

11738

Note of

Progressive

Inscription of **Hypothec**

Number

Remarks (for official use only)	
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Creditor:

GVZH Trustees Limited, a limited liability company duly incorporated under the laws of Malta with company registration letter 'C' number two three zero nine five (C 23095), in its capacity of security trustee appointed by means of the Security Trust Deed. (GVZH Trustees Limited in its capacity of security trustee is referred to as the "**Security Trustee**").

Debtor:

Smartcare Finance plc, a public limited liability company registered in Malta with company registration letter 'C' number nine zero one two three (C 90123) - referred to as the "**Issuer**".

Smartcare Pinto Ltd, a private limited liability company registered in Malta with company registration letter 'C' number eight six three nine five (C 86395) (referred to as "**Smartcare Pinto Ltd**").

Credit:

In virtue of a deed published by me Notary, dated the eleventh day of June of the year two thousand and nineteen (11/6/2019), the Parties agreed that in the deed, unless otherwise expressly stated or the contrary intention appears and in addition to any other definitions made elsewhere in the deed, the following terms shall have the following meanings respectively assigned to them:

Definitions:

"Beneficiaries" means the Bondholders who from time to time will have their names and other details entered in the Register of Bondholders maintained by the CSD.

"Bonds" means the five million euro (€5,000,000) secured bonds 2029 of a nominal value of one hundred euro (€100) per bond payable in full upon subscription and redeemable at the nominal value on the Redemption Date, bearing interest at the rate of five per cent (5%) per annum, as detailed in the Company Admission Document.

"Bond Conditions" means the terms and conditions of the Bond Issue specified in section twenty (20) of the Company Admission Document.



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"Bond Issue" means the issue of the Bonds.

"Bondholder" means a holder of one or more of the Bonds.

"Bond Obligations" means the punctual performance by the Issuer of all of its obligations under the Bonds upon issuance, including the repayment of principal and payment of interest thereon in terms of the Company Admission Document;

"Business Day" means any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business.

"Central Securities Depository" or "CSD" means 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.

"Company Admission Document" means the Company Admission Document dated 28th May 2019 approved by the Malta Stock Exchange on 28th May 2019 in connection with the issue of the Bonds to be admitted on the Prospects MTF List.

"euro" or "€" means the lawful currency of the Republic of Malta.

"Events of Default" means the events of default listed in section nine (9) (*Events of Default, Acceleration and Enforcement*) of the Security Trust Deed.

"Exchange", "Malta Stock Exchange" or "MSE" means Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta and bearing company registration letter 'C' number four two five two five (C 42525).

"Guarantee" means the joint and several guarantee dated 28th May 2019 granted by the Guarantors as security for the punctual performance of the Issuer's Bond Obligations under the Bond Issue, a copy of which is appended to the Company Admission Document as Annex A.

"Guarantors" means Smartcare Pinto Ltd, jointly and severally with Smartcare Holdings Ltd, a private limited liability company registered and existing under the laws of Malta with company registration letter 'C' number nine zero one two one (C 90121) and having its registered address at three two six (326), Mdina Road, Qormi, Malta.

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"Interest Payment Dates" means annually on the fifth (5th) day of June of each year commencing on 5th 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.

"Principal Amount" means: initially, as at the date of this deed, the sum of five million euro (€5,000,000) representing the aggregate nominal value of the issued Bonds; and thereafter the principal amount owing by the Issuer to the Bondholders from time to time under the Bonds representing the aggregate nominal value of the Bonds which have not been previously re-purchased and/or cancelled by the Issuer or otherwise redeemed, and accrued interest thereon.

"Prospects MTF" means 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 List" means 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.

"Prospects MTF Rules" means 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.

"Redemption Date" means the fifth (5th) day of June of the year two thousand and twenty-nine (2029).

"Register of Bondholders" means the register to be maintained by the CSD, with the names and other details pertaining to Bondholders.

"Security Interests" means the following security interests constituted in favour of the Security Trustee for the benefit of all Bondholders:

- (a) the Special Hypothec;
- (b) a pledge over the proceeds from an insurance policy providing for the full replacement value of the Security Property; and
- (c) a pledge by Smartcare Holdings Ltd (C 90121) over all of its shares held in Smartcare Pinto Ltd, from time to time.

"Security Property" means the immovable property described immediately below, owned by Smartcare Pinto Ltd, to be used as security for the fulfilment of the Issuer's Bond Obligations under the Bonds and the Guarantors' obligations under the Guarantee to be granted by the Guarantors in favour of

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the Security Trustee for the benefit of the Beneficiaries, in the form of the following security:

a Special Hypothec over: the old people's home named 'Dar Pinto', developed in 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. As free and unencumbered from any third-party rights, whether real or personal, free from the payment of any ground rents, and free from any other burthen, with vacant possession and with all their rights and appurtenances.

"**Security Trust Deed**" means the security trust deed dated the fourteenth (14th) day of March of the year two thousand and nineteen (2019) entered into by and between the Security Trustee, the Issuer and the Guarantors in connection with the granting of the Security Interests.

"**Special Hypothec**" means the first ranking special hypothec over the Security Property, for the sum of five million euro (€5,000,000) and interest thereon and charges in connection therewith, constituted by Smartcare Pinto Ltd in favour of the Security Trustee for the benefit of the Beneficiaries by virtue of the deed.

1.2 The Parties agreed that, in addition to the terms defined in the deed, other capitalised terms used in the deed and not defined herein shall have the meaning given to them in the Security Trust Deed and/or the Company Admission Document, as applicable, except so far as the context requires otherwise.

1.3 The Parties agreed that unless a contrary indication appears:

1.3.1 A reference in the deed to the Company Admission Document and/or the Security Trust Deed (other than a reference to such document in "original form") is a reference to each of said documents as the same may be amended, updated, replaced and supplemented from time to time by the parties thereto, including any changes to the interest and payment modalities contained therein.

1.3.2 The term "**original form**" of the Company Admission Document and/or the Security Trust Deed is a reference to each of said documents as originally issued or entered into.

1.4 Unless it appears otherwise from the context:

a) words importing the singular shall include the plural and vice versa;



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b) words importing the masculine gender shall include the feminine gender and vice versa; and

c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

1.5 Section and clause headings are for ease of reference only.

2. Recitals

(A) The Issuer, as authorised by the MSE, has issued the Bonds in the Principal Amount pursuant to the Company Admission Document and in terms thereof.

(B) Smartcare Pinto Ltd has, in terms of the Company Admission Document and as part of the Security Interests, covenanted that the Bonds shall be secured by the constitution of the Special Hypothec over the Security Property in favour of the Security Trustee for the benefit of all Beneficiaries.

(C) The Issuer, the Guarantors and the Security Trustee have entered into the Security Trust Deed.

(D) By virtue of a formal notification dated the twenty-eighth (28th) day of May of the year two thousand and nineteen (2019) the MSE has authorised the Bonds as admissible to listing on the Prospects MTF List pursuant to the Prospects MTF Rules.

(E) The Malta Stock Exchange shall admit the Bonds to the Prospects MTF List in terms of the Company Admission Document subject to the condition that the Security Interests securing the Bonds are properly and validly created.

(F) 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 Security Interests 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 Smartcare Holdings Ltd but with priority and preference over unsecured debtors of Smartcare Pinto Ltd, if any.

(G) As partial security for the Bond Obligations and the obligations of the Guarantors in terms of the Guarantee, Smartcare Pinto Ltd wishes to constitute the Special Hypothec in favour of the Security Trustee for the benefit of the Beneficiaries, in satisfaction of the relative conditions and undertakings made in the Company Admission Document and the Security Trust Deed.



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2.1 Confirmation of the Recitals

Each of the Issuer, Smartcare Pinto Ltd and the Security Trustee acknowledged and confirmed the facts and sequence of events as set out in the Recitals and they agree to proceed as follows.

3. The Company Admission Document

3.1 Each one of the Issuer, Smartcare Pinto Ltd and the Security Trustee acknowledged and confirmed that:

(a) it is fully cognisant of the provisions contained in the Company Admission Document and the Issuer hereby confirms that the Bonds have been issued, subscribed and conditionally allocated pursuant to and in accordance with the terms and conditions contained in the Company Admission Document, including the Bond Conditions; and

(b) the Bonds shall be unconditionally allocated upon the satisfaction of all conditions precedent contained in the Company Admission Document and the Security Trust Deed, including, *inter alia*, the constitution of the Special Hypothec in favour of the Security Trustee for the benefit of the Beneficiaries.

4. The Security Trust Deed

4.1 Each of the Issuer, Smartcare Pinto Ltd and the Security Trustee acknowledged, agreed and confirmed that it has signed and executed the Security Trust Deed in its original form and is fully cognisant of all the provisions contained therein.

4.2 Each of the Issuer, Smartcare Pinto Ltd and the Security Trustee acknowledged, agreed and confirmed that by virtue of the Security Trust Deed the trust established under the Security Trust Deed, which for identification purposes is to be known as "The Smartcare Trust" (hereinafter referred to as "the Trust"), was established and constituted in terms of Article two thousand and ninety-five letter E (2095E) of the Civil Code, Chapter sixteen (Chapter 16) of the Laws of Malta, and is to be treated as constituted in the context of a commercial transaction in terms and for the purposes of the Trusts and Trustees Act, Chapter three hundred and thirty-one (Chapter 331) of the Laws of Malta.

4.3 Each of the Issuer, Smartcare Pinto Ltd and the Security Trustee acknowledged, agreed and confirmed that by virtue of the Security Trust Deed, *inter alia*:

(a) The Issuer appointed the Security Trustee and the Security Trustee agreed to act, with effect from the date of the Security Trust Deed, as security

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trustee of the Security Interests in accordance with the Security Trust Deed for the benefit of the Beneficiaries and in accordance with the applicable law, until its appointment shall be terminated in accordance with the provisions of the Security Trust Deed.

(b) The Guarantors undertook and bound themselves to grant to the Security Trustee the Security Interests in the manner and at the times and under the conditions stated in the Security Trust Deed and the Security Trustee accepted this undertaking and declared a trust thereon for the benefit of all the Beneficiaries.

(c) The Security Trustee agreed and undertook to receive the Security Interests on trust for the benefit of all the Beneficiaries in accordance with the Security Trust Deed.

(d) The Security Trust Deed sets out the covenants of the Issuer to pay the Principal Amount under the Bonds on the Redemption Date and interest thereon on each of the Interest Payment Dates, the hypothecary rights under this deed and all the rights and benefits under the Security Trust Deed.

(e) The Issuer made several other covenants with, and undertook several obligations in favour of, the Security Trustee for the benefit of the Beneficiaries.

(f) The Security Trustee acknowledged and agreed that it is not itself a creditor of the Issuer under the Bonds and that the creditors of the Issuer shall be the Beneficiaries, who shall be recognised as the only beneficiaries under the Trust.

(g) Subject to the provisions of the Security Trust Deed and the applicable law:

i. the Security Interests, including the Special Hypothec, shall be held by the Security Trustee on trust for the Beneficiaries in proportion to their respective holding of the Bonds, *pari passu*, without any priority or preference among themselves;

ii. the Security Trustee's role includes holding the rights under the Security Interests, including the Special Hypothec, for the benefit of the Beneficiaries and the enforcement of those rights upon the happening of certain events;

iii. the Security Trustee shall make additional declarations of trust whenever additional property is received under the Trust and such declarations of trust shall be on the same terms as stated in the Security Trust Deed and shall form an integral part thereof;

(h) The terms and conditions of the Security Trust Deed shall be binding on

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each Beneficiary as if it had been a party thereto and as if the Security Trust Deed contained covenants on the part of each Beneficiary to observe and be bound by all the provisions thereof, and by virtue of the Security Trust Deed, the Security Trustee was authorised and required to do the things required of it by the Security Trust Deed.

(i) The Security Trustee shall have no payment obligations to Bondholders under the Bonds, which remain exclusively the obligations of the Issuer and the Guarantors.

5. The Security Trustee

5.1 The Security Trustee declared that it is duly authorised 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) and that it has the power to appear on this deed in its capacity of security trustee and to accept the Special Hypothec to hold on trust for the Beneficiaries under the terms and conditions contained in the Security Trust Deed.

5.2 The Security Trustee acknowledged, agreed and confirmed that it is not itself a creditor of the Issuer under the Bonds and that the creditors of the Issuer shall be the Bondholders from time to time whose names and other details shall be entered in the Register of Bondholders, and who shall be recognized as the only Beneficiaries under the Trust.

5.3 Each of the Security Trustee, Smartcare Pinto Ltd and the Issuer acknowledged, agreed and confirmed that:

(a) notwithstanding that the Security Trustee is not a Bondholder or a Beneficiary, it shall be entitled to be registered as the creditor for the purposes of the Special Hypothec for the benefit of the Beneficiaries in accordance with the provisions of the Security Trust Deed and article two thousand and ninety-five E (2095E) of the Civil Code, Chapter sixteen (16) of the Laws of Malta;

(b) the Security Trustee shall have the power and legal interest to file any legal proceedings for the enforcement of the Security Interests, including the Special Hypothec, notwithstanding that under the terms of the Security Trust Deed the Security Trustee is not the creditor of the principal debt or obligation arising from or acknowledged by the Bonds;

(c) 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

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Bonds to have become immediately due and repayable at their principal amount, together with any accrued interest, upon the happening of any of the Events of Default; and

(d) upon any such declaration being made as stated in paragraph (c) immediately above, 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 Issuer and/or Smartcare Pinto Ltd and/or Smartcare Holdings Ltd of any of the covenants, obligations or provisions contained in the Company Admission Document and/or the Security Trust Deed 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 Security Trust Deed. 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.

6. The Bonds

6.1 Each of the Issuer, Smartcare Pinto Ltd and the Security Trustee acknowledged, agreed and confirmed that it is fully cognisant of the Bond Conditions.

6.2 The Company Admission Document contains provisions in section 19.17 (nineteen point seventeen) (*Meetings of Bondholders*) thereof for calling meetings of Bondholders in the event that the Issuer wishes to amend any of the Bond Conditions. These provisions permit defined majorities to bind all



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Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

6.3 For the purposes of the deed and the granting and registration of the Special Hypothec, but otherwise without prejudice or limitation to the provisions of the Company Admission Document (including the Bond Conditions) or the Security Trust Deed, the Issuer, Smartcare Pinto Ltd and the Security Trustee acknowledged, agreed and confirmed and thereby record on the deed that under the Company Admission Document and/or the Security Trust Deed and subject to the overriding terms and conditions contained in the Bond Conditions, the following terms and conditions apply to the Bonds and to each Bond:

(a) The Bonds are issued and shall be allocated at the nominal value of one hundred euro (€100) for each Bond and, following admission of the Bonds to the Prospects MTF List, the Bonds shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. Subject to admission to listing of the Bonds to the Prospects MTF List, the Bonds are expected to be assigned ISIN code MT0002251206.

(b) The Bonds constitute the general, direct, unconditional and secured obligations of the Issuer to pay to the Bondholders interest on each Interest Payment Date and the nominal value of the Bonds on the Redemption Date.

(c) The Bonds shall at all times rank *pari passu*, without any priority or preference, among themselves and, save for such exceptions as may be provided by applicable law, shall rank with priority or preference to all present and future unsecured obligations of Smartcare Pinto Ltd and with first ranking and priority over the Security Interests, including the Special Hypothec over the Security Property constituted in terms of this deed.

(d) The Bonds shall bear interest from and including the fifth (5th) day of June of the year two thousand and nineteen (2019) at the rate of five per cent (5%) per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date in the manner and subject to the terms and conditions contained in the Bond Conditions. 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.

(e) The Bonds shall be redeemed by the Issuer at par (together with interest accrued to the date fixed for redemption) on the Redemption Date, unless they shall have been previously re-purchased and cancelled by the Issuer, or otherwise redeemed in accordance with their terms.

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7. Obligations of the Issuer

7.1 The Issuer acknowledged, confirmed and reaffirmed its obligations and its indebtedness (namely, the payment or repayment of money, whether present or future, actual or contingent) towards the Bondholders arising under the Bonds in terms of the Company Admission Document (including the Bond Conditions) and furthermore undertakes towards the Security Trustee for the benefit of the Beneficiaries to comply with all of its undertakings, covenants and obligations under the Company Admission Document and the Security Trust Deed and to punctually perform all of its obligations under the Bonds, including the repayment of the Principal Amount and the payment of interest thereon in terms of the Company Admission Document and the Bonds.

8. Grant of the Special Hypothec

8.1 In warranty of the proper observance by the Issuer and Smartcare Pinto Ltd of all of the covenants and obligations undertaken by the Issuer and Smartcare Pinto Ltd, in its capacity as co-guarantor, towards the Bondholders in terms of the Company Admission Document and the Bonds and towards the Security Trustee for the benefit of the Beneficiaries in terms of the Security Trust Deed and this deed, and, in particular, in warranty of their obligations to repay the Principal Amount and all interests thereon and all other monies due by or recoverable from the Issuer in terms of the Security Trust Deed, the Company Admission Document, the Bonds and this deed, Smartcare Pinto Ltd thereby granted to the Security Trustee to hold on trust for the benefit of the Beneficiaries a **special hypothec** for the sum of five million euro (€5,000,000) and interest thereon and costs in connection therewith which may become due from time to time in accordance with the terms of the Company Admission Document and the Security Trust Deed (the "Special Hypothec") over: the old people's home named 'Dar Pinto', developed in 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. As free and unencumbered from any third-party rights, whether real or personal, free from the payment of any ground rents, and free from any other burthen, with vacant possession and with all their rights and appurtenances. The said Property is subject to the conditions and obligations resulting from a deed in the records of Notary Dorianne Arapa of the tenth day of October of the year two thousand and eighteen (10/10/2018)

8.2 The Security Trustee, in its capacity of security trustee of the Trust, accepted the Special Hypothec and agreed to hold it on trust for the benefit of the Beneficiaries *pari passu* in proportion to the rights and interests held by

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each Beneficiary in terms of the Company Admission Document and the Security Trust Deed.

8.3 The Issuer, Smartcare Pinto Ltd and the Security Trustee agreed that the Special Hypothec is hereby granted in terms of Article two thousand and ninety-five letter E (2095E) of the Civil Code, Chapter Sixteen (16) of the Laws of Malta, provided that the provisions of sub-article four (4) thereof are not applicable.

8.4 The Issuer, Smartcare Pinto Ltd and the Security Trustee agreed that for the purposes of registration of the Special Hypothec at the Public Registry of Malta, the relative note of hypothec shall state that the credit is for the sum of five million euro (€5,000,000) and interest thereon and costs in connection therewith, fixed in warranty of the obligations of the Issuer and Smartcare Pinto Ltd, in its capacity as co-guarantor, as stated in clause 8.1 (eight point one) above, and that this shall be without prejudice to the provisions of Article two thousand and ninety-five (2095) of the Civil Code, Chapter Sixteen (16) of the Laws of Malta, which places interest accruing on the secured debt, the expenses of registration and the expenses, if any, incurred for the judicial acknowledgement of the debt, in the same rank as the debt.

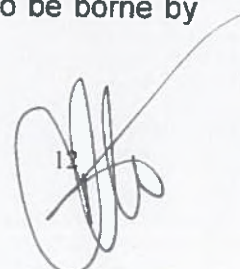
8.5 Upon the payment or pre-payment, on the Redemption Date or otherwise, of the Principal Amount, payment of all interest thereunder in terms of the Company Admission Document and reimbursement of all expenses incurred by and payment of remuneration due to the Security Trustee under the Security Trust Deed, the Special Hypothec shall be cancelled by the Security Trustee within ten (10) Business Days of repayment of the Bond Obligations in full as aforesaid.

9. Ranking of the Special Hypothec

9.1 The Issuer and Smartcare Pinto Ltd acknowledged and warranted that the Bonds constitute the general, direct and unconditional obligations of the Issuer, secured by Smartcare Pinto Ltd and that, pursuant to this deed and by virtue of the registration of the Special Hypothec, the Special Hypothec will rank with priority and preference to all other present and future obligations of Smartcare Pinto Ltd.

10. Costs

10.1 In addition to all other costs and expenses due by the Issuer in terms of the Company Admission Document and/or the Security Trust Deed, all notarial fees and expenses in connection with this deed, including the registration of the Special Hypothec at the Public Registry, are to be borne by the Issuer.



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11. General

11.1 The Issuer, Smartcare Pinto Ltd and the Security Trustee agreed that the purpose of the deed is the grant of the Special Hypothec by Smartcare Pinto Ltd to the Security Trustee to be held on trust for the benefit of the Beneficiaries pursuant to the terms of the Company Admission Document and the Security Trust Deed and that, for this purpose and for the purposes of law, certain terms and conditions contained in the Company Admission Document and the Security Trust Deed have been acknowledged, agreed and recorded on this public deed.

11.2 The Issuer, Smartcare Pinto Ltd and the Security Trustee furthermore agreed that nothing in the deed, save for the Special Hypothec and the rights they granted to the Security Trustee for the benefit of the Beneficiaries, whether expressed or implied, shall in any way modify the rights and obligations of the Issuer and the Security Trustee between themselves and the Beneficiaries under the Security Trust Deed, the Company Admission Document and the Bonds, as applicable, or shall in any way limit, restrict or curtail the right of action, remedies, warranties, guarantees and securities or any other benefits of the Issuer, the Security Trustee and the Bondholders arising therefrom.

11.3 The public deed shall in no way imply a novation of the rights and obligations contracted by the Issuer, the Security Trustee and the Bondholders under the Company Admission Document, the Security Trust Deed and/or the Bonds.

Cause of Preference:

In warranty of the proper observance by the Issuer and Smartcare Pinto Ltd of all of the covenants and obligations undertaken by the Issuer and Smartcare Pinto Ltd, in its capacity as co-guarantor, towards the Bondholders in terms of the Company Admission Document and the Bonds and towards the Security Trustee for the benefit of the Beneficiaries in terms of the Security Trust Deed and the deed, and, in particular, in warranty of their obligations to repay the Principal Amount and all interests thereon and all other monies due by or recoverable from the Issuer in terms of the Security Trust Deed, the Company Admission Document, the Bonds and the deed, Smartcare Pinto Ltd thereby granted to the Security Trustee to hold on trust for the benefit of the Beneficiaries a **first ranking special hypothec** for the sum of **five million euro (€5,000,000)** and interest thereon and costs in connection therewith which may become due from time to time in accordance with the terms of the Company Admission Document and the Security Trust Deed (the "Special Hypothec") over:

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the old people's home named 'Dar Pinto', developed in 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 West and East with unknown third parties, with all the said property's rights and appurtenances, including its overlying airspace and underlying sub-terrain, free and unencumbered from any third-party rights, whether real or personal, free from the payment of any ground rents, and free from any other burthen The said Property is subject to the conditions and obligations resulting from a deed in the records of Notary Dorianne Arapa of the tenth day of October of the year two thousand and eighteen (10/10/2018)

The Security Trustee, in its capacity of security trustee of the Trust, accepted the Special Hypothec and agreed to hold it on trust for the benefit of the Beneficiaries *pari passu* in proportion to the rights and interests held by each Beneficiary in terms of the Company Admission Document and the Security Trust Deed.

The Issuer, Smartcare Pinto Ltd and the Security Trustee agreed that the Special Hypothec is hereby granted in terms of Article two thousand and ninety-five letter E (2095E) of the Civil Code, Chapter Sixteen (16) of the Laws of Malta, provided that the provisions of sub-article four (4) thereof are not applicable.

Today, _____



Notary Dr Tiziana Maria Refalo

11 JUN 2019

Note of Reference

• 3960

Title

Cancellation

Vol.I.No.

21304/2018

21319/2018

In virtue of a deed, published by me Notary, on the eleventh day of June of the year two thousand and nineteen (11/6/2019), the Creditor, "Lombard Bank Malta p.l.c.", (C1607) granted its consent for the total cancellation of the hypothecary and privileged rights registered in its favour, resulting from the herein mentioned hypothecary inscriptions.

Today, 11 JUN 2019



(Director)



Notary Dr. Tiziana Maria Refalo