admission Document admitted on Prospects MTF;

1.1.17. The term “Loan Agreement A” shall mean the loan agreement entered into on [-] 2019 by and between the Issuer (as lender), SHL (as borrower), for the amount of €780,000, for the general corporate funding purposes of the Smartcare Group, pursuant to and in accordance with the terms and conditions of which part of the proceeds from the Bond Issue amounting to €4,800,000 shall be advanced by title of loan from the Issuer to SHL;

1.1.18. The term “Loan Agreement B” shall mean the loan agreement entered into on [-] 2019 by and between the Issuer (as lender), SPL (as borrower), for the amount of €1,900,000, for the purpose of the latter repaying an outstanding financing facility and overdraft facility taken out with Lombard bank, pursuant to and in accordance with the terms and conditions of which part of the proceeds from the Bond Issue amounting to €4,800,000 shall be advanced by title of loan from the Issuer to SPL;

1.1.19. The term “Loan Agreement C” shall mean the loan agreement entered into on [-] 2019 by and between the Issuer (as lender), Smartcare Properties Ltd (as borrower), for the amount of €600,000, for the purpose of the latter acquiring and finishing an apartment in Sliema which will be rented out to third parties as per section 2 of the Property Valuation Report set out in Annex D of the Company Admission Document pursuant to and in accordance with the terms and conditions of which part of the proceeds from the Bond Issue amounting to €4,800,000 shall be advanced by title of loan from the Issuer to Smartcare Properties Ltd;

1.1.20. The Term “Loan Agreements” shall mean Loan Agreement A, Loan Agreement B and Loan Agreement C collectively;

1.1.21. The Term “Parties” shall mean the Issuer, the Trustee, SHL and SPL;

1.1.22. The term “person” shall mean an individual or a company; the latter term “company” shall mean any body of persons corporate or unincorporate (of whatsoever kind) incorporated or otherwise brought into existence in any part of the world;

1.1.23. The term “Pledge Agreement” shall mean the pledge of shares agreement dated [-] 2019 entered into by and between the SHL, SPL and the Trustee pursuant to which SHL granted a pledge over all of its shares held in SPL, from time to time, in favour of the Trustee in its capacity as trustee of the Smartcare Security Trust;

1.1.24. The term “Primary Beneficiary” or “Primary Beneficiaries” shall mean all and any of the persons specified in Schedule Two hereto;

1.1.25. The term “Proper Law” shall have the meaning granted to such term in clause 20 hereof;

1.1.26. The term “Property” shall mean property of any kind or description, whether movable or immovable, personal or real, and wherever situated, and in relation to rights and interests whether vested, contingent, voidable or future;

1.1.27. The term “Prospects MTF” shall mean the market regulated as a Multilateral Trading Facility (“MTF”) operated by the Malta Stock Exchange providing a venue for start-up and growth small to medium-sized enterprises to float their capital (including equity or debt) on the market.

1.1.28. The term “Residual Beneficiaries” shall mean the person or persons specified in Schedule Three attached hereto;

1.1.29. The term “Security Documents” shall mean the documents relating to the Collateral Rights, as may be applicable, including but not limited to, the Pledge Agreement, the Deed of Hypothec, and a pledge over the Insurance Policy;

1.1.30. The term “Security Property” shall mean the immovable property comprising the Care Home;

1.1.31. The term “Smartcare Properties Limited” shall mean the limited liability company registered under the laws of Malta, bearing company registration number C 90122, and having its registered office situated at 326, Mdina Road, Qormi, Malta;

1.1.32. The term “Sponsor, Manager and Registrar” shall mean Calamatta Cuschieri Investment Services Limited, a limited liability company registered under the laws of Malta with company registration number C 13729 and having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta;

1.1.33. The term “Trust Deed” whether used in this document or not, shall be interpreted as having the same meaning and shall refer to this Agreement;

1.1.34. The term “Trust Documents” shall mean this Trust Deed, any accounts of the Smartcare Security Trust as maintained by the Trustee in accordance with clause 18 hereof, and the Security Documents;

1.1.35. The terms “Trust Property” and “Trust Assets” shall mean the Initial Property, the Future Property and any proceeds arising from the sale or enforcement of any property or asset connected with the Collateral Rights;

1.1.36. The term “Trust Period” shall mean the duration of the Trust in terms of clause 8 hereof;

1.1.37. The term “Trusts and Trustees Act” shall mean The Trusts and Trustees Act, Chapter 331 of the laws of Malta;

1.1.38. The term “Trustee” or “Trustees” shall refer to the Original Trustees specified in this Instrument of Trust if such Trustees remain the sole Trustees, or (in the event that any additional Trustee or Trustees may subsequently be duly effectively appointed) to the Original Trustees (unless he has in the meantime resigned or been removed) and the additional Trustee/s;

1.2. In the interpretation and construction of each and every provision hereof:

- 1.2.1. words in the singular shall include the plural and words in the plural shall include the singular;
- 1.2.2. words denoting any gender shall include all genders;
- 1.2.3. subject to any change in the Proper Law and as otherwise herein provided, the words used herein shall bear the meaning ascribed to them by the Interpretation Act, Chapter 249 of the laws of Malta, and the law on Trusts;
- 1.2.4. the headings and sub-headings to this Trust Deed are inserted only for reference to the provisions hereof and shall not affect the construction of such provisions;
- 1.2.5. unless the context otherwise requires, where this Trust Deed refers to any enactment, the reference is a reference to that enactment as extended or applied by or under any other enactment including any other provision of that enactment; and
- 1.2.6. this Trust Deed shall be considered valid in its entirety including the schedules and annexes attached hereto.

Unless the context otherwise requires, words and expressions not otherwise defined in this Trust Deed shall bear the same meanings as in the Company Admission Document.

2. DECLARATION OF TRUST

2.1 The Trustee is hereby appointed to hold and administer the Trust Property in accordance with powers and discretions outlined in Schedule Four and subject to the provisions declared, contained and concerning the same in this Trust Deed. Upon the settlement of the Assets into the Trust, the Security Trustee shall notify and confirm to the appointed Placement Agent and Manager of the bonds that such Assets have been settled in the Smartcare Security Trust.

2.2 The trust constituted hereby shall be irrevocable subject to the terms hereof and any applicable terms contained in the Company Admission Document.

Provided that in any case of discrepancy, the provisions of the Trust Deed shall prevail over any provisions found in the Company Admission Document.

2.3 This Trust Deed shall be known or referred to under the name or reference first above stated or by such other name or reference as the Trustee in its absolute discretion shall from time to time think fit.

2.4 Subject to Article 10 of the Trusts and Trustees Act, the Trustee may, at any time during the Trust Period, accept as additions to the Trust Property additional settlements as an accretion to the Trust Property and such additional settlements shall, subject to any contrary direction, be held upon the Smartcare Security Trust and with and subject to the powers and provisions of this Trust Deed.

2.5 The Trustee shall make declarations of trust whenever any additional property is received under this Trust Deed and such declarations of trust shall be on the same terms as stated herein and shall form an integral part hereof.

Provided that every time the Trustee shall make declarations of trust indicating additional property settled on Trust as aforesaid, the Issuer shall be notified in writing of such fact immediately and the Issuer shall make the necessary Company Announcement in accordance with the Prospects MTF Rules to that effect.

3. PURPOSE OF THE TRUST

3.1 The purpose of the Trust Deed is:

3.1.1 to hold the Trust Property as a guarantee in favour and for the interest and benefit of the Primary Beneficiaries up to the value of the Admitted Debt Securities, until such time as the Admitted Debt Securities are repaid in full in terms of the Company Admission Document (as may be amended from time to time);

3.1.2 to settle all liabilities relating to the Admitted Debt Securities which might be outstanding in terms of this Trust Deed and in terms of the Company Admission Document, as may be amended from time to time;

3.1.3 to hold property on trust for the benefit of the Primary Beneficiaries and Residual Beneficiaries according to the terms of this Trust Deed;

3.1.4 to distribute the Trust Property to the Residual Beneficiaries at any time after the debt in terms of the Company Admission Document, due to the Primary Beneficiaries, has been repaid in full and the rights of the said Primary Beneficiaries to receive capital and interest accrued up to the date of redemption of the Bonds have ceased to exist.

4. SECURITY TRUST HOLDING FOR BONDHOLDERS

4.1 In terms of the Company Admission Document, the Issuer, SHL and SPL, as applicable, are to grant the Collateral Rights for the benefit of the Bondholders and to instruct the Trustee to hold the Trust Property as security for the outstanding amount due to the Bondholders, together with amounts of interest and charges thereon.

4.2 The Parties agree that, in terms and for the purposes of the Trusts and Trustees Act, the Smartcare Security Trust created hereby shall be treated as constituted in the context of a commercial transaction. Pursuant to the provisions of Article 21(7) of the Trusts and Trustees Act, each party agrees that the duties, liabilities, obligations and responsibilities incumbent upon the Trustee shall be limited to those expressly specified in this Trust Deed, and that the Smartcare Security Trust shall operate in accordance with the express provisions of this Trust Deed, unless any provision of the Trusts and Trustees Act is specifically hereby retained. Provided that nothing in this clause shall permit the Trustee to be exonerated from the effects of, or be indemnified for, its own fraud, willful misconduct or negligence.

4.3 The Trustee shall hold the Trust Property under a security trust as provided in Article 2095E of the Civil Code (Chapter 16 of the laws of Malta). A security shall be, therefore, constituted in the name of the Trustee in the manner provided for by applicable law of Malta for the benefit of the Primary Beneficiaries prior to the admission of the Bonds issued by the Issuer on Prospects MTF, and this for all amounts owing to the Primary Beneficiaries by the Issuer in terms of the Company Admission Document, as may be amended from time to time, including all amounts of interest or charges due in terms thereof, in relation to the Admitted Debt Securities, once and provided that all of the following conditions precedent have taken place:

4.3.1 the Bonds issued by the Issuer has successfully obtained the necessary proceeds from the subscription of the Admitted Debt Securities to refinance the existing debt of the Company in accordance with the Company Admission Document

4.3.2 the Loan Agreements are to be fully executed by and between the Parties;

4.3.3 the Pledge Agreement is executed and the Pledged Shares (as defined therein) have been pledged in favour of the Trustee in its capacity as trustee of the Smartcare Security Trust;

4.3.4 a first ranking special hypothec over the Security Property has been successfully registered in favour of the Trustee in its capacity as trustee of the Smartcare Security Trust;

4.3.5 the Insurance Policy has been pledged in favour of the Trustee in its capacity as trustee of the Smartcare Security Trust.

4.4 Further to the foregoing conditions, the Issuer, SHL and SPL, as applicable, hereby undertake to constitute all the Collateral Rights in favour of the Trustee and settle the Collateral Rights on trust in the Smartcare Security Trust.

Provided that, in the event that the Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify in writing the Malta Stock Exchange, the Corporate Advisor and the Primary Beneficiaries of such fact without delay.

4.5 The Trustee shall, notwithstanding that it is not a Bondholder, be entitled to be registered as the holder of the Collateral Rights for the benefit of the Bondholders in accordance with the provisions of this Trust Deed and Article 2095E of the Civil Code.

4.6 All payment and other obligations to the Bondholders pursuant to the Company Admission Document shall be the exclusive obligations of the Issuer, and the Trustee shall not have, and nothing herein contained shall be construed as creating or otherwise acknowledging, any obligation on the part of the Trustee in favour of the Bondholders for any payments that may fall due under the Bonds.

4.7 Subject to clause 7 herein, in the event that the Issuer, SHL and/or SPL commits any of the Events of Default, including default of the Issuer's obligations to repay any Bonds (together with interest and charges thereon) in terms of the Company Admission Document, the Trustee shall have the authority to enforce the Collateral Rights on its own accord or upon receiving notice from the Bondholders that any of the Events of Default has occurred. Provided that the Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other similar condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Events of Default or condition, event or other circumstance has happened and that each of the Issuer, SHL and SPL are observing and performing all the obligations, conditions and provisions on its part pursuant to the Company Admission Document, the Security Documents and this Trust Deed, as applicable. Provided further that, in the event that the Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify in writing the Malta Stock Exchange, the Corporate Advisor (as defined in the Company Admission Document) and the Primary Beneficiaries of such fact without delay.

4.8 Following the Trustee's enforcement of the Collateral Rights in accordance with the provisions contained in this clause 4, where applicable, the Trustee shall apply the net proceeds of the sale of the Security Property as follows:

- Firstly to pay any fees due to the Trustee for the administration of the trust and any costs or liabilities of the Trustee arising therefrom, in terms of Article 28 of the Trusts and Trustees Act;
- Secondly to pay the Primary Beneficiaries any outstanding debt owed to them by the Issuer under the Bonds in terms of the Company Admission Document; and
- Thirdly to hold any remaining balance in trust for the Residual Beneficiaries.

4.9 Immediately upon the Issuer repaying all amounts outstanding to the Primary Beneficiaries under the Bonds in terms of the Company Admission Document, and upon receiving confirmation in writing to this effect from the Issuer and/or the Malta Stock Exchange, the Trustee shall extinguish the Collateral Rights in favour of the Primary Beneficiaries and the Residual Beneficiaries shall become the sole beneficiaries of this Trust.

5. COVENANTS BY THE ISSUER, SHL AND SPL

5.1 The Issuer and/or SHL and/or SPL, as the case may be, covenants to the Trustee, for the benefit of the Primary Beneficiaries, that at all times during the continuance of admission of the Bonds to the list on Prospects MTF:

5.1.1 the Issuer shall pay to the Bondholders interest as set out in the Company Admission Document;

5.1.2 the Issuer shall redeem the Bonds at their nominal value on the Redemption Date as set out in the Company Admission Document;

5.1.3 the Issuer, SHL and SPL shall maintain their respective corporate existence as companies duly organised and existing and in good standing under Maltese law;

5.1.4 the Issuer, SHL and/or SPL shall promptly notify the Trustee, upon the happening of any Event of Default;

5.1.5 the Issuer, SHL and SPL shall do all such acts as they may consider necessary or desirable, or as may be reasonably required by the Trustee, to ensure that during the period when the Bonds are outstanding and until their redemption in full, the Collateral Rights shall, save for any privileges and/or claims afforded priority in terms of law, rank with priority over all other claims of the Issuer, SHL and SPL and in the event of a third party claim or any circumstances in which the Trustee's right, title and interest of the Collateral Rights is or may be prejudiced, the Issuer, SHL and SPL shall defend the Trustee's right, title and interest in the Collateral Rights;

5.1.6 the Issuer shall maintain the admission of the Bonds on Prospects MTF and shall, at all times, comply with such requirements and furnish punctually to the Malta Stock Exchange and the Listing Authority, as applicable, such information as may be required to maintain the admission of the Bonds on the Prospects MTF market.

5.1.7 Furthermore, in the case of failure of the part of the Issuer, SHL and SPL to provide any requested information from the Trustee, the Issuer shall allow the Trustee to communicate directly with the Malta Stock Exchange so as to obtain any information required on the Bondholders.

5.1.8 The Issuer undertakes in favour of the Trustee, that for as long as any principal or interest under the Bonds or any indebtedness under the Bonds remains outstanding, not to create or permit to subsist any claim, charge, lien, encumbrance, hypothec, privilege or security interest, other than the Collateral Rights or security interest arising by law, upon the whole or any part of the Assets to secure any financial indebtedness of the Issuer in contravention of the applicable provisions set out in the Company Admission Document.

5.1.9 SPL undertakes to keep the Insurance Policy valid at all times during the Trust Period.

5.1.10 The Issuer, SHL and SPL undertake to fulfil their respective duties and obligations in terms of the Pledge Agreement and the Loan Agreements.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Issuer, SHL and SPL hereby represent and warrant to the Trustee, which relies on such representations and warranties, that:

6.1.1 they are duly registered, incorporated, validly existing and in good standing under the laws of Malta and have the power to carry on their respective businesses as are now being conducted and to hold their respective property and other assets under legal title;

6.1.2 they have the power to execute, deliver and perform their respective obligations under this Trust Deed; all necessary corporate, shareholder and other action has been duly taken to authorise the execution, delivery and performance of the same and no limitation on the powers of the Issuer, SHL or SPL to borrow or guarantee shall be exceeded as a result of this Trust Deed;

6.1.3 the obligations of the Issuer, SHL and SPL in terms of this Trust Deed constitute valid and legally binding obligations of the Issuer, SHL and SPL, as applicable;

6.1.4 the execution and performance of the obligations under, and in compliance with, the provisions of this Trust Deed by the Issuer, SHL and SPL shall not:

(i) contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer, SHL and SPL are subject;

(ii) conflict with, or result in any breach of, any terms of, or constitute a default under, any borrowing or bond or other instrument to which the Issuer and/or SHL and/or SPL are a party or are subject or by which they or any of their respective property is bound;

(iii) contravene any provision of the Issuer's, SHL's and SPL's respective Memorandum and Articles of Association;

6.1.5 no litigation, arbitration or administrative proceedings is taking place, pending or, to the knowledge of the officers of the Issuer, SHL and SPL, threatened against the Issuer, SHL and SPL which could have a material adverse effect on the business, assets or financial condition of the Issuer, SHL and SPL.

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

6.1.7 the Issuer further represents and warrants to the Trustee, that relies on such representations and warranties, that every consent, authorisation, approval or registration with or declaration to, governmental or public bodies or authorities or courts, required by the Issuer in connection with the execution, validity, enforceability of this Trust Deed or the performance of its obligations under this Trust Deed 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;

6.1.8 no default mentioned in this Trust Deed has occurred and is continuing.

7. EVENTS FOR ENFORCING THE COLLATERAL RIGHTS

7.1 The Trustee shall have the power and legal interest to file any legal proceedings or any other legal actions as the case may be, for the enforcement of the Collateral Rights notwithstanding that under the terms of this Trust Deed the Trustee is not the creditor of the principal debt or obligation arising from or acknowledged by the Bonds and the Collateral Rights.

7.2 The Trustee shall have the discretion to enforce any of the Collateral Rights on its own accord or upon receiving notice in writing from not less than 65% in value of the Bondholders qua primary beneficiaries and/or from the Corporate Advisor appointed under the Prospects MTF Rules and acting in its duty of care to the Exchange, the market and from the Bondholders that any of the Events of Default have occurred in accordance with the provisions of the Company Admission Document.

7.3 The Trustee shall have the discretion to postpone any sale of the Assets if the best value reasonably achievable for the Assets on the open market for the time being would not be considered a fair value in the opinion of the Trustee or in the opinion of any advisor appointed by the Trustee for the valuation of the Assets.

7.4 Notwithstanding anything contained in clause 7.2 above, the Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur. Until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that the Issuer, SHL and SPL are observing and performing all the obligations, conditions and provisions on their respective parts pursuant to the Company Admission Document, the Security Documents and this Trust Deed, as applicable.

8. THE TRUST PERIOD

8.1 The Trustee shall hold and administer the Trust Property until the termination date of the Trust Period in accordance with clause 8.2 below.

- 8.2 The Smartcare Security Trust shall terminate in any of the following events, whichever is the earliest:
- a. subject to the provisions of clause 4.3 hereof and pursuant to the issue of the Bonds in terms of the Company Admission Document, upon the Issuer repaying all amounts outstanding to the Bondholders in terms of the Company Admission Document in full and upon the Trustee receiving confirmation in writing to this effect from the Issuer and/or the MSE; or
 - b. after one hundred and twenty-five (125) years from the date hereof; or
 - c. on such earlier date as the Trustee shall declare in writing to be the date on which the Trust Period shall end, provided that such action: (i) is in accordance with the terms of Article 17 of the Trusts and Trustees Act (Chapter 331 of the laws of Malta), the Company Admission Document and the Pledge Agreements; and (ii) shall be preceded by the appointment by the Issuer and SPL of a new replacement security trustee at least thirty (30) days prior to the said date and the replacement appointment is duly announced by the Issuer on the market for as long as the Bonds remain admitted on any of the markets operated by the MSE.

9. PLACE OF ADMINISTRATION OF TRUST

- 9.1 The place of administration of the Smartcare Security Trust shall be in Malta or as decided from time to time by the Trustee, currently at the registered office of the Trustee.
- 9.2 All documents and acts relative to this Trust Deed shall be retained at the place of administration of the Smartcare Security Trust.

10. USE, CUSTODY, POSSESSION AND SALE OF THE ASSETS

- 10.1 The use and possession of the Assets shall be subject to the provisions of the Security Documents.
- 10.2 The Trustee shall, subject to any terms and conditions stipulated in the Security Documents, permit the Issuer, SHL and/or SPL, if and until the Collateral Rights shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, to hold and enjoy the Security Property and to make use thereof in line with the Issuer's, SHL's and/or the SPL's objectives.
- 10.3 Whenever the Trust Property requires to be registered in public or private registers, the Trustee shall apply for registration thereof:
- o in its capacity as Trustee/s of the Smartcare Security Trust; or
 - o in the name of the Trust; or
 - o in any other manner such as to reveal clearly the existence of the Smartcare Security Trust.

11. POWERS AND DISCRETIONS OF THE TRUSTEE

- 11.1 The Trustee shall have such powers and discretions as outlined in Schedule Four of this Trust Deed.

12. TRUSTEE'S REMUNERATION AND REIMBURSEMENT OF EXPENSES

- 12.1 Any Corporate Trustee hereof, or any other Trustee hereof being an advocate, solicitor, accountant or other individual or any person associated or in any way connected with the Trustee, being a person engaged in any profession or business shall be entitled to charge and be paid all usual professional

charges for business transacted, time expended and acts done by its firm or other firms in the same group of companies in connection with the trusts hereof, including acts which a trustee not being engaged in any profession or business could have done personally. Any such Corporate Trustee, or other firms in the same group, shall be entitled to transact any business on behalf of the Smartcare Security Trust or of any of the Beneficiaries, which it is authorised to undertake upon the same terms as would be made with an ordinary customer. Any such Corporate Trustee shall be entitled to retain, without accounting for, any commission or brokerage received by it or by other companies in its group in connection with any investment of trust money or any insurance effected by the Trustee and any interest credited to its firm or other companies in the group in respect of any trust money at any time temporarily held by his firm in any bank account.

12.2 The Trustee and any other Corporate Trustee of this Trust shall be entitled to charge remuneration in accordance with such Original Trustee or Corporate Trustee's standard scale of fees from time to time in force or their usual and proper charges applicable from time to time, whether this is on an ad-valorem basis or on a time-spent basis or both, and shall be empowered to pay such remuneration out of the Trust Property.

12.3 The Trustee shall be entitled to recover all out-of-pocket expenses properly incurred by the Trustee in connection with the Smartcare Security Trust from the Trust Property.

13. POWER OF APPOINTMENT OF NEW TRUSTEE

13.1 Any Trustee may resign as trustee by notice in writing to his co-trustees, and in the case of there being no other trustee, to the Issuer, SHL and SPL or, if impracticable or there are none to whom notice can be given, to the Beneficiaries or to the Trustee's duly appointed successor and the resignation shall take effect on delivery of the aforesaid notice. However, the duties, obligations and responsibilities of the outgoing Trustee shall not cease until the new Trustee is duly appointed and has received all the necessary information and documentation in relation to the Smartcare Security Trust.

13.2 If a Trustee dies, or being a corporation steps are taken for its winding up, or desires to be discharged from his office as Trustee hereof, or is made bankrupt or refuses or is unfit to act as Trustee or is incapable of acting as Trustee, then

- a. the continuing Trustee or Trustees, or if there are none,
- b. the Trustee or Trustees desiring to be discharged from the trusts hereof, or if there are none,
- c. the personal representatives or liquidator, as the case may be, of the last surviving or existing Trustee,
- d. the Primary Beneficiaries by extraordinary resolution thereof,

may in writing:

- o remove the Trustee that is in the process of winding up, desiring to be discharged, bankrupt, refusing or unfit to act or incapable of acting as Trustee; and/or
- o appoint one or more other persons, who may be resident or domiciled in any part of the world and may include the person exercising this power, to be a Trustee or Trustees of the Smartcare Security Trust in the place of the Trustee who is dead, dissolved, desiring to be discharged, bankrupt, refusing or unfit to act or incapable of acting as aforesaid.

13.3 The Trustee for the time being may from time to time in writing appoint another person or persons to be an additional Trustee or Trustees.

13.4 The number of Trustees shall consist of a minimum of one and a maximum of three.

13.5 Where a person for any reason ceases to hold office as a Trustee and such person (including his personal representatives or the liquidator as the case may be) reasonably apprehend that he is or may be or become liable, including a contingent liability and a fiscal liability of any nature whatsoever arising in any part of the world and,

a. such liability has been incurred or may be incurred by that person or his personal representatives or its liquidator in consequence of that person having been a Trustee of the Smartcare Security Trust; and

b. that person would have been entitled to discharge or reimburse himself/herself for the same out of the capital or income of the Trust Property if that liability had been discharged at a time when that person was still a Trustee,

the Trustee shall agree to indemnify or provide security to that person or his personal representatives or its liquidator out of the capital or income of the Trust Property against any such liability.

13.5.1 If for any reason the duty imposed by this sub-clause on the Trustee is unenforceable or otherwise invalid or ineffective the Trustees shall nevertheless have power, if in their discretion they think fit, to agree and to indemnify any such person or his personal representatives or its liquidator out of the capital or income of the Trust Property against such liability as aforesaid.

13.6 For the duration of the Trust Period, neither the Issuer nor SHL nor SPL shall have the power to remove the Trustee.

14. VARIATION OF TRUST INSTRUMENT AND TERMINATION OF TRUST

14.1 The Trustee may at any time during the Trust Period, by means of an instrument in writing, make any variation, alterations, deletions or additions to the provisions of this Trust Deed which they consider in their absolute discretion to be for the benefit of all or any one or more of the Primary Beneficiaries, or of the Residual Beneficiaries in case the right of Primary Beneficiaries has lapsed in terms of this Trust Deed.

Provided that this Power shall not be exercised in such a manner as to prejudice or invalidate any previous payment, transfer or application of or dealing with any income or capital of the Trust Property pursuant to the provisions of this Trust.

15. ACCOUNTABILITY AND BUSINESS INTERESTS OF TRUSTEES

15.1 Any Trustee and any officer or employee or any associates, affiliates, agents or delegates of a Corporate Trustee shall not by reason of its or his fiduciary position, as the case may be, be in any way precluded from entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer and may act as an officer, manager or employee of any company (or of a subsidiary of any company) the shares, debentures or securities of which form part of the Trust Property. Any such Trustee or Corporate Trustee, may retain for himself/herself/itself, without accounting for any remuneration, fees or profits which he or it may receive in consequence of such Trustee (or in the case of a corporate Trustee its officer or employee) acting as such officer, director, manager or employee of such company notwithstanding that any votes or other rights attached to such shares debentures or securities may have been instrumental either alone or in conjunction with other matters or by reason of their non-exercise in procuring or continuing for such Trustee (and for such officer or employee or connected company of a Corporate Trustee) his or its position as such officer, director, manager or employee or that his or its qualification for any such position may be constituted in part or in whole by any such shares debentures or securities.

15.2 The Trustee may in the execution of any of the trusts herein, or in exercise of any of the powers conferred on it by the Smartcare Security Trust or by law, sell property or lend money to, or buy property, or borrow money from, or carry out any other transaction with the trustees of any other trust or the executors or administrators of any estate, notwithstanding that the Trustee or any of them are, or is the same person or

persons as those trustees, executors or administrators or any of them and where the Trustee is the same persons as those trustees, executors or administrators the transaction shall be binding on all persons then or thereafter interested under the Smartcare Security Trust though effected and evidenced only by an entry in the accounts of the Trustee.

15.3 The power of Trustee/s under Paragraph 7 of Schedule Four hereto, to appoint professional advisors shall be allowed, notwithstanding that one or more of the Trustees or any officer or employee of a corporate Trustee is a partner, officer, member or employee of the said firm or company employed, appointed or retained and notwithstanding that (in the case of a corporate Trustee) the issued share capital of such Trustee is wholly or partially owned by or held in trust for such firm or company and no Trustee or officer or employee of a corporate Trustee shall be liable to account for any remuneration, profit, gain or advantage which may be directly or indirectly derived by any person from the employment of his said firm or company by the Trustee as aforesaid. Provided that the Trustee shall, in the execution of its duties and the exercise of its powers and discretions (particularly for the purposes of this sub-section), at all times and in all circumstances act with the prudence, diligence and attention of a bonus paterfamilias and in utmost good faith in order to avoid any conflict of interest.

15.4 The Trustee shall have the powers and discretions afforded to it by this Trust Deed, notwithstanding that any personal interest they may have in the mode or result of exercising any such power or discretion, but any of the Trustees may abstain from acting except merely as a formal party, in any matter in which he may be personally interested as aforesaid, and may allow a co-Trustee to act alone in the exercise of the powers and discretions aforesaid in relation to such matter.

16. EXONERATION, LIABILITY AND INDEMNITY OF THE TRUSTEES

16.1 In the execution of the trusts and powers hereof no Trustee shall be liable for any loss to the Trust Property arising in consequence of the failure, depreciation or loss of any investments made in good faith or by reason of any act or omission made in good faith or due to the use, enjoyment and operation of the Security Property by SPL, or of any other matter or thing, provided that nothing in this clause shall permit the Trustee to be exonerated from the effects of, or be indemnified for, its own fraud, willful misconduct or negligence.

16.2 Every discretion or power hereby conferred on the Trustee shall be an absolute and uncontrolled discretion or power, and no Trustee shall be held liable for any loss or damage occurring as a result of his concurring or refusing or failing to concur in an exercise of any such discretion or power.

16.3 In addition to any right to indemnity provided by law, every Trustee shall be entitled in the purported exercise of his or its duties and discretions hereunder to be indemnified out of the Trust Property against all expenses and liabilities notwithstanding that such exercise constituted a breach of such Trustee's duties unless brought about by his own actual fraud, willful default, reckless misconduct, negligence, or the actual fraud, willful default reckless misconduct or negligence of its directors, officers and/or employees, and such indemnity shall extend to the expenses and liabilities incurred by a Trustee in any legal proceedings notwithstanding that such proceedings shall be brought in respect of an alleged breach of duty by such Trustee unless it shall be established that such breach of duty was brought about by such Trustee's own actual fraud, willful misconduct or negligence or that of its directors, officers, and/or employees.

16.4 Subject to the foregoing, each Trustee shall be held harmless against any claims, losses, death duties, taxes and impositions arising in connection with the Trust Assets or any part thereof. This indemnity shall extend to former Trustees and to directors, officers, and employees of any Corporate Trustee. Without limiting the generality of the foregoing and subject to same, the Trustee/s is/are authorised to indemnify and to enter into any indemnity in favour of any former Trustee or other persons in respect of any contingent or prospective liability, including any tax in respect of the Trust Property or the income thereof, or otherwise in connection with the trusts created pursuant to this Trust Deed. The Trustee may, in the exercise of an absolute discretion, apply

the whole or any part of the Trust Property or the income thereof by way of mortgage, pledge or otherwise howsoever as security for such indemnity.

16.5 The Trustee shall be discharged from any further liability in respect of the whole or any part of the Trust Property which is not transferred to any person interested under this Trust or otherwise pursuant to the terms of the Trust.

16.6 While the Assets are in possession of SHL and/or SPL, as applicable, the Trustee shall not itself be required, but shall insist on regular reporting from each of SHL and/or SPL, as applicable, to check inventory, or monitor the state and condition of the Assets or the use and enjoyment of the Assets by SHL and/or SPL, as applicable. It shall be the duty of SHL and/or SPL, as applicable, to maintain the Assets. It shall be the sole duty and responsibility of SPL, as applicable, to ensure that any repairs and/or alterations (whether structural or otherwise) made to the Security Property are carried out in line with established standards and that any necessary permits and/or licences required are obtained.

16.7 The Issuer shall insure and keep insured the Trustee or shall pay an any additional premium which the Trustee may incur for any insurance taken out by it for any or all liabilities which it may incur in the performance of its functions under this Deed provided that any limit of indemnification set out in a professional indemnity insurance shall not in any way mean that the Trustee may only be indemnified up to the amount to which the cover is limited.

16.8 The Issuer, SHL and/or SPL shall indemnify the Trustee with respect to any claim against the Trustee arising out of or in connection with the use and operations of the Security Property, whether collectively or individually.

17. BENEFICIARIES AND ADDITIONAL BENEFICIARIES

17.1 The beneficiaries of this Trust shall be the Primary Beneficiaries and the Residual Beneficiaries, subject to the terms of this Trust Deed, as may be amended from time to time.

17.2 The Trustees shall have the power at any time during the Trust Period to add to the class of the class of Residual Beneficiaries, such one or more persons as the Trustees in their absolute discretion may determine.

17.3 Any such addition shall be made by virtue of a memorandum of decision by the Trustees and:

a. naming or describing the person or persons to be thereby added to the class of Beneficiaries;

and

b. specifying the date (not being earlier than the date of the declaration but during the Trust Period) from which such person or persons shall be so added;

17.4 The Trustees may, without prejudice to the terms of the Company Admission Document, at any time during the Trust Period revocably or irrevocably declare in writing that any person shall cease to be a beneficiary or shall cease to be capable of becoming a beneficiary, provided that no such declaration shall prejudice or invalidate any previous exercise by the Trustees of their powers in favour of that person. The beneficial interest of a Primary Beneficiary in terms of this Trust Deed shall terminate upon such time as a Bondholder is no longer registered in the register of Bondholders maintained by the CSD, or upon the redemption of the principal amount of the Bonds and payment of all interests thereunder, as the case may be.

18. THE RIGHT TO INFORMATION

18.1 The 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 on the Trust Documents of the Smartcare Security Trust to the Primary Beneficiaries and the Residual Beneficiaries, as well as to the Malta Stock Exchange and to the Court.

18.2 Upon the enforcement of any Collateral Rights, the Trustee shall keep accounting records, including the valuation of Trust Assets, prepared in accordance with generally accepted accounting principles, unless the Trustee feels that adherence thereto is considered inappropriate considering the circumstances of the case and the cost and benefit involved.

18.3 Subject to the provisions of the Laws of Malta and to any order of the court of the jurisdiction of the Proper Law the Trustee shall not be obliged to disclose to the Primary Beneficiaries and Residual Beneficiaries or any other person having any interest in the Trust Settlement or any other person whatsoever:

a. any document disclosing the deliberations of the Trustee as to the manner in which they have exercised a power or discretion or performed a duty conferred or imposed upon them; or

b. any document disclosing the reason for any particular exercise of a power or discretion or performance of a duty or the material upon which such reason shall or might have been based;

or

c. any document relating to the exercise or proposed exercise of any power or discretion or the performance or proposed performance of any duty.

For the avoidance of any doubt, the abovementioned documents in points a. to c. shall not be considered as trust documents, subject to disclosure.

19. EFFECTIVE DATE OF TRUST

19.1 This Trust Deed shall take effect on the day the Trustee, the Issuer, SHL and SPL sign this Trust Deed.

20. JURISDICTION AND PROPER LAW

20.1 The proper law of this Trust Deed shall be the laws of Malta, which laws shall govern its validity, interpretation, administration and effects.

20.2 The Courts of Malta shall be the exclusive forum and shall have exclusive jurisdiction in relation to any dispute or litigation relating to the Smartcare Security Trust.

21. CHANGE OF JURISDICTION

21.1 If the Trustee has reason to believe that fiscal, social, political, military or other developments within the Maltese jurisdiction are likely to adversely affect the administration of the Smartcare Security Trust, then the Trustee may, in accordance with Article 5(3) of the Trusts and Trustees Act, change the proper law governing the Trust to be changed to that of another jurisdiction and shall, if necessary or desired:

a. appoint a successor trustee in a different jurisdiction;

b. declare that this Trust shall be governed by and take effect in accordance with the law of some other jurisdiction and the Proper Law referred to in Clause 20 shall from that date be changed accordingly;

c. change the applicable forum;

d. make such consequential alterations or additions in or to the trusts, powers and provisions of the Smartcare Trust as the Trustee may consider necessary or desirable to ensure that the trusts, powers and

provisions of this trust shall be, mutatis mutandis, as much valid and effective as possible as they are at the date hereof under the laws of Malta, or insofar as the terms of this Trust Deed under the laws of Malta would be too onerous or incompatible with the new governing law.

22. GENERAL

22.1 Notwithstanding anything to the contrary expressed or implied in any other provision of this Trust Deed, none of the provisions, powers, discretions or authorities conferred by this Trust Deed shall at any time be exercisable in such a manner as to infringe any provision of the Proper Law for the time being, and in the event that any such provision, power, discretion or authority shall not be valid in terms of the law, such clause shall insofar as it is capable in terms of law of being separated and severed, be so severed and separated from the rest of the Trust Deed provisions and shall not affect the validity of this Trust Deed or of the other provisions of the said Trust Deed.

EXECUTED by for and on behalf of the Trustee on the day of 2019

in the presence of

Witness:

Name:

Address:

Occupation:

Signature:

EXECUTED by for and on behalf of the Issuer on the day of 2019

in the presence of

Witness:

Name:

Address:

Occupation:

Signature:

EXECUTED by for and on behalf of SHL on the day of 2019

in the presence of

Witness:

Name:

Address:

Occupation:

Signature:

EXECUTED by for and on behalf of SPL on the day of 2019

in the presence of

Witness:

Name:

Address:

Occupation:

Signature:

SCHEDULE ONE – “TRUST PROPERTY”

- The Initial Property
- Any Future Property which shall be settled into the Smartcare Security Trust, including, but not limited to the Collateral Rights which will be held by the Trustee in its capacity as trustee of the Smartcare Security Trust, at any time during the term of the Smartcare Security Trust

SCHEDULE TWO – PRIMARY BENEFICIARIES

- the Bondholders

SCHEDULE THREE – RESIDUAL BENEFICIAIRES

- The Issuer
- SHL
- SPL

SCHEDULE FOUR – POWERS AND DISCRETIONS OF THE TRUSTEE

1. The Trustee may employ and remunerate any nominee, valuer, agent, adviser or delegate, for any period and on any terms and to charge any expenses to capital or income or both, without being liable for the acts or defaults of any such nominee, agent, adviser or delegate appointed in good faith, provided that nothing in this clause shall permit the Trustee to be exonerated from the effects of, or be indemnified for, its own fraud, willful misconduct or negligence.

2. The Trustee shall be empowered to release any of the Collateral Rights as it deems fit, and/or, take in settlement any other rights, interests, assets, funds and/or property in their stead, in accordance with Clause 4 of the Smartcare Security Trust, whilst adhering to and maintaining its fiduciary obligations towards the Primary Beneficiaries.

3. The Trustee shall be empowered to lend and advance the whole or any part of the capital of the Trust Property, if any, to any of the Residual Beneficiaries, either free of interest or at such rate of interest as the Trustee may decide, with or without security for repayment, and generally on such terms as to repayment and otherwise as the Trustee thinks fit.

4. The Trustee shall be empowered to guarantee and to secure the obligations of any of the Residual Beneficiaries or of companies in which the Residual Beneficiaries have an interest, with or without security, and generally on such terms as the Trustee thinks fit. However, the Trust Property may not be utilised as collateral for any purpose whatsoever, saving the collateral granted in favour of the Bondholders hereon.

5. The Trustee shall be empowered to permit any of the Residual Beneficiaries to occupy, use or enjoy any moveable or immovable property which is part of the Trust Property upon any terms or conditions whatever which the Trustee thinks fit but such permission shall in each case be revocable at any time by the Trustee unless the Trustee has in writing declared otherwise.

6. In the administration of the Trust Property, in addition to all powers and discretions granted to them by virtue of this Trust Deed, the Trustees shall have all other additional powers and discretions conferred on them by the Proper Law of the Trust that are not specifically excluded in this Trust Deed.

7. In administration of the Trust, in addition to all powers and discretions granted to them by this Trust Deed, the Trustee shall have the widest administrative powers that are lawfully capable of being conferred on the Trustee in their capacity as Trustee of this Trust to the same effect as if such powers were expressly conferred on them by this Trust Deed and shall have the widest power of effecting any transaction whatsoever, including any sale, exchange, assignment, grant, lease, rent, let, charge, pledge, any type of hypothec, mortgage or charge, loan, release or other disposition, purchase, acquisition, borrowing, guarantee, covenant, contract, licence, exercise or renunciation of options or rights, suing or compromising claims by or against the Trust Property, partition, appropriation, insurance, expenditure or incorporation of corporate bodies which are lawfully capable of being conferred on the Trustee.

8. The Trustee shall have, in addition and without prejudice to all other powers conferred on them by this Trust or any enactment or the general law, the following powers exercisable at their discretion in respect of the Trust Property and each and every part thereof:

Power in respect of assets forming part of the Trust Property:

- to sell the same to any Beneficiary or grant to any Beneficiary an option to purchase the same;
- to sell or grant options to purchase the same on terms under which the price is payable to the Trustee by installments;
- otherwise to manage and deal with the same in the same unrestricted manner as if the Trustee were the absolute beneficial owners thereof and shall have all the powers of a natural person having the absolute title to such property;

9. Power to cause or permit any company, the shares or securities whereof are comprised in the Trust Property, to retain the whole or any part of its income undistributed notwithstanding that the effect of such retention may be to benefit those interested in capital at the expense of those interested in income and so that (whether or not the Trustee has a controlling interest in any such company) the Trustee shall not be under any obligation to take any step to remove directors of any such company who recommend such retention of the company's income and if any Trustee is a director thereof he may recommend such retention;
10. Power to permit any funds and investments forming part of the Trust Property to be held in any part of the world by or in the name or names of any nominee or nominees of the Trustee on such terms (if any) as to execution of blank transfers or declarations of trust and as to custody of the documents of title relating to such investments or property and otherwise as the Trustee may think fit and so that (but without prejudice to the generality of the foregoing) this power may be exercised for the purpose of qualifying any nominee (including any Trustee) to act as a director of any company;
11. Power without any restriction to borrow money in connection with and for any purpose connected with the trusts on which the Trust Property is held including power to borrow for the purpose of acquiring investments as additions to the Trust Property;
12. Power for the purpose hereof (including the purpose of providing security for the repayment of any money borrowed), but subject to the terms of this Trust Deed, to mortgage, charge, pledge, guarantee or hypothecate any investments, immovable or movable property comprised in the Trust Property and to vary the terms of any such mortgage charge, pledge or hypothecation to the like extent and in the same unrestricted manner as if the Trustee were the absolute beneficial owner thereof;
13. Power to purchase, effect or acquire by any other means, insurance policies, whether covering trust assets or property or covering sickness, accident or death or liability insurance, and in the case of life policies whether they are term or endowment or sinking fund policies or any other kind and annuities perpetual or terminable and for lives or any other periods;
14. Power in relation to any insurance policy held by the Trustee to make such arrangements for the payment of premiums or any premium thereon and at the expense of the trust income or trust capital or otherwise as they may think fit, and power to surrender, exchange, sell, charge or otherwise deal with the same in the same unrestricted manner as if they were the absolute beneficial owners thereof;
15. Power to guarantee the payment of money and the performance of obligations and to give indemnities to or on behalf of any persons in any form the Trustee think fit if the Trustees in their discretion consider that the giving of such guarantee or indemnity is for the benefit of the Trust or any Primary Beneficiary or Residual Beneficiary;
16. Power to agree to any scheme for the amalgamation or reconstruction of any company in which securities are held by the Trustee or any other scheme relating to any such company;
17. Power to obtain or join with others in obtaining from any Stock Exchange a quotation for, or permission to deal in, any securities which or some of which are comprised in the Trust Property and to sell or join with others in selling or disposing of any securities with a view to creating a market in such securities whether or not a sale or disposition would on any other ground be desirable or expedient;
18. Power at any time or times to accept any offer of and take up:
- a. any bonus shares or other securities whatsoever, proposed to be issued or offered for issue to the Trustee on any capitalisation of profits or reserves; and
 - b. any rights to the allotment or issue of any securities offered to the Trustee as holder of any other securities with full power to subscribe for and pay for all securities issued pursuant thereto and to sell the rights to allotment or issue of such securities;

19. Power to, without the consent of any person, appropriate any part of the Trust Property in its actual state of investment in or towards satisfaction of the whole or any part of any share therein which has at any time become absolutely vested in any person of which ought in the opinion of the Trustee for any reason to be distinguished or separated from any other part or parts of the Trust Property and so that:

- a. in making any such appropriation the Trustee may itself estimate the value of any component part of the Trust Property or may employ such person to make such valuations as they may select or think fit; and
- b. any appropriation so made shall be final and binding on all persons claiming under the trusts hereinbefore declared in respect of the Trust Property;

20. The Trustee is empowered to pay out of the capital or income of the Trust Property any taxes of any kind which become payable anywhere in the world in respect of the income and / or capital of the Trust Property either by the Trustees or any other person who has transferred assets to this Trust or by any of the Primary Beneficiaries or Residual Beneficiaries notwithstanding that the payment of taxes may be prejudicial to one or more of the Beneficiaries.

21. The Trustee may employ, appoint or retain any firm or company to provide professional, legal, tax, financial, investment, administrative or other services and advice to the Trustees in connection with the execution, administration and management of this Trust (including any acts or matters which could be performed by the Trustees personally) upon such terms as to remuneration and otherwise as the Trustees may in their absolute discretion think fit.

22. Subject to the provisions of Article 21(7) of the Trusts and Trustees Act, the Trustee shall have the power to rely on the advice, opinion, direction, report, statement, certificate, or other information furnished by any lawyer, broker, surveyor, valuer, accountant, auditor, architect, engineer or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer 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, provided that nothing in this clause shall permit the Trustee to be exonerated from the effects of, or be indemnified for, its own fraud, willful misconduct or negligence. The 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.

23. The Trustee may exercise or omit to exercise all or any of the powers granted by this Trust Instrument, by law and by the exercise of this Clause in its absolute and unfettered discretion.

Provided that, the Trustee in terms of Article 37 of the Trusts and Trustees Act, may apply to the court for directives with respect to the manner in which the trustee is to act or should act in connection with any matter concerning the Smartcare Security Trust.

24. The Trustees may delegate to any person, including to any one or more of the Trustees, at any time and for any period in any manner and upon any terms, including remuneration, all or any of the powers conferred upon the Trustees by this Trust Instrument or by law without being liable for the acts or defaults of any delegate, provided that nothing in this clause shall permit the Trustee to be exonerated from the effects of, or be indemnified for, its own fraud, willful misconduct or negligence.

25. All or any of the powers and discretions conferred on the Trustee by this Trust Instrument may be exercised by a majority in number of the Trustees, in the case that there is more than one Trustee, after consultation so far as may be practically possible in the particular circumstances of the case between all the Trustees.

26. The Trustee may at any time, with the prior written consent of the Malta Stock Exchange for as long as the Bonds are admitted to any of the markets operated by the said Exchange, in writing extinguish, modify, release or restrict the exercise of any of the powers conferred on him/them by this Trust Instrument (including a power of appointment) or by law.

ANNEX F – Pledge Agreement

This Pledge of Shares agreement (hereinafter referred to as the “Agreement”) is made on the [-] 2019

between

GVZH Trustees Limited in its capacity as trustee of the Smartcare Security Trust, a limited liability company registered under the laws of Malta, bearing company registration number C 23095 and having its registered office situated at 192, Old Bakery Street, Valletta VLT 1455, Malta (hereinafter referred to as the “Pledgee”);

AND

Smartcare Holdings Ltd, a private limited liability company incorporated under the laws of Malta, bearing company registration number C 90121 and having its registered office situated at 326, Mdina Road, Qormi, Malta (hereinafter referred to as the “Pledgor”);

AND

Smartcare Pinto Ltd, a private limited liability company registered and existing under the laws of Malta with company registration number C 86395 and having its registered office situated at 326, Mdina Road, Qormi, Malta (hereinafter referred to as the “Company”);

AND

Smartcare Finance plc, a public limited liability company registered and existing under the laws of Malta with company registration number C 90123 and having its registered office at 326, Mdina Road, Qormi, Malta (hereinafter referred to as the “Issuer”);

hereinafter collectively referred to as the “Parties” or individually as a “Party”.

WHEREAS:

(A) The Company has, as at the date hereof, an authorised share capital of one thousand, two hundred (1,200) Ordinary shares all of which are issued. The aforesaid 1,200 Ordinary shares of one Euro each (€1) are fully paid up and issued in the capital of the Company subscribed by and registered in the name of the Pledgor (hereinafter referred to as the “Pledged Shares”);

(B) The Issuer intends to make an offer for subscription to the issue of five million Euro (€5,000,000) worth of secured bonds 2029 of a nominal value of one hundred Euro (€100) per bond to be issued at par, pursuant to and in terms of the company admission document dated 28 May 2019 (hereinafter the “Company Admission Document”). The €5,000,000 bonds to be issued by the Issuer shall be due for redemption on 5 June 2029 and shall bear interest at the rate of 5% per annum payable annually in arrears on 5 June of each year until the redemption date, with the first interest payment falling due on 5 June 2020. The nominal value of the bonds will be repayable in full at maturity on 5 June 2029 (hereinafter the “Bonds”);

(C) In terms of the Company Admission Document, partial security for the fulfilment of the Issuer’s Obligations (as defined below) in terms of the Bond Issue is to be granted in favour of the Pledgee in its capacity as trustee of the Smartcare Security Trust (as defined below) for the benefit of Bondholders by way, amongst other security, of the granting of the pledge over the Pledged Shares contemplated herein, which pledge will secure the claim of the Pledgee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Bonds in accordance with the terms of the Company Admission Document;

(D) On [-] 2019, the Issuer, the Pledgor, the Company and the Pledgee, entered into a security trust deed (hereinafter the “Trust Deed”) in connection with the granting of the security referred to in preamble (C) above, including, therefore, the pledge over the Pledged Shares contemplated herein, in virtue of which the parties thereto established the Smartcare Security Trust (hereinafter the “Smartcare Security Trust”). In terms of the Trust Deed, the Pledgee is to hold property on trust, including the Pledged Shares, as security for the due and

punctual payment by the Issuer to the Bondholders for the repayment of the amount of the principal and interest under the Bonds by a preferred claim over the Collateral Rights in terms of clause B.4 of the Company Admission Document;

(E) Thus, the Pledgor has agreed to enter into this Agreement with the Pledgee as security for the payment and performance of the Issuer's Obligations (as defined below) subject to the terms of this Agreement and to undertake all such acts and things as are required to validly create the Pledge, in accordance with the terms of this Agreement, including to procure the delivery of the share certificates and other documents (evidencing title) in respect of the Pledged Shares to the Pledgee;

(F) The Parties are, therefore, entering into this Agreement in order to establish and regulate the terms and conditions under which the pledge of the Pledged Shares shall take place and under which the release and termination of such pledge shall be affected.

NOW, THEREFORE, it is hereby agreed as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires and in addition to the definitions set out in the preambles above, the following definitions shall apply where the following terms are used in their capitalised form:

1.1.1 "Bondholder/s" means a holder of Bonds in terms of the Company Admission Document;

1.1.2 "Corporate Advisor" shall mean Calamatta Cuschieri Investment Services Limited a limited liability company registered under the laws of Malta with company registration number C 13729, having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara, BKR 9034, Malta;

1.1.3 "CSD" means the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;

1.1.4 "Smartcare Security Trust" means the trust established in virtue of the Trust Deed (as defined below);

1.1.5 "Event of Default" means an event of default construed in accordance with clause 14 of this Agreement;

1.1.6 "Interest Payment Date/s" means annually, on the [-] of each year commencing on the [-] and ending with and including the Redemption Date, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;

1.1.7 "Issuer's Obligations" means the Issuer's obligations to repay interest and capital in respect of the Bonds in terms of the Company Admission Document;

1.1.8 "Pledge" means the pledge over the Pledged Shares as created under this Agreement;

1.1.9 "Company Admission Document" the company admission document dated [-] 2019 with respect to the issue of €5,000,000 5% Secured bonds 2029 by the Issuer;

1.1.10 "Redemption Date" means [-] 2029; and

1.1.11 "Secured Obligations" means the obligations of the Issuer for the repayment of the principal and interest under the Bonds to Bondholders in terms of the Company Admission Document.

1.2 In this Agreement reference to the Parties includes reference to their lawful successors and assigns, except in the case of the Pledgor which is prohibited (except as otherwise provided herein) to assign this Agreement without the prior written consent of the Pledgee.

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 Unless the context otherwise requires, words and expressions not otherwise defined in this Pledge Agreement shall bear the same meanings as in the Company Admission Document.

2. PLEDGE

2.1 The Pledgor hereby pledges to the Pledgee, which accepts, the Pledged Shares as security for the due and punctual performance of the Issuer's Obligations. In constitution of the Pledge, the Pledgor is contemporaneously delivering the share certificates relating to the Pledged Shares to the Pledgee, which accepts to hold the said shares and certificates under the terms hereof. The parties hereto are entering into this Agreement to regulate the said Pledge.

2.2 It is expressly agreed that the Pledge is being granted by the Pledgor to the Pledgee as partial security for the Issuer's Obligations.

2.3 The Pledge confers upon the Pledgee the right to obtain payment out of the Pledged Shares 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 Article 2009(a) of the said Code, as well as the right of retention over the said shares which entitles the Pledgee to retain the benefits of this Agreement until such time as the Secured Obligations have been settled in full. The Pledge is also regulated by Article 122 of the Companies Act, Chapter 386 of the laws of Malta.

2.4 Subject to Clause 6 of this Agreement, the Pledge shall extend to and include all dividends and all shares (and the dividends in respect thereof), rights, monies or other property accruing or offered at any time by way of redemption, substitution, bonus, preference, option or otherwise to or in respect of any of the Pledged Shares and all allotments, accretions, offers and other rights, benefits and advantages whatsoever at any time accruing, made, offered or arising in respect of any of the Pledged Shares.

2.5 Nothing in this Agreement shall be construed as placing on the Pledgee, prior to the eventual disposal or appropriation of the Pledged Shares, any liability whatsoever in respect of any calls, instalments or other payments relating to any of the Pledged Shares or to any rights, shares or other securities 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 or any of them, payments made by it, and costs, expenses, damages, losses or other liabilities incurred or suffered by it or any of them at any time in respect of any such calls, instalments or other payments as aforesaid.

2.6 Further to the provisions of sub-clause 2.5 above, it is hereby understood that nothing in this Agreement shall be construed as placing on the Pledgee any payment obligations or responsibilities to Bondholders under the Bonds, which remain exclusively the obligations and responsibilities of the Pledgor / the Issuer, as applicable, in terms of the Company Admission Document.

2.7 The Pledge is in addition to and independent of any other security which the Pledgee may hold at any time for any or all of the Issuer's Obligations.

3. REPRESENTATIONS AND WARRANTIES

3.1 The Pledgor represents and warrants to the Pledgee that:

- (a) the Pledgor is an entity duly incorporated and validly existing under the laws of Malta and has the power to own their assets and carry on their business as it is being conducted;
- (b) it is the sole owner of the Pledged Shares and the Pledged Shares are free from all and any encumbrances other than the charge created as a result of this Agreement;
- (c) the Pledgor has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery of, this Agreement;
- (d) this Agreement constitutes legal, valid and binding obligations enforceable in accordance with its terms;
- (e) all authorisations, regulatory approvals and third-party consents required or advisable in connection with the entry into, performance, validity and enforceability of the Pledge have been obtained or effected and are in full force and effect;
- (f) the entry into and performance by the Pledgor of, and the transactions contemplated by, the Pledge do not and will not:
 - (i) conflict with any law or regulation or judicial order; or
 - (ii) conflict with the documents of constitution of the Pledgor; or
 - (iii) conflict with any document which is binding upon the Pledgor or any of its assets;
- (g) other than in accordance with this Agreement, including but not limited to clause 6 hereof, the Pledgor no longer enjoys any right to dispose of any of the Pledged Shares nor any rights to enjoy any dividends, capital or other distribution, nor the right to redeem the Pledged Shares or any other rights arising in connection with or from the Pledged Shares;
- (h) all rights arising from or in connection with the Pledged Shares are exercisable in the interest of the Pledgor and the Pledgee strictly in accordance with the terms of this Agreement and the Company Admission Document;
- (i) this Agreement and all the terms and obligations herein contained are valid and binding on the Pledgor and there exist no limitations in any agreement to which the Pledgor is a party or in any applicable law which would hinder the performance of any of the obligations of the Pledgor hereunder; and
- (j) for the purposes of EU Regulation 2015/848 of 20th May 2015 on Insolvency Proceedings (hereinafter referred to as the "Regulation"), the center of main interest of the Pledgor (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation.

3.2 The Pledgor also represents and warrants to and undertakes in favour of the Pledgee that the foregoing representations and warranties in sub-clause 3.1 above will be true and accurate throughout the duration of this Agreement with reference to the facts and circumstances subsisting from time to time.

3.3 The Issuer represents and warrants to the Pledgee that:

- (a) the Issuer is an entity duly incorporated and validly existing under the laws of Malta and has the power to own their assets and carry on their business as it is being conducted;
- (b) the Issuer has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery of, this Agreement;
- (c) the entry into and performance by the Issuer of, and the transactions contemplated by, the Pledge do not and will not:

- (i) conflict with any law or regulation or judicial order; or
- (ii) conflict with the documents of constitution of the Issuer; or
- (iii) conflict with any document which is binding upon the Issuer or any of its assets;
- (d) this Agreement and all the terms and obligations herein contained are valid and binding on the Issuer and there exist no limitations in any agreement to which the Issuer is a party or in any applicable law which would hinder the performance of any of the obligations of the Issuer hereunder; and
- (e) for the purposes of EU Regulation 2015/848 of 20th May 2015 on Insolvency Proceedings (hereinafter referred to as the “Regulation”), the center of main interest of the Issuer (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation.

3.4 The Company represents and warrants to the Pledgee that:

- (a) the Company is an entity duly incorporated and validly existing under the laws of Malta and has the power to own their assets and carry on their business as it is being conducted;
- (b) the Company has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery of, this Agreement;
- (c) the Company has not issued or granted or resolved or agreed to issue or grant any option or other right to subscribe for or acquire any additional shares or stocks to any person;
- (d) the entry into and performance by the Company of, and the transactions contemplated by, the Pledge do not and will not:
 - (i) conflict with any law or regulation or judicial order; or
 - (ii) conflict with the documents of constitution of the Issuer; or
 - (iii) conflict with any document which is binding upon the Issuer or any of its assets;
- (e) this Agreement and all the terms and obligations herein contained are valid and binding on the Issuer and there exist no limitations in any agreement to which the Issuer is a party or in any applicable law which would hinder the performance of any of the obligations of the Company hereunder; and
- (f) for the purposes of EU Regulation 2015/848 of 20th May 2015 on Insolvency Proceedings (hereinafter referred to as the “Regulation”), the center of main interest of the Company (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation.

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 Pledged Shares 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 Pledged Shares or suffer to exist any encumbrance on the Pledged Shares except the Pledge constituted in terms of this Agreement;
- (c) that it will not request the repurchase of the Pledged Shares by the Company without the prior written consent of the Pledgee, to be granted in the Pledgee’s sole and absolute discretion;

(d) that it will notify, or consent to the Pledgee notifying, the Malta Registrar of Companies of the Pledge by filing the statutory notice [Form T(2)] in the form set out in Annex 1 to this Agreement immediately upon the execution of this Agreement;

(e) that it will not grant in favour of any other person any interest in or any option or other rights in respect of any of the Pledged Shares;

(f) that it will at all times remain the legal owner of the Pledged Shares;

(g) that if it shall subscribe for, be allotted or otherwise acquire any such other shares in the Company at any time and from time to time after the date hereof, it shall forthwith deliver or procure that there be delivered to the Pledgee the relevant share certificates together with the undated signed share transfer instrument/s (in the form set out in Annex 4 to this Agreement) executed in blank in respect thereof, as well as a certified true copy of an extract of the register of members of the Company confirming that the Company has recorded the pledge of such shares on the same terms as those in this Agreement. In addition, it shall forthwith also deliver to the Pledgee an executed Additional Pledge Agreement in the form set out in Annex 5 to this Agreement under the terms of which it will pledge such further shares as further security for the Secured Obligations;

(h) to ensure that the Pledge will be recorded in the register of members of the Company and that any share certificates issued throughout the duration of this Agreement and any entry in the register of members of the Company on the Pledged Shares will have an annotation referring to the Pledge in the form set out in Annex 2 to this Agreement;

(i) that itself, the Issuer and the Company will obtain and maintain in full force and effect all Maltese governmental and other regulatory approvals and consents and do or cause to be done all other acts and things necessary or desirable in connection herewith or for the performance of their obligations hereunder;

(j) that it shall not take or omit to take any action which will or might impair the value of the Pledged Shares;

(k) that in the event of the nomination of any new directors to the Company by the Pledgor, the Pledgor or any one of them shall procure the delivery of an undated resignation letter from such director/s to the Pledgee (in the form set out in Annex 3 to this Agreement); and

(l) to procure that no amendment or supplement is made to the Company's Memorandum or Articles of Association which would have a material adverse effect on the performance by the Pledgor of its obligations under this Agreement or on the rights and remedies of the Pledgee under this Agreement.

4.2 The Pledgor hereby delivers to the Pledgee, which confirms receipt thereof under the terms of this Agreement, the following:

(a) all existing share certificates in respect of the Pledged Shares, duly annotated in the form set out in Annex 2 to this Agreement;

(b) undated letters of resignation of the directors of the Company appointed by the Pledgor in the form set out in Annex 3 to this Agreement;

(c) undated share transfer instrument/s in respect of the Pledged Shares signed by the Pledgor, as transferor, in the form set out in Annex 4 to this Agreement, and

(d) a certified true copy of an extract of the register of members of the Company confirming that the Company has recorded the pledge of the Pledged Shares in terms of this Agreement.

5. TERMINATION AND RELEASE OF PLEDGE

5.1 It is agreed that the Pledge is a continuing security for the due and punctual payment of the Issuer's Obligations, and subject to the terms of this Agreement, the Pledge may only be terminated in terms of sub-clause 5.2 hereunder or by the Pledgor and the Pledgee in writing.

5.2 On final and full settlement of the Issuer's Obligations to the satisfaction of the Pledgee and pursuant to the terms of the Company Admission Document and the Trust Deed, the Pledgee shall:

(a) agree to terminate this Agreement and shall release all documents held by it hereunder to the Pledgor and the annotation of the share certificates shall be cancelled and this for no consideration other than the refund of expenses incurred and fees due for carrying out its obligations hereunder and in accordance with this Agreement;

(b) on a specific request in writing made by the Pledgor, file the necessary notification [Form T(3)] at the Registry of Companies in accordance with the Companies Act.

5.3 Notwithstanding the provisions of sub-clause 5.2 above, the Pledgee is entitled to retain this Pledge and decline to release it, even if the Issuer's Obligations shall have been paid in full, until such time as it is satisfied that any payment or settlement of the Issuer's Obligations will not be challenged or avoided at any time (whether as a preference or otherwise), provided, however, that the Pledgee shall not unreasonably withhold such release unless it has reason to believe that the Company is, at the time of such repayment of the Issuer's Obligations, likely to be dissolved by reason of insolvency. For all good intents and purposes, it is being expressly agreed that any release of this Pledge is subject to the condition that any payment towards the Secured Obligations shall not be reversed, revoked or declared null at any time.

6. VOTING POWER, DIVIDENDS AND ANCILLARY RIGHTS

6.1 Prior to the issue of a Notice of Default (as hereinafter defined) by the Pledgee to the Pledgor, the rights pertaining to the Pledged Shares shall be exercised as follows:

VOTING

(i) The Pledgor may continue to exercise all voting and/or consensual rights and powers pertaining to the Pledged Shares or any part thereof for all purposes; PROVIDED THAT the Pledgor undertakes not to exercise any of its voting rights or powers in a manner which negatively prejudices the interests of the Pledgee.

DIVIDENDS

(ii) Subject to applicable limitations emanating from the Company Admission Document, all dividends due on the Pledged Shares shall be paid to and shall be receivable by the Pledgor.

CAPITAL DISTRIBUTIONS

(iii) All capital distributions paid on the Pledged Shares upon the reduction of capital or redemption of any Pledged Shares shall be received by the Pledgor.

NOTICES OF MEETINGS

(iv) All notices of meetings required by Maltese law and the Articles of the Company shall also be sent to the Pledgee.

Without prejudice to the rights and remedies of the Pledgee under clause 9 below, upon the issue of a Notice of Default (as hereinafter defined) by the Pledgee to the Pledgor, the Pledgee shall immediately be vested with all rights pertaining to the Pledgor under the Pledged Shares and, in particular, without prejudice to the generality of the foregoing:

(i) all dividends due on the Pledged Shares shall be paid to and shall be received by the Pledgee which shall apply the same in accordance with the terms of the Smartcare Security Trust;

(ii) all voting and other rights and powers attaching to the Pledged Shares shall vest in their entirety in the Pledgee, and the Pledgee shall exercise such powers for the purposes of, and in accordance with, the terms of the Pledge;

(iii) all capital distributions paid on the Pledged Shares upon any reduction of capital or redemption of any Pledged Shares shall be received by the Pledgee which shall apply the same in accordance with the terms of the Trust Deed and the Company Admission Document; and

(iv) all notices of meetings required by Maltese law and/or the Company's memorandum and articles of association shall be sent to the Pledgee which shall have the right to attend and vote at same itself.

6.2 Subject to the terms of this Agreement, upon the issue of a Notice of Default (as hereinafter defined) by the Pledgee to the Pledgor and in so far as it is necessary and for the purposes of conducting business at any general meeting of the Company, the Pledgor irrevocably confers on the Pledgee, which accepts, the rights to receive and waive notice of, attend and vote at any meeting of the Company in respect of the Pledged Shares held by the Pledgor and, the Pledgor irrevocably recognizes these rights of the Pledgee.

6.3 The non-exercise or partial exercise by the Pledgee of any of its rights, powers or remedies under this Agreement, even after a Notice of Default has been issued, shall not imply or operate as a waiver thereof on the part of the Pledgee and the granting of any new authorizations or permissions to the Pledgor by the Pledgee after any Event of Default (as hereunder defined) has taken place shall not operate as a waiver of any right or remedy hereunder nor shall it preclude any other or further exercise thereof.

6.4 The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

7. RESERVED MATTERS

7.1 It is agreed that, with effect from the effective date of the Pledge, any resolution of the Company on any of the following matters shall require the consent of the Pledgor and the Pledgee:

- a. the sale of assets of the Company;
- b. the liquidation of the Company;
- c. the merger or amalgamation of the Company;
- d. the reduction of capital in the Company;
- e. any change in the share capital structure of the Company;
- f. any amendment or change to the Memorandum or Articles of Association of the Company; and/or
- g. the creation of any encumbrance over the Pledged Shares.

PROVIDED THAT after the issue of a Notice of Default (as hereunder defined), the Pledgee may act alone without the consent of the Pledgor even on the above matters.

8. RESPONSIBILITY FOR COMMERCIAL OPERATIONS

8.1 Pledgor's Duties

It is agreed that until such time as there is an Event of Default (as hereunder defined) and a Notice of Default (as hereunder defined) is sent by the Pledgee to the Pledgor, as well as after such events, the Pledgor shall be fully responsible for the continuing commercial operations of the Company and shall ensure that all agreements and laws binding the Company shall be fully and faithfully observed through the Board of Directors of the Company. Without prejudice to its rights hereunder, the Pledgee shall under no condition be responsible for the commercial operations of the Company.

8.2 Pledgee's Duties

The powers conferred on the Pledgee hereunder are solely to protect its interest in the Pledged Shares in its capacity as trustee of the Smartcare Security Trust and shall not impose any duty upon it to exercise any such powers. Except for the accounting for moneys actually received by it hereunder, the Pledgee shall have no duty as to any Pledged Shares as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters in connection with any Pledged Shares (whether or not the Pledgee has or is deemed to have knowledge of such matters), or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Pledged Shares. The Pledgee shall exercise reasonable care in the preservation of the Pledged Shares and the Pledgee shall be deemed to have exercised reasonable care in the preservation of any Pledged Shares in its control if such Pledged Shares are accorded treatment substantially equal to that which the Pledgee accords its own property.

9. REMEDIES

9.1 On notice (by judicial act or otherwise as required or permitted by Maltese law) being sent by the Pledgee to the Pledgor stating that an Event of Default (as defined below) has occurred and setting out the Event of Default (hereinafter referred to as the "Notice of Default"), the Pledgee may exercise in relation to any and all of the Pledged Shares all the rights and remedies possessed by it under this Agreement, the Company Admission Document, the Smartcare Security Trust or granted to it by law or otherwise for the benefit of the Bondholders, and in particular, may:

- (i) exercise all rights relating to the Pledged Shares without limitation, including appointing proxies, calling meetings, removing directors by dating the letters of resignation, approving or otherwise accounts, increasing or reducing capital, purchasing or selling assets, declaring dividends, undertaking or repaying loans or other indebtedness and other actions which in its sole and absolute discretion is deemed necessary to preserve the value of the Pledged Shares;
- (ii) appoint directors and officers of the Company;
- (iii) dispose of or appropriate and acquire the Pledged Shares in accordance with the provisions of the Companies Act; and/or
- (iv) apply to the Courts for the judicial auction of the Pledged Shares in accordance with the applicable law.

These 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 its rights and the rights and interests of the Bondholders.

9.2 The Pledgor shall vote, in any applicable case, to ensure that the Company observes all formalities and other time limits set by the Companies Act.

9.3 It is agreed that, in the event that the Pledgee decides to exercise the rights specified in Article 122 of the Companies Act, for the “fair value” to be established in terms of the aforementioned article, the following rules shall be observed in order to achieve a fair and reasonable position for the Parties, unless otherwise directed by the Court:

(i) the Pledgee shall immediately upon a Notice of Default and in terms of the Trust Deed and the Company Admission Document, inform the Malta Stock Exchange and the Corporate Advisor that an Event of Default has occurred;

(ii) the Pledgor and the Pledgee shall, within five (5) business days of the Notice of Default, meet to determine by agreement the value of the Pledged Shares or, if this is not possible, the method and time frame for the final determination of such value. The Pledgor is to produce and make available all relevant information to the Pledgee or to such other person entrusted with the determination of the value of the Pledged Shares;

(iii) it is agreed that the value of the Pledged Shares, whether by private calculation or by the court-appointed certified public accountant or auditor, shall be established on the basis of commonly used methods (as at the time of the establishment of the value);

(iv) the auditors shall then take into consideration any material events which have, in the view of either the Pledgee or the Pledgor, an impact on the valuation;

(v) in the event that the previous year’s audited accounts have not been maintained according to law, the Pledgor agrees that the auditors are authorised, should they so wish, to base themselves on the most recent drafts and management accounts available;

(vi) in the event that such drafts and management accounts are not available, the Pledgor agrees that the appointed auditors shall not be obliged to create accounts and audit them according to law but shall be entitled to receive evidence from the Pledgor and the Pledgee or such other person as they deem necessary in connection with the value of assets in the Company and to reach a reasonable conclusion as to the value of the Pledged Shares within fifteen (15) business days of appointment of the certified public accountant or auditor by the Court;

(vii) the non-co-operation of the Pledgor shall not hinder the court-appointed certified public accountant or auditor from making their report to the Court in accordance with this Agreement;

(viii) it is agreed that any valuation should be made within fifteen (15) business days of appointment of the auditor by the Court in view of the provisions of Article 122 of the Companies Act and it is acknowledged that if more than thirty (30) days elapse from the Notice of Default, there may be fluctuations in the value of shares which may prejudice the Parties hereto;

(ix) if the Pledgee applies to the Court for a valuation to be made pursuant to Article 122(9) of the Companies Act, the Pledgee shall be entitled to present as evidence to the Court appointed valuer any documents in its possession relating to the Company and all workings carried out until such date in connection with the valuation of the Pledged Shares.

9.4 Following the issue of a Notice of Default, but notwithstanding anything else stated above and notwithstanding any action taken by the Pledgee to exercise its rights to sell or appropriate the Pledged Shares privately, the Pledgee shall be entitled at any time to apply to the Court for the judicial sale of the Pledged Shares.

9.5 If and to the extent that the Pledgee opts to sell or appropriate the Pledged Shares in accordance with the remedies set out in Article 122 of the Companies Act, the Pledgor hereby agrees that in the event that the sale or appropriation of the Pledged Shares in terms of paragraphs (iii) and (iv) of sub-clause 9.1 above only makes commercial sense (in the reasonable opinion of the Pledgee acting for the benefit of the Bondholders) if so sold or appropriated in their entirety, then the Pledged Shares will be so sold and appropriated, notwithstanding the fact that the proceeds or value thereof will exceed the value of the Secured Obligations recovered by the Pledgee in the case of a sale and any excess value appropriated by the Pledgee shall be released or reimbursed in favour of the Pledgor. In the event of such sale and for the avoidance of any doubt, the Pledgor hereby irrevocably appoints the Pledgee, which declares to have an interest in this mandate and accepts the same as part of its security, as its attorney (with full power of substitution) in relation to the sale of the Pledged Shares, and the Pledgor ratifies and confirms and agrees to ratify and confirm any agreement, instrument, act or thing which such attorney or substitute may execute or do in pursuance hereof.

9.6 If and to the extent that the Pledgee exercises its rights under this Agreement and the law and proceeds with the disposal of the Pledged Shares (or part of the Pledged Shares) or with their appropriation and acquisition by it of the Pledged Shares (or part of the Pledged Shares) in settlement of the Issuer's Obligations, the Pledgor and the Issuer hereby irrevocably and unconditionally waive any right of pre-emption in relation to such shares arising in the Memorandum or Articles of Association of the Company or otherwise.

9.7 The Pledgor and the Issuer shall make no claim against the Pledgee in respect of any loss arising out of any such sale or appropriation in terms of paragraphs (iii) and (vi) of sub-clause 9.1 above or any postponement thereof howsoever caused and whether or not a better price could or might have been obtained upon the sale of the Pledged Shares or any of them by deferring or advancing the date of such sale or appropriation or otherwise howsoever, provided there is no negligence or willful misconduct on the part of the Pledgee.

9.8 Upon any disposal by the Pledgee of the Pledged Shares, the purchaser shall not be bound to see or enquire whether the power of the sale of the Pledgee has arisen; the sale shall be deemed for all purposes hereof to be within the power of the Pledgee and the receipt by the Pledgee of the purchase money shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of the sale or be in any way answerable therefor.

9.9 The Pledgee shall be entitled, at any time and as often as the Pledgee may deem appropriate, to delegate all or any of the rights, powers, remedies and discretions vested in it under and pursuant to this Agreement in such manner, upon such terms, and to such person or persons as the Pledgee may deem appropriate in accordance with the terms of the Trust Deed.

9.10 The remedies set out in this Clause 9 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 hereby irrevocably and unconditionally authorises the Pledgee by way of security, which accepts, to avail itself of all and any of the said remedies in protection of its rights.

10. IRREGULARITIES IN OTHER SECURITIES - INCAPACITY- INDEMNITY.

This Agreement shall not be extinguished, discharged or otherwise effected by the total or partial invalidity or unenforceability or any irregularity or defect in any security (whether by way of mortgage, hypothec, pledge, guarantee, indemnity or otherwise) the Pledgee may now or at any time hold in respect of all or any of the Issuer's Obligations, and the Pledgor hereby agrees to indemnify the Pledgee against all loss, damages, interest and expenses arising from the Company's failure to perform any obligation/s towards the Pledgee or occasioned by or arising from any invalidity, unenforceability, non-provability, non-liability, legal limitation, disability or want of capacity of or affecting the Company or any person acting or purporting to act on behalf of the Company (including the want of authority in such person) for any reason whatsoever in respect of all or any of the Issuer's Obligations, provided that the Pledgor is not acting on the instructions of the Pledgee.

11. COSTS, CHARGES FEES AND EXPENSES

The Pledgor shall on demand pay, on a full indemnity basis, all costs, charges, fees and expenses in any way incurred by the Pledgee in or incidental to the preservation or enforcement of this Agreement (including the costs of any proceedings in relation to this Agreement or the Issuer's Obligations).

12. SUSPENSE ACCOUNT

Without prejudice to the terms of the Trust Deed, all monies received, recovered or realised by the Pledgee under this Agreement may, at the discretion of the Pledgee, be credited to a suspense or impersonal account and shall bear interest at such rate, if any, as may be agreed in writing between the Pledgee and the Pledgor (and in default of agreement shall bear simple interest at the daily rate paid by the Pledgee on deposit accounts subject to seven (7) days' notice of withdrawal from time to time). The monies may be held in such account for as long as the Pledgee may deem fit pending the application from time to time (as the Pledgee shall be entitled to do as it may think fit) of such monies and any accrued interest thereon in or towards the discharge of any of the Issuer's Obligations.

13. APPLICATION OF PROCEEDS

All payments arising in relation to the Pledged Shares received by the Pledgee by way of dividends, capital distributions or otherwise as well as the proceeds of any sale of all or any part of the Pledged Shares and received by the Pledgee under this Agreement shall be administered and applied in accordance with the terms of the Security Trust Deed and the surplus, if any, after the Issuer's Obligations have been finally and fully repaid, shall be paid to the Pledgor or such other person as may for the time being be entitled thereto.

14. EVENTS OF DEFAULT

14.1 An Event of Default shall ipso jure occur under this Agreement, without the need of any authorisation and/or confirmation from a competent court, upon one or more of the "Events of Default" being declared and outstanding under the Company Admission Document. For the avoidance of any doubt, an Event of Default occurs in the following circumstances:

- (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 and/or by the Pledgee; and/or
- (ii) the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder and/or by the Pledgee; and/or
- (iii) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions (as defined in the Company Admission Document) 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 and/or by the Pledgee; and/or
- (iv) the Pledgor and the Issuer and/or the Company commits a breach of any of the covenants or provisions contained in this Agreement, the Trust Deed, the Deed of Hypothec (as defined in the Company Admission Document) and/or the Company Admission Document, as applicable, to be observed and performed on their respective parts and the said breach still subsists for thirty (30) days after having been notified by the Pledgee (other than any covenant for the payment of interests or principal monies owing in respect of the Bonds); and/or

- (v) the security constituted by any hypothec, pledge or charge upon the whole or any part of the undertaking or assets of the Issuer or the Company or the Pledgor shall become enforceable and steps are taken to enforce the same and the taking of such steps shall be certified in writing by the Pledgee to be, in its opinion, prejudicial to the Bondholders; and/or
- (vi) any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer is or proves to have been incorrect in any material respect in the sole opinion of the Pledgee; and/or
- (vii) any consent, permit, authorisation, licence or approval of, or registration with, or declaration to governmental, statutory or public bodies, or authorities or courts, required by the Company in connection with the operation of the Property (as defined in the Company Admission Document), or required by the Issuer for the performance of its obligations hereunder or under the Trust Deed, is substantially modified in the sole opinion of the Pledgee, or is not granted, or is revoked, or terminated, or expires and is not renewed, or otherwise ceases to be in full force and effect; and/or
- (viii) 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 and/or Pledgor and/or of the Company; and/or
- (ix) the Issuer and/or Pledgor and/or the Company 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; and/or
- (x) the Issuer and/or Pledgor and/or the Company fails to maintain a valid insurance policy providing for the replacement value of the Property (as defined in the Company Admission Document); and/or
- (xi) the Issuer and/or Pledgor and/or the Company is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or
- (xii) there shall have been entered against the Issuer and/or Pledgor and/or the Company 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; and/or
- (xiii) any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in the Company Admission Document) of the Pledgor and/or the Company in excess of one million Euro (€1,000,000) or its equivalent at any time.

Upon any such declaration being made as aforesaid, the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

Provided that in the event of any breach by the Pledgor of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond the control of the Pledgor, then the Pledgee may, but shall be under no obligation so to do, give the Pledgor such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Pledgee shall at all times act on and in accordance with any instructions it may receive in a meeting of Bondholders satisfying the conditions set out in the Trust Deed.

14.2 The Pledgee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Pledgee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that the Issuer, the Pledgor and the Company are observing and performing all the obligations, conditions and provisions on their respective part contained under this Agreement, the Company Admission Document and the Trust Deed. Provided that in the event that the Pledgee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify in writing the

Malta Stock Exchange, the Corporate Advisor (as defined in the Company Admission Document) and the Bondholders of such fact without delay.

15. ATTORNEY

Subject to any limitations expressed elsewhere in this Agreement, the Pledgee is hereby irrevocably appointed the true and lawful attorney of the Pledgor for the purpose of carrying out the provisions of this Agreement and taking any action or executing any instruments which the Pledgee may deem necessary to accomplish the purposes hereof. This appointment as attorney is being given as part of this security and is being accepted by the Pledgee;

PROVIDED THAT the Pledgee shall have the option but not an obligation to utilise such power of attorney and the Pledgee shall in no way be responsible for not utilising the said power of attorney, nor shall the Pledgee be in any way responsible for anything done in virtue of the said power of attorney.

16. FURTHER ASSURANCES AND AGREEMENTS

The Pledgor agrees that at any time and from time to time upon the written request of the Pledgee, it will promptly and duly execute and deliver to the Pledgee any and all such further instruments and documents as the Pledgee may deem necessary for obtaining the full benefit of this Agreement and of the rights and powers herein granted.

17. SET-OFF & WAIVER OF RIGHTS

17.1 In addition to the rights conferred by law, the Pledgee shall be entitled, in terms of the provisions of the Set-Off and Netting on Insolvency Act (Cap. 459 of the laws of Malta), to set-off against monies due to it under this Agreement on behalf of Bondholders all or any monies from time to time standing to the credit of the Pledgor (whether sole or joint with any other person(s)) with the Pledgee, whether on current or any other account, including those subject to a term whatsoever and any sums standing in a suspense or impersonal account.

For the purposes of the foregoing:

- (a) the Pledgee shall be entitled (as well before as after demand) to combine or consolidate all monies now or hereafter standing to the credit of the Pledgor on any account with the Pledgee and in any currency;
- (b) if the obligations are in different currencies, the Pledgee may convert either obligation at a market rate of exchange in its usual course of business for the purposes of the set-off; and
- (c) if either obligation is unliquidated or unascertained, the Pledgee may set-off in an amount estimated by it in good faith to be the amount of that obligation.

17.2 However, it is expressly agreed that the liability of the Pledgor under this Agreement shall in no way be extinguished, discharged or reduced or in any way affected by any right of set-off or counter-claim or any right whatsoever against the Pledgee and the Pledgor is hereby expressly waiving all rights (including any and all rights of action) the Pledgor may have against the Pledgee until after settlement in full of the Issuer's Obligations to the satisfaction of the Pledgee.

18. INSTRUCTIONS

It is agreed and declared that the Issuer and the Pledgor shall procure that the Company shall act according to all and any instructions reasonably issued by the Pledgee in accordance with this Agreement without the necessity or obligation to verify whether the facts stated by the Pledgee, particularly whether an Event of Default has or has not taken place, are correct and shall not lose the benefit of this Agreement even if the Pledgor makes any claims to the effect that the statements of the Pledgee on which the Company is relying are incorrect.

19. CERTIFICATION OF SUMS DUE

Any certification or determination by the Pledgee of a rate or amount under this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

20. NOTICES

Notices may be sent by registered mail or electronic mail. Where notice is sent by registered mail, it shall be deemed to have been served five (5) days following the date on which it was posted and in the case of notice sent by electronic mail, on the day of transmission. In proving such service it shall be sufficient to prove that the notice was addressed properly and posted or transmitted to such electronic mail address as may be notified to the other party/ies for this purpose.

For the purposes of this Agreement, the proper addresses (including electronic mail addresses) of the Parties are:

To the Issuer:

Name: Smartcare Finance plc
Attention: Andrew Debattista Segond
Address: 326, Mdina Road, Qormi, Malta
E-mail address: andrew@smarthomesmalta.com

To the Pledgor:

Name: Smartcare Holdings Ltd
Attention: Andrew Debattista Segond
Address: 326, Mdina Road, Qormi, Malta
E-mail address: andrew@smarthomesmalta.com

To the Pledgee:

Name: GVZH Trustees Limited in its capacity as trustee of the Smartcare Security Trust
Attention: The Directors
Address: 192, Old Bakery Street, Valletta VLT 1455, Malta
E-mail address: luca.vella@gvzh.com.mt / katia.cachia@gvzh.com.mt

To the Company:

Name: Smartcare Pinto Ltd
Attention: Andrew Debattista Segond
Address: 326, Mdina Road, Qormi, Malta
E-mail address: andrew@smarthomesmalta.com

Provided that each Party may at any time change such address by giving five (5) days prior written notice to the other parties.

21. NOTIFICATION TO, AND ACKNOWLEDGEMENT OF, PLEDGE BY THE ISSUER AND COMPANY

21.1 In accordance with the requirements of Article 122(2) of the Companies Act, the Pledgor hereby notifies the Company of the Pledge constituted by this Agreement, and hereby requests the Company to register such pledge in the Company's register of members and on any share certificates which the Company may issue throughout the duration of this Pledge. Furthermore, the Pledgor is hereby giving notice of the Pledge constituted by this Agreement to the Issuer. The Pledgor hereby informs the Company that the Pledgor has agreed to pledge any future shares subscribed by it in the Company.

21.2 The Issuer and the Company appear on and sign this Agreement inter alia in order to, and do hereby through the execution by them of this Agreement, acknowledge receipt without reservation of the notice of Pledge effected by the Pledgor by means of sub-clause 21.1 hereof.

21.3 The acknowledgement referred to in sub-clause 21.2 above is granted by the Issuer and the Company for the benefit of the Pledgor and the Pledgee.

21.4 By signing this Agreement, the Company also:

- (a) confirms that it is concurrently with execution of this Agreement making a note of the Pledge in its register of members;
- (b) binds itself for the benefit of the Pledgee to act in accordance with the terms of this Agreement;
- (c) acknowledges that the share certificates in respect of the Pledged Shares have been delivered to the Pledgee upon execution hereof;
- (d) undertakes for the benefit of the Pledgee not to pay out any monies relating to the Pledged Shares other than in accordance with this Agreement, and whenever the Company is required to carry out any act which has been imposed on the Pledgor in this Agreement, the Company shall carry out such act in accordance with this Agreement;
- (e) recognizes that the Pledgee may carry out acts against the wishes of the Pledgor and confirms that the Pledgee shall be treated as a member of the Company in terms of this Agreement; and
- (f) undertakes for the benefit of the Pledgee to inform any person requesting information relating to the Company of the Pledge.

21.5 The Pledgor and the Company declare that the Pledge notification and acknowledgement referred to in sub-clauses 21.1 and 21.2 hereof shall be deemed to have been given in full satisfaction of the procedural requirements of Article 122(2) of the Companies Act, and each of them agree that no further action is necessary on the part of the others in order to comply with the said legislative requirements.

22. SEVERANCE AND MODIFICATION OF CLAUSES

22.1 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 thereof will not in any way be affected or impaired.

22.2 If any invalid or unenforceable clause or part thereof of this Agreement would be valid or enforceable 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.

23. GOVERNING LAW & JURISDICTION

23.1 This Agreement shall be governed by and construed in accordance with the laws of Malta.

23.2 For the benefit of the Pledgee, the Pledgor agrees that the Courts of Malta have exclusive jurisdiction to settle any disputes in connection herewith and accordingly submit to the exclusive jurisdiction of such Courts. The Pledgor waives any objection to the Maltese Courts on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agrees that a judgement or order of such a Court shall be conclusive and binding on it and may be enforced against it in the Courts of any other jurisdiction.

24. COUNTER-PARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts (including fax or electronic copies) were on a single copy of this Agreement.

EXECUTION PAGE

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed as of the date first above written.

Pledgor:

in the presence of:

Andrew Debattista Segond

for and on behalf of

Smartcare Holdings Ltd

Issuer:

in the presence of:

Andrew Debattista Segond

for and on behalf of

Smartcare Finance plc

The Pledgee

in the presence of:

[-]

for and on behalf of

GVZH Trustees Limited in its capacity as trustee of the Smartcare Security Trust

The Company

in the presence of:

Andrew Debattista Segond

for and on behalf of

Smartcare Pinto Ltd

ANNEX 1

Form T (2)

No. of Company C 86395

COMPANIES ACT, 1995

Notice of a pledge of securities

Pursuant to Section 122 (2)

Name of Company: **Smartcare Pinto Ltd**

Delivered by: **Company Secretary**

To the Registrar of Companies:

Smartcare Pinto Ltd hereby gives notice in accordance with Section 122 (2) of the Companies Act, 1995 that with effect from the undermentioned securities have been pledged as follows:

Pledgor (Name and Address)	Pledgee (Name and Address)	Securities		
		Number	Type	Nominal Value
Smartcare Holdings Ltd (C 90121) 326, Mdina Road, Qormi, Malta	GVZH Trustees Limited (C 23095) of 192, Old Bakery Street, Valletta VLT 1455, Malta, in its capacity as trustee of the Smartcare Security Trust	1,200	Ordinary	€1

Signature

Pledgor

Dated this _____

This form must be completed in typed form.

* **Delete as necessary.**

ANNEX 2

ANNOTATION TO PLEDGE

"These one thousand, two hundred Ordinary shares of one Euro (€1) each, fully paid up, have been pledged in favour of GVZH Trustees Limited, in its capacity as trustee of the Smartcare Security Trust in terms of a pledge of shares agreement dated [-] 2019, pursuant to and in accordance with the terms of a Company Admission Document dated [-] 2019 in connection with the issue by Smartcare Finance p.l.c. (C 90123) of €5,000,000 worth of 5% Secured bonds 2029 of a nominal value of €100 per bond on the Prospects MTF List."

ANNEX 3

DIRECTOR'S RESIGNATION LETTER

To: The Board of Directors
Smartcare Pinto Ltd
326, Mdina Road, Qormi, Malta

I, the undersigned, in my capacity as director of Smartcare Pinto Ltd (C 86395) (the "Company") do hereby irrevocably and unconditionally resign with immediate effect from the office of director of said Company and I hereby acknowledge and confirm that I have no claims of whatsoever nature against the Company for compensation for loss of office or in any respect, and that I have received all outstanding director's fees or other remuneration due to me to date.

This the _____

[-]

ANNEX 4

SHARE TRANSFER INSTRUMENT

This the day of, 20...

By virtue of this private instrument, **Smartcare Holdings Ltd**, a limited liability company incorporated under the laws of Malta, having its registered address situated at 326, Mdina Road, Qormi, Malta and bearing company registration number C 90121 (hereinafter referred to as the “**Transferor**”) sells and transfers to **GVZH Trustees Limited**, a limited liability company registered under the laws of Malta, bearing company registration number C 23095 and having its registered office situated at 192, Old Bakery Street, Valletta VLT 1455, Malta, in its capacity as trustee of the Smartcare Security Trust (hereinafter referred to as the “**Transferee**”), which accepts and purchases and acquires, 1,200 Ordinary shares of €1.00 each in **Smartcare Pinto Ltd**, a limited liability company registered under the laws of Malta, bearing company registration number C 86395 and having its registered office situated at 326, Mdina Road, Qormi, Malta, for, for which price the Transferor hereby tenders due receipt.

Signed:

For and on behalf of

Smartcare Holdings Ltd

TRANSFEROR

For and on behalf of

GVZH Trustees Limited in its capacity as trustee of the Smartcare Security Trust

TRANSFEE

ANNEX 5

ADDITIONAL PLEDGE

ADDITIONAL SHARE PLEDGE AGREEMENT (the “**Additional Pledge**”) entered into this, 20.... between:

GVZH Trustees Limited in its capacity as trustee of the Smartcare Security Trust, a limited liability company registered under the laws of Malta, bearing company registration number C 23095 and having its registered office situated at 192, Old Bakery Street, Valletta VLT 1455, Malta (hereinafter referred to as the “**Pledgee**”);

AND

Smartcare Holdings Ltd, a limited liability company incorporated under the laws of Malta, having its registered address situated 326, Mdina Road, Qormi, Malta and bearing company registration number C 90121 (hereinafter referred to as the “**Pledgor**”);

AND

Smartcare Pinto Ltd, a limited liability company registered under the laws of Malta, bearing company registration number C 86395 and having its registered office situated at 326, Mdina Road, Qormi, Malta (hereinafter referred to as the “**Company**”);

WHEREBY

1. The Pledgor hereby pledges to the Pledgee, which accepts such pledge, the following additional shares in the Company:

.....
(the “**Additional Pledged Shares**”)

as a continuing security for the due and punctual settlement of the Issuer’s Obligations as defined in the pledge of shares agreement between the parties hereto dated _____ 2019 (hereinafter the “**Pledge of Shares Agreement**”);

2. In constitution of the said pledge:

(a) the Company hereby acknowledges the pledge of the Additional Pledged Shares and binds itself to enter such an annotation in its register of members; and

(b) the Pledgor is contemporaneously delivering to the Pledgee documents evidencing the registration of the Additional Pledged Shares in the name of the Pledgee. It is agreed that the statutory notice will be delivered by the Pledgor or the Pledgee to the Registrar of Companies in Malta.

3. This Additional Pledge is a transaction contemplated by and subject to all the terms and conditions of the Pledge of Shares Agreement and it is being specifically agreed that the Pledge of Shares Agreement is being incorporated *in toto*, including the recitals thereto, into this Additional Pledge and shall apply to and form an integral part of this Additional Pledge. Provided that any reference to Pledged Shares in the Pledge of Shares Agreement shall, unless the context otherwise requires, be deemed to also refer to the Additional Pledged Shares. The Pledgee shall enjoy all the rights, discretions, privileges and powers granted to it in the Pledge of Shares Agreement in relation to the Additional Pledged Shares.

IN WITNESS whereof the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

Signed:

The Pledgor

The Pledgee

The Company

ANNEX G – Forecast Information of the Issuer and Group

Financial information of the Issuer

Forecast Income Statement for the years ending 31st December

Year	2019 Forecast € 000s	2020 Projected € 000s	2021 Projected € 000s
Revenue	352	384	384
Administrative expenses	(47)	(48)	(49)
EBITDA	305	336	335
Depreciation	(21)	(21)	(21)
EBIT	285	316	315
Finance costs	(229)	(250)	(250)
Profit before tax	55	66	65
Income tax	(34)	(38)	(38)
Profit for the year	21	28	27

Note: Totals may not tally due to rounding differences

Forecast Balance Sheet as at 31st December

	2019 Forecast € 000's	2020 Projected € 000's	2021 Projected € 000's
Assets			
Non-current assets			
Financial assets	4,800	4,800	4,800
Total non-current assets	4,800	4,800	4,800
Current assets			
Cash and cash equivalents	120	172	220
Total current assets	120	172	220
Total assets	4,920	4,972	5,020
Equity and liabilities			
Capital and reserves			
Share capital	50	50	50
Retained earnings	21	49	76
Total equity	71	99	126

Non-current liabilities

Debt securities in issue	4,815	4,835	4,856
Total non-current liabilities	4,815	4,835	4,856
Current liabilities			
Current tax payable	34	38	38
Dividends payable	-	-	-
Debt securities in issue			
Bank overdraft	-	-	-
Total current liabilities	34	38	38
Total liabilities	4,849	4,873	4,894
Total equity and liabilities	4,920	4,972	5,020

Note: Totals may not tally due to rounding differences

Forecast Cash Flow Statement for the years ending 31st December

Year	2019 Forecast € 000's	2020 Projected € 000's	2021 Projected € 000's
CASH FLOWS FROM OPERATING ACTIVITIES			
EBITDA	305	336	335
Movement in working capital			
Cash flows generated from operations	305	336	335
Income tax (paid) / refund	-	(34)	(38)
Interest paid	(229)	(250)	(250)
Net cash flows operating activities	76	52	48
CASH FLOWS FROM INVESTING ACTIVITIES			
Bond issue cost	(206)	-	-
Loans	(4,800)	-	-
Dividends paid	-	-	-
Net cash flow (used in) financing activities	(5,006)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of debt securities	5,000	-	-
Net cash flows from financing activities	5,000	-	-
Net movement in cash and cash equivalents	70	52	48
Cash and cash equivalents at the beginning of year	50	120	172
Cash and cash equivalents at the end of year	120	172	220

Note: Totals may not tally due to rounding differences

Financial information of the Group

Forecast Income Statement - Group

	2019 Forecast € 000s	2020 Projected € 000s	2021 Projected € 000s
Revenue	2,375	3,271	3,336
Direct cost	(1,147)	(1,575)	(1,606)
Gross profit	1,228	1,696	1,730
Other indirect costs	(604)	(648)	(660)
EBITDA	625	1,049	1,070
Depreciation	(207)	(207)	(207)
EBIT	418	842	863
Finance costs	(243)	(250)	(250)
Profit before tax	175	592	613
Tax	(97)	(241)	(249)
Profit after tax	78	351	364

Note: Totals may not tally due to rounding differences

Forecast Balance Sheet - Group

	2019 Forecast € 000s	2020 Projected € 000s	2021 Projected € 000s
Fixed assets			
Investment property	600	600	600
Property, plant and equipment	3,087	2,901	2,715
	3,687	3,501	3,315
Current assets			
Trade receivables	787	1,080	1,102
Amounts due from related parties	245	245	245
Cash and cash equivalents	342	795	1,355
	1,374	2,120	2,702
Total assets	5,061	5,621	6,017
Equity and liabilities			
Equity			
Share capital	1	1	1
Retained earnings	(88)	263	627
	(87)	264	628
Current liabilities			
Trade payables	123	168	171
Taxation	97	241	249
Amounts due to related parties	113	113	113
Total current liabilities	333	522	533
Non-current liabilities			
Debt securities in issue	4,815	4,835	4,856
	4,815	4,835	4,856
Total liabilities	5,148	5,358	5,389
Total equity and liabilities	5,061	5,621	6,017

Note: Totals may not tally due to rounding differences

Forecast Cash Flow statement - Group

	2019 Forecast € 000s	2020 Projected € 000s	2021 Projected € 000s
Cash flow from operating activities			
EBITDA	625	1,049	1,070
Movement in working capital			
Movement in trade and other payables	70	45	3
Movement in trade and other receivables	(780)	(293)	(22)
Cash generated from operations	(85)	800	1,052
Taxation paid	-	(97)	(241)
Finance cost	(243)	(250)	(250)
Net cash (used in)/from operating activities	(328)	453	560
Cash flows from investing activities			
Purchase of plant and equipment	(657)	-	-
Investment property	(600)	-	-
Bond issue cost	(206)	-	-
Net cash (used in)/from investing activities	(1,463)	-	-
Cash flows from financing activities			
Issue of share capital	-	-	-
Movement in bank loans	(1,200)	-	-
Movement in capital creditors	(1,120)	-	-
Debt securities in issue	5,000	-	-
Net cash (used in)/from financing activities	2,680	-	-
Movement in cash and cash equivalents	889	453	560
Cash and cash equivalents at beginning of year	(547)	342	795
Cash and cash equivalents at the end of year	342	795	1,355

Note: Totals may not tally due to rounding differences

ANNEX H – Accountant’s Report



The Directors,
Smartcare Finance p.l.c.,
326,
Mdina Road,
Qormi

27 May 2019

Dear Sirs,

Independent Accountant’s report on the forecast consolidated financial information of Smartcare Holdings Limited

We report on the forecast consolidated financial position, cash flow, and income statement (‘the Forecast Consolidated Financial Information’) of Smartcare Holdings Limited, Smartcare Pinto Limited, Smartcare Properties Limited and Smartcare Finance p.l.c. (‘the Issuer’) collectively referred to as Smartcare Group or The Group for the years ending 31st December 2019, 31st December 2020 and 31st December 2021. The Forecast Consolidated Financial Information, the basis of preparation and the material assumptions upon which the forecasts are based, are set out in Annex I “Forecast Information of the Issuer and Annex G “Summary of significant assumptions and accounting policies” of the Company Admission Document issued by Smartcare Finance p.l.c. dated 28 May 2019.

This report is required in terms of Appendix 4.7 (4) in the Prospects MTF Rules issued by the Malta Stock Exchange (‘MSE’) dated January 2019 and is given for the purpose of complying with that regulation and for no other purpose.

Directors’ responsibility for the forecast financial information

It is the responsibility of the Directors of the Issuer to prepare the Forecast Consolidated Financial Information, together with the material assumptions upon which they are based, as set out in Annex I “Summary of significant assumptions and accounting policies” of the Company Admission Document, in accordance with the requirements of the Prospects MTF rules issued by the Malta Stock Exchange (‘MSE’).

Accountant’s responsibility

It is our responsibility to form an opinion as required by Appendix 4.7 (4) in the Prospects MTF Rules as to the proper compilation of the Forecast Consolidated Financial Information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with the

report or our statement, required by any given solely for the purposes of complying with the Prospects MTF rules.

Basis of preparation of the Forecast Consolidated Financial Information

The Forecast Consolidated Financial Information has been prepared on the basis stated in “Summary of significant assumptions and accounting policies” in Annex I of the Company Admission Document and is based on the forecasts for the years ending 31st December 2019, 31st December 2020 and 31st December 2021. The Forecast Consolidated Financial Information is required to be presented on a basis consistent with the accounting policies of Smartcare Group.

Basis of opinion

We have examined the basis of compilation and the accounting policies of the accompanying Forecast Consolidated Financial Information of Smartcare Group for the years ending 31st December 2019, 31st December 2020 and 31st December 2021 in accordance with ISAE 3000, “Assurance Engagements Other than Audits and Reviews of Historical Financial Information”. Our work included evaluating the basis on which the financial information included in the forecast has been prepared and considering whether the Forecast Consolidated Financial Information has been accurately computed based upon the disclosed assumptions and the accounting policies of The Group.

The assumptions upon which the Forecast Consolidated Financial Information is based solely on the responsibility of the Directors of Smartcare Holdings Limited and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion are necessary for the proper understanding of the Forecast Consolidated Financial Information have not been disclosed and whether any material assumptions made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Forecast Consolidated Financial Information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculation are concerned.

The Forecast Consolidated 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 results of the operations and the financial position of The Group in accordance with International Financial Reporting Standards as adopted by the EU.

Since the Forecast Consolidated Financial Information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actuals results reported will correspond to those shown in the Forecast Consolidated Financial Information and differences may be material.

Opinion

In our opinion, the Forecast Consolidated Financial Information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of The Group.

Yours faithfully,

A handwritten signature in blue ink, consisting of a large, stylized 'X' shape with a small circle in the center.

Mr Luke Cann, Partner
For and on behalf of NEXIA BT Advisory Services Limited

ANNEX I - Summary of Significant Assumptions and Accounting Policies

Summary of significant assumptions and accounting policies

1. Introduction

Smartcare Finance p.l.c. ('The Issuer') was incorporated on 7th January 2019 and has no trading record. The Issuer itself is a company set up to act as financing arm of the following companies, which collectively are referred to as Smartcare Group or The Group.

- Smartcare Finance p.l.c.
- Smartcare Pinto Limited
- Smartcare Properties Limited and
- Smartcare Holdings Limited.

The forecast consolidated financial position, cash flow, and income statement ('the Forecast Consolidated Financial Information') of the Smartcare Group for the period of three years to December 2021 have been prepared to provide financial information for the purposes of inclusion in the Issuer's Company Admission Document, dated 28 May 2019. The Forecast Consolidated Financial Information as presented in Annex G of the Company Admission Document, together with the assumptions set out below, are the sole responsibility of the Directors of the Issuer.

The Forecast Consolidated Financial Information is intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. Attention is drawn in particular, to the risk factors set out in the Admission Document, which describe the primary risks associated with the business to which the Forecasts relate.

The Forecast Consolidated 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 Group, in accordance with International Financial Reporting Standards as adopted by the EU, however the Directors have exercised due care and diligence in adopting the assumptions set out below.

The Forecast Consolidated Financial Information was formally approved on 4th April 2019 by the Directors of the Issuer, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the prospective financial information are described in Section 3 below.

2. Significant accounting policies

The significant accounting policies of the Group are those applied in preparing financial statements in accordance with the International Financial Reporting Standards and their interpretations as adopted by the EU and in accordance with the requirements of the Companies Act, 1995. Where applicable, in so far as they relate to recognition and measurement criteria, these have been applied in the preparation of the forecast financial information.

3. Basis of preparation and principal assumptions

Since Smartcare Group has no trading record, these projections have been prepared solely on management assumptions, which have been summarised below.

The principal assumptions relating to the environment in which the Smartcare Group will operate, and the factors which are exclusively outside the influence of the Directors and which underlie the Forecast Consolidated Financial Information, are the following:

- Interest rates will not change significantly over the period covered by the Forecast Consolidated Financial Information;
- The basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the financial information.

The principal assumptions relating to the environment in which the Smartcare Group will operate, and the factors which the Directors can influence and which underlie the Forecasts, are the following:

- The bond proceeds will be utilised to provide interest-bearing loans to related parties who will in turn use the finance to:
 - o repay capital creditors which were engaged for the construction of the Old People's Home,
 - o repay interest-bearing loans which were used to finance the acquisition of the Old People's Home,
 - o acquire investment property, and
 - o Other financing activities.
- Annual revenue and direct costs have been projected on the basis of management experience as well as management's expectations of future growth.
- Administrative expenses have been forecast on the basis of management's experience.
- Finance costs have been forecast on the basis of existing arrangements, whereas interest on the Bond has been established at 5% per annum.
- Credit terms offered and credit terms availed of from suppliers are in line with industry practice.

4. Conclusion

The Directors believe that the assumptions on which the projections are based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Smartcare Group will be sufficient for the carrying on of its business.

Approved by the Board of Directors on 28 May 2019 and signed on its behalf by:



Andrew Debattista Segond

Director

Smartcare Finance p.l.c



Jacqueline Camilleri

Director

Smartcare Finance p.l.c



Norval (Norman Valentinus) Desira

Director

Smartcare Finance p.l.c



Ian J Stafrace

Director

Smartcare Finance p.l.c



William Wait

Director

Smartcare Finance p.l.c

Issuer



Smartcare Finance plc (C 90123)
326, Mdina Road, Qormi, Malta
www.smartcaremalta.com

Guarantors

Smartcare Pinto Ltd (C 86395)
326, Mdina Road, Qormi, Malta
www.smartcaremalta.com

Smartcare Holdings Ltd (C 90121)
326, Mdina Road, Qormi, Malta
www.smartcaremalta.com

Corporate Advisor, Placement Agent and Manager



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