

PROSPECTUS

Dated 5th November 2015



ZAMMIT FINANCE PLC

€6,000,000 5.25% Secured Global Note 2020 – 2022

Represented by the €6,000,000 5.25% Secured Participation Notes 2020 – 2022
Issued at par by Zammit Finance P.L.C.

Placement Agent and Manager



Legal Counsel



REGISTRATION DOCUMENT

This Registration Document is issued in accordance with the provisions of Article 90 of the Companies Act (Chapter 386 of the laws of Malta) and of Commission Regulation (EC) No. 809/2004 of 29th April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30th March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4th June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30th April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7th March 2014.



Dated 5 November 2015

**In respect of an issue of a €6,000,000 5.25% Secured Global Note 2020 – 2022
represented by the €6,000,000 5.25% Secured Participation Notes 2020 – 2022
issued at par by**

Zammit Finance p.l.c.

A public limited liability company registered in Malta on 1st June 2015
with company registration number C-70870

Prospective investors are to refer to the sections entitled “Risk Factors” contained in this Registration Document, Securities Note and Summary for a discussion of certain risk factors, which should be considered by prospective investors in connection with the Global Note and the Participation Notes. The Global Note and the Participation Notes are complex financial instruments and may not be suitable for all types of retail investors. A potential investor should not invest in the Notes unless: (a) He/she has the necessary knowledge and experience to understand the risks relating to this type of financial instrument; (b) the Notes meet the investment objectives of the potential investor; and (c) such potential investor is able to bear the investment and financial risks which result from investment in these Notes.

THE SECURITIES OFFERED HEREBY ARE BEING ISSUED AND OFFERED THROUGH AN OFFER TO THE PUBLIC IN MALTA BY THE ISSUER. NO APPLICATION HAS BEEN MADE, NOR IS IT INTENDED THAT AN APPLICATION BE MADE, FOR THE SECURITIES ISSUED HEREBY TO BE ADMITTED ON A REGULATED MARKET OR OTHER TRADING PLATFORM. RELIANCE ON THIS REGISTRATION DOCUMENT FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OR A SUBSTANTIAL PART OF THE PROPERTY OR OTHER ASSETS INVESTED.

THE REGISTRAR OF COMPANIES AND THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPT NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKE NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

Placement Agent and Manager



A blue ink signature of James Zammit, consisting of several horizontal strokes.

James Zammit

A blue ink signature of Raymond Zammit, featuring a large, stylized loop.

Raymond Zammit

Legal Counsel



A blue ink signature of Alfred Lupi, written in a cursive style.

Alfred Lupi

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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ABOUT ZAMMIT FINANCE P.L.C. (THE ISSUER) IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1995 (CHAPTER 386 OF THE LAWS OF MALTA) AND THE COMMISSION REGULATION (EC) NO. 809/2004 OF 29TH APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS, AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30TH MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4TH JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30TH APRIL 2013 AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7TH MARCH 2014.

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

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

THE REGISTRAR OF COMPANIES AND THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPT NO RESPONSIBILITY FOR AND MAKE NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (A) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (B) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (C) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF THE GLOBAL NOTE AND ANY NOTES MAY NOT BE TAKEN AS AN IMPLICATION: (A) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (B) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (C) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY UNLISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE NOTES AND THE PROSPECTUS.

THE GLOBAL NOTE AND THE NOTES SHALL NOT BE ADMITTED TO LISTING ON ANY REGULATED MARKET.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE PUBLIC OFFERING IN MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE GLOBAL NOTE AND THE NOTES OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA), WHICH HAS IMPLEMENTED THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4TH NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING (THE "PROSPECTUS DIRECTIVE") OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE GLOBAL NOTE AND THE NOTES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES THAT DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO AND APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY ACTING THROUGH THE REGISTRAR OF COMPANIES IN MALTA AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

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

ALL THE ADVISORS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING “ADVISORS TO THE ISSUER” IN SUB-SECTION 4.4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

1. DEFINITIONS

In this Registration 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;
“Company” or “Issuer”	Zammit Finance p.l.c., a public limited liability company registered under the laws of Malta on 1 st June 2015 having its registered office at Aries House, Triqta-Hlas, Haz-Zebbug, Malta and bearing company registration number C-70870;
“Designated Optional Redemption Period”	any day falling between and including 30th September 2020 and 30th September 2022 when the Issuer shall be entitled, at its option and in its sole discretion, to redeem part or all of the Global Note then outstanding and all interest accrued up to the date of prepayment, by giving at least thirty (30) days’ advance written notice to the Trustee;
“Directors” or “Board”	the directors of the Company whose names are set out in sub-section 4.1 of this Registration Document;
“Euro” or “€”	the lawful currency of the Republic of Malta;
“Global Note”	the €6,000,000 Global Note 2020 - 2022 issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.25% per annum to be issued by the Issuer in favour of the Trustee (in its capacity as trustee for the benefit of the Participation Note Holders) representing the amount due by the Issuer to the Trustee and creating, acknowledging and representing the indebtedness of the Issuer to the Trustee in accordance with the terms and conditions to be set out in the Prospectus;
“Global Note Issue”	The issuance of the Global Note;

“Group”	Zammit Holdings Limited (C-70104) and its subsidiary companies, including the Issuer and J. Zammit Limited, a company registered under the laws of Malta with company registration number C 37945 and having its registered office at Raymond Auto Dealer, Mdina Road, Zebbug, Malta.
“Memorandum and Articles of Association”	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
“MFSA”	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Chapter 330 of the laws of Malta);
“Participation Note”	means a participation note issued by the Trustee to one or more Participation Note Holders;
“Participation Note Holder”	a holder of Participation Notes;
“Participation Note Issue”	the issuance of the Participation Notes;
“Placement Agent and Manager”	Calamatta Cuschieri & Co. Limited, a private limited liability company registered under the laws of Malta having its registered office at 3rd Floor, Valletta Buildings, South Street, Valletta, Malta and bearing company registration number C-13729. Calamatta Cuschieri & Co. Limited is authorised to conduct investment services by the MFSA in terms of the Investment Services Act (Chapter 370 of the laws of Malta);
“Physical Property”	means the bills of exchange endorsed in favour of the Trustee by the Issuer and drawn in favour of J. Zammit Limited and the Related Company;
“Property”	means the bills of exchange endorsed in favour of the Trustee by the Issuer and drawn in favour of J. Zammit Limited and the Related Company and any cash held by the Trustee received from the Issuer and the Participation Note Holders;
“Prospectus”	collectively the Summary Note, this Registration Document and the Securities Note, all dated 5 November 2015, as such documents may be

amended, updated, replaced and supplemented from time to time;

“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and of the Council of 4th 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;
“Redemption Date”	30 th September 2022, unless otherwise redeemed at the Issuer’s sole discretion on any day during the Designated Optional Redemption Period;
“Related Company”	means JMC Property Co Ltd, a company registered under the laws of Malta with company registration number C 52422 and having its registered office at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta.
“Registration Document”	this document in its entirety dated 5 November 2015, forming part of the Prospectus;
“Regulation”	Commission Regulation (EC) No. 809/2004 of 29th April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30th March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4th June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30th April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7th March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the

prospectus (Text with EEA relevance);

“Securities Note”

the securities note issued by the Issuer dated 5 November 2015, forming part of the Prospectus;

“Trust Deed”

the trust deed entered into by the Issuer and the Trustee pursuant to which Property is settled on trust by the Issuer in favour of the Trustee (in its capacity as trustee for the benefit of the Participation Note Holders) as security for the punctual performance of the Issuer’s obligations under the Global Note (details of the trust deed are contained in the section entitled ‘Material Contracts’);

“Trustee”

PI Trustees Limited a private limited liability company registered under the laws of Malta with company registration number C 28762 and with registered office situated at 2nd Floor, Europa Centre, St Anne Street, Floriana, FRN1400 and any other successor in such capacity appointed for that purpose in terms of the Trust Deed;

“Summary Note”

the summary note issued by the Issuer dated 5 November 2015, forming part of the Prospectus;

All references in the Prospectus 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.

2. RISK FACTORS

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

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

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

2.1 Forward-looking statements

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

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

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

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Global Note and the Participation Notes will be repayable in full upon maturity, unless the Global Note and the Participation Notes are previously re-purchased and cancelled. An investment in the Global Note and the Participation Notes involves certain risks, including those described below.

2.2 Risks relating to the Issuer’s reliance on J. Zammit Ltd and the Related Company

The Company itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of J. Zammit Ltd and the Related Company. The Issuer is mainly dependent on the business prospects of J. Zammit Ltd and, therefore, the operating results of J. Zammit Ltd have a direct effect on the Issuer’s financial performance and position. Accordingly, the risks of the Issuer are indirectly those of J. Zammit Ltd and the Related Company. Since the Issuer shall be acquiring existing hire purchase trade receivables from the Related Company on a “with recourse” basis, the Issuer may to a lesser extent also be dependent on the Related Company to settle any shortfall that may arise in the event of non-payment of bills of exchange which the Issuer will acquire from the Related Company.

Furthermore, the Issuer is largely dependent, including for the purpose of servicing interest payments on the securities described in the Securities Note and the repayment of the principal on Redemption Date, on interest and non-interest income (fees and charges) generated on the bills of exchange acquired from J. Zammit Ltd on a monthly basis and on J. Zammit Ltd maintaining its current level of operating activity.

In addition, the Issuer will also generate interest income on the existing hire purchase trade receivables acquired on a “with recourse” basis from J. Zammit Limited and from the Related Company immediately after the issuance of securities pursuant to this Registration Document and the Securities Note. In this respect, the Issuer may be dependent on J. Zammit Limited and the Related Company to the extent that the said companies would be in a position to settle any shortfall that may arise in the event of non-payment of the bills of exchange by the respective debtors.

The Global Note shall constitute the general, direct and unconditional obligation of the Issuer and, in accordance with the provisions of the Trust Deed, the Participation Notes shall be secured by the bills of exchange held by the Trustee for the benefit of the Participation Note Holders and, in that respect only, shall rank in preference to all other present and future unsecured obligations of the Issuer, if any. The hire purchase trade receivables are secured by bills of exchange entered into with private individuals resident in Malta, which bills of exchange will be endorsed by J. Zammit Ltd and the Related Company in favour of the Issuer and subsequently in favour of the Trustee. In this respect, the Issuer will pay to J. Zammit Ltd and the Related Company the face amount of each bill of exchange less any unaccrued interest. Endorsement of the bill of exchange will operate so as to transfer the property of the bill of exchange to the endorsee, in this case the Issuer. As endorsee, the Issuer shall be entitled to claim payment of the bill of exchange from the acceptor thereof, namely the original customer of J. Zammit Ltd and the Related Company, on the maturity date of the bill of exchange. In view of the fact that the bills of exchange will be endorsed in favour of the Issuer “with recourse”, the Issuer will enjoy a right of recourse for payment of the bills of exchange against the drawer thereof, namely J. Zammit Ltd and the Related Company. Endorsement of bills of exchange between the Issuer and J. Zammit Ltd and the Related Company will be made “without protest”, meaning that in the event of non-payment of a bill of exchange the Issuer need not protest the bill in the form required by law to retain its right of recourse against J. Zammit Ltd and the Related Company.

The cash flows and earnings of the Issuer and J. Zammit Limited may be restricted by: changes in applicable laws and regulations; by the terms of agreements to which they are or may become party; or by other factors beyond the control of the Issuer. The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer to meet its obligations in connection with the repayment of principal and interest under the Global Note when due.

2.3 Risks relating to the business of J. Zammit Ltd and the Related Company

2.3.1 J. Zammit Limited is the main operational and revenue-generating company within the Group and, accordingly, its performance most significantly determines the success or otherwise of the Issuer.

The Issuer intends to acquire bills of exchange from J. Zammit Ltd and the Related Company on a “with recourse” basis. Consequently its own trading activities will be limited to the assets that will be acquired through the proceeds of the Offer. The assets will consist principally of bills of exchange, drawn by J. Zammit Ltd (and to a lesser extent drawn by the Related Company) on customers who purchase motor vehicles on hire purchase terms, which bills are subsequently endorsed and transferred in favour of the Issuer and then subsequently re-endorsed and re-transferred to the Trustee for the benefit of the Participation Note Holders. In this respect, therefore, the operating results of J. Zammit Limited (and to a lesser extent of the Related Company) will have a direct effect on the Issuer’s financial performance and position, and, as such, the risks intrinsic in the business and operations of J. Zammit Limited and of the Related Company shall have a direct effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the said securities when due.

As the business of J. Zammit Ltd (and to a lesser extent, the business of the Related Company) is reliant on motor vehicle hire purchase agreements secured by bills of exchange entered into with private individuals resident in Malta, severe competition in the motor vehicle financing sector, and changes in economic and market conditions could adversely affect the Issuer’s business and operating results. The Issuer’s business model is primarily reliant on J. Zammit Ltd’s private lending to individuals who have purchased a motor vehicle from J. Zammit Ltd. Accordingly the Issuer’s prospects should be considered in light of the risks and difficulties generally encountered by companies operating in similar markets and industry sectors.

A significant portion of the Issuer’s costs are fixed and the Issuer’s operating results are vulnerable to short-term changes in its revenues. The Issuer’s inability to react quickly to changes in its revenue by reducing its operating expenses could have a material adverse effect on its business, financial condition and results of operations.

2.3.2 The Issuer’s operations are exposed to credit risk on its receivables. Since part of the net proceeds raised shall be used by the Issuer to acquire existing bills of exchange from the Related Company on a “with recourse” basis, in the event of non-payment, the Issuer is also dependent on the ongoing business and operations of the Related Company, which, by virtue of the “with recourse” basis on which the bills are to be transferred, shall have the obligation to settle any shortfall that may arise.

2.3.3 J. Zammit Limited may not be able to successfully execute its long-term business strategy. There is no assurance that J. Zammit Limited will be able to drive growth to the extent desired through its focus of efforts and resources on its sales or to enhance profitability to the extent desired through continuous improvement. Changes in general economic conditions, tightening of credit or other factors may adversely impact retail sales. The automotive industry has been affected by general economic conditions over which it has little control. These factors can weaken the retail environment and lead to weaker demand for discretionary purchases such as cars. Should general economic conditions or automotive industry demand decline, J. Zammit Limited's results of operations and financial condition may be substantially adversely affected.

2.3.4 The automotive industry can also be affected by other factors over which it has little control. J. Zammit Limited is reliant on the attractiveness of the car models designed by the car manufacturers. The attractiveness and competitiveness of any brand of cars, and of particular models, is influenced by a host of factors such as engineering quality, design, the age of a particular model, the brand's plans for its replacement and cost (which may also be impacted, inter alia, by exchange rates and the incidence of registration taxes). These are all external factors over which J. Zammit Limited has no control, and in certain circumstances, may negatively impact the level of demand for some of the cars offered by J. Zammit Limited.

2.3.5 Weak economic conditions generally, sustained uncertainty about global economic conditions or a prolonged or further tightening of credit markets could cause J. Zammit Limited's customers and potential customers to postpone or reduce spending on technology products or services or put downward pressure on prices, which could have an adverse effect on J. Zammit Limited's and the Issuer's respective businesses, results of operations or cash flows.

2.3.6 J. Zammit Limited operates in a highly competitive market. Substantial competition could reduce their respective market share and significantly harm their financial performance. This level of competition may increase, which may limit the future ability of J. Zammit Limited to maintain its market share and revenue level. Businesses join and leave the market and/or expand or reduce their product and/or services ranges in response to competitive forces. Some competitors may have access to greater resources or use strategies such as lower pricing, wider selection of products/services, exclusive products/services, higher promotional and advertising intensity and more efficient sales methods. Increasing competitive pressures may cause J. Zammit Limited and/or the Issuer to make certain pricing, service or marketing decisions that could have a material adverse effect on their respective revenues, costs, financial conditions and results of operations.

J. Zammit Limited expects the competitive landscapes in which it competes to continue to change as new technologies are developed. To the extent that J. Zammit Limited faces increased competition to gain and retain customers, it may be required to reduce prices, increase advertising expenditures or take other actions that could adversely affect its business, operational performance and cash flows. Additionally, some of J. Zammit Limited's competitors may reduce its prices in an attempt to stimulate sales, which may require J. Zammit Limited to reduce its prices. This would require J. Zammit Limited to sell a greater number of products to achieve the same level of net sales and gross profit. If such a reduction in prices occurs and J. Zammit Limited is unable to attract new customers and sell increased quantities of products, J. Zammit Limited's sales growth and profitability could be adversely affected.

Certain of J. Zammit Limited's competitors have greater financial, technical, marketing and other resources. In addition, some of these competitors may be able to respond more quickly to new or changing opportunities, technologies and client requirements. There can be no assurance that J. Zammit Limited will be able to compete effectively with current or future competitors or that the competitive pressures will not have a material adverse effect on their respective businesses, results of operations and financial condition.

2.3.7 Failure to provide high quality services to J. Zammit Limited's customers could adversely impact J. Zammit Limited's reputation and business.

If J. Zammit Limited or one of its third party service providers, as the case may be, fails to provide high quality services to customers, or such services results in the disruption of customers' businesses, J. Zammit Limited's reputation with its customers and its business, results of operations or cash flows could be adversely affected.

2.3.8 If J. Zammit Limited loses any of its key personnel, or is unable to attract and retain the talent required for their business, the business could be disrupted and their financial performance could suffer.

J. Zammit Limited's success is, in each case, heavily dependent upon the company's ability to attract, develop and retain key personnel to manage and grow the relative business, including key executive, management, sales, services and technical staff.

In the event that J. Zammit Limited fails to attract, develop, train and retain key personnel, relationships with customers will be adversely affected, leading to a further adverse effect on the capability of J. Zammit Limited to expand its offerings of value-added services and solutions.

In common with many businesses, J. Zammit Limited will be relying heavily on the contacts and expertise of their respective senior management teams and other key personnel within the

respective businesses. Although no single person is solely instrumental in fulfilling J. Zammit Limited's and the Issuer's respective business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on either companies' business.

2.3.9 The interest rates charged by J. Zammit Limited to its car hire purchase customers and the number of concluded hire purchase agreements could be adversely impacted by a number of events including political, social and economic instability, among others, all of which could have the effect of reducing the demand for car sales, which may have an adverse impact on the Issuer and J. Zammit Ltd's operations and financial results.

2.3.10 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. 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.

2.3.11 J. Zammit Limited's business consists of the sale of used motor vehicles, both on a cash basis and on hire purchase terms. In this respect, the financing element of hire purchase agreements and the bills of exchange held as security is subject to a number of specific risks including, among others, changes in interest rates, bad debts and the reduction of demand. If these risks were to materialise, they would have an adverse impact on J. Zammit Limited's revenue generation, cash flows and operational performance, which in turn will have an adverse impact on the revenue generation, cash flows and operational performance of the Issuer insofar as the Issuer acquires bills of exchange from J. Zammit Limited. Furthermore, J. Zammit Limited, and consequently the Issuer insofar as it acquires bills of exchange from J. Zammit Limited, is subject to various counterparty risks, including its customers. Such parties may fail to perform, or may default on, their obligations to J. Zammit Ltd due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons, which are beyond the Issuer's control. If such risks, many of which are common to the lending industry, were to materialize, they could have an adverse impact on the Issuer's revenue generation, cash flows and financial performance.

2.3.12 Risks relating to the Issuer's limited trading records

Since the Issuer was incorporated on 1st June 2015, it has no trading record or history of operations. Additionally, the Issuer's projections are highly dependent on the level of sales activity (i.e. both in terms of volume sold as well as the prices at which the motor vehicles are

sold on hire purchase terms) to be generated by J. Zammit Limited and is subject to certain risks and challenges that include, but are not limited to, the lack of financial stability and the risk of costs exceeding revenues. If such risks were to materialise, they could have a significant impact on the financial position and profitability of J. Zammit Ltd and consequently of the Issuer.

2.3.13 Risks relating to fluctuations in exchange rates

J. Zammit Limited may be exposed to exchange rate risk and can be impacted by transaction risk, being the risk that the currency of the costs and liabilities of J. Zammit Limited fluctuates in relation to the Euro (being the reporting currency of all Group companies), which fluctuation may adversely affect J. Zammit Limited's operating performance.

2.3.14 Trust Deed

By acquiring the Participation Notes, the Participation Note Holder is considered to be bound by the terms of the Trust Deed as if he had been a party to it. The Trust Deed contains a number of provisions, which the investors ought to be aware of prior to acquiring the Participation Notes and therefore investors ought to read the description of the Trust Deed contained in section 13.5 under the heading 'Trust Deed' before acquiring any of the Participation Notes. For instance, in terms of the Trust Deed, a) the Trustee is not liable for any default or breach of duty or trust committed by it or for any loss of profits unless such default or breach is caused by fraud, willful misconduct or gross negligence of the Trustee or if it is not entitled to an indemnity under Maltese law; b) the Trustee is not bound to take any such steps or proceedings to enforce the security unless requested to do so in writing by not less than 75% in value of the Participation Note Holders; and c) the Participation Note Holders are entitled to require the Trustee to convene a meeting of the Participation Note Holders provided that such request is made by at least 10% in value of the Participation Note Holders at that time. By acquiring the Participation Notes, the Participation Note Holders inter alia agree: (i) to hold the Trustee harmless and fully indemnified for and against any loss, damage, cost or other liability it may incur by virtue of its failure to enforce or take any steps or proceedings to enforce the covenants and provisions of the Trust Deed in the event that it would have not received proper instructions in writing from at least 75% in value of the Participation Note Holders; and (ii) not to exercise any right of set-off in respect of any amount payable by the Participation Note Holders to the Issuer against any amount payable by the Issuer to the Participation Note Holders. The material elements of the Trust Deed are contained in section 13.5 under the heading 'Trust Deed'

2.3.15 Other risks

With the issue of the Global Note, the Issuer's capital structure is expected to change from one where the Issuer is funded through shareholders' equity to a highly leveraged capital structure. Furthermore, with the issue of the Global Note, the Group's capital structure is expected to change from one where the Group is funded through shareholders' equity and bank loans to a more leveraged capital structure. This could have an adverse effect on the financial condition of the Issuer and the Group generally should actual results differ materially from those anticipated by the Group.

The Group is subject to taxation, environmental and health and safety laws and regulations. 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 Prospectus upon the business and operations of Group companies. The Group is also at risk in relation to other factors over which the Group has no control, such as catastrophic events, terrorist attacks and other acts of war or hostility all of which could have an adverse effect on the business, financial condition and profitability of the Group.

The Group is also subject to various counterparty risks and existing or prospective customers defaulting on their obligations with the Group. Such parties may fail to perform or default on their obligations to the Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons that are beyond the Group's control.

3. PERSONS RESPONSIBLE

Each and all of the Directors of the Issuer whose names appear under the heading “Identity of Directors, Senior Management, Auditors and Advisors of the Issuer” in sub-Section 4.1 of this Registration Document accept responsibility for the information contained herein. Mr James Zammit, Mr Raymond Zammit and Mr Alfred Lupi, being directors of the Issuer, accept responsibility for all of the information contained in the Prospectus. To the best of the knowledge and belief of the directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer hereby accept responsibility accordingly.

4. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, AUDITORS AND ADVISORS OF THE ISSUER

4.1 Directors of the Issuer

As at the date of this Registration Document, the Board of the Issuer is composed of the following persons:

Alfred Lupi:	Chairman and Non-Executive Director
James Zammit:	Executive Director
Raymond Zammit:	Executive Director

Mr James Zammit and Mr Raymond Zammit occupy senior executive positions within the Group. The other Director, serves on the Board of the Issuer only and in a non-executive capacity and is considered as an independent Director since he is free of any business, family or other relationship with the Issuer, its controlling shareholders or the management of either, which could create a conflict of interest such as to impair his judgement.

The business address of said Directors is Aries House, Triq tal-Hlas, Haz-Zebbug, Malta.

Dr. James Bannister, Dr Andrea Bonello and Mr Angelo Buhagiar occupy the position of company secretary of the Issuer.

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

Alfred Lupi – Chairman and Non-Executive Director

Mr Lupi is currently engaged in family business consulting and holds non-executive board positions in local and international companies, operating mainly in insurance, but also in shipping, investment services and industrial activities. He was previously CFO of Airmalta p.l.c., Executive Chairman of Pavi Shopping Complex p.l.c., which is Malta's only listed shopping complex, and is a former Director of the Central Bank of Malta. He was previously Chairman of the Malta Accountancy Board, the statutory regulator of the Accountancy Profession, and currently member of the Quality Assurance Oversight Committee set up by the Accountancy Board to oversee audit practice in Malta.

James Zammit - Chief Executive Officer of the Group

Mr James Zammit is the Managing Director of the Issuer and is entrusted with the Group's day-to-day management. Mr Zammit was, from an early age, actively involved in the business development of the main divisions within the businesses originally founded by Mr Raymond Zammit. Mr James Zammit is also the sole director and shareholder of J. Zammit Limited that operates Ray Auto Dealer and in conjunction with others is involved in Premier Cars Malta. In 2009 Mr Zammit was also appointed Secretary of the Importers and Car Dealers Association (ICDA). He is also involved in a number of companies in the building and property development sector and is a director of Finance House plc, which is licensed by the MFSA as a financial institution.

Raymond Zammit - Executive Director

Mr Raymond Zammit has extensive experience dating back many years in the automotive and property development markets. Mr Zammit was the founding member of Raymond Auto Dealer which is today one of the largest secondhand vehicle importers in Malta and whose business is now being operated by J. Zammit Limited. From an early age, he was also actively involved in property development and has been involved and continues to own, alone or in conjunction with others, a large number of property development companies. Mr Zammit is a director of Finance House plc, which is licensed by the MFSA as a financial institution.

4.2 Key executives of the Issuer

In addition to the directors of the Issuer there are no other key executive of the Issuer.

4.3 Advisors to the Issuer

Legal Counsel: CDF Advocates of 25/23 Vincenti Buildings, Strait Street, Valletta VLT 1432 Malta.

Placement Agent and Manager: Calamatta Cuschieri Investment Services Ltd. of 5thFloor, Valletta Buildings, South Street, Valletta, Malta.

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

The organisations listed above have advised and assisted the directors of the Issuer in the drafting and compilation of the Prospectus and, accordingly, they are only responsible towards the Issuer and not towards any other third party, including, but not limited to, the Trustee and prospective or actual investors in the Global Note or the Participation Notes.

4.4 Statutory Auditors

The Issuer was set up on 1st June 2015 and, since incorporation to the date of this Registration Document, no financial statements have been prepared. KPMG of Portico Building, Triq Marina, Pietà, PTA 9044, Malta, is a firm of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta) has been appointed as auditor of the Issuer.

5. SELECTED FINANCIAL INFORMATION

5.1 Selected financial information of the Issuer

The Issuer was registered and incorporated on 1st June 2015 to issue the Global Note and to acquire bills of exchange relating to motor vehicle sales originating from J. Zammit Limited and the Related Company. The Issuer has, to date, not conducted any business and has no trading record.

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.

5.2 Financial Projections of the Issuer

The financial projections and profit forecast of the Issuer are contained in Annex A of this Registration Document. The accountant's report on the prospective financial information of the Issuer are contained in Annex B of this Registration Document.

5.3 Selected Financial Information - J. Zammit Limited

Since the Issuer will acquire bills of exchange relating to motor vehicle sales on an ongoing basis from J. Zammit Limited, the selected financial information of J. Zammit Limited is contained in this section of the Registration Document. The historical financial information of J. Zammit Limited is set out in the audited financial statements for each of the financial years ending 31 December 2012 to 2014. Set out below are summarised extracts from the financial statements of J. Zammit Limited for the years ending 31 December 2012 to 2014.

<i>J. Zammit Limited – Statements of Comprehensive Income</i>			
<i>For the year ended 31 December</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
	€	€	€
Revenue	3,046,836	3,812,477	7,551,737
Cost of sales	(2,458,657)	(3,170,700)	(6,902,543)
Gross profit	588,179	641,777	649,194
Other income	219,558	152,740	214,975
Administrative and other expenses	(369,239)	(431,526)	(667,393)
EBITDA	438,498	326,991	196,776
Depreciation and amortisation	(42,329)	(60,058)	(110,355)
Operating profit	396,169	302,933	86,421
Finance income	188,778	328,864	304,942
Finance costs	(136,483)	(181,386)	(182,345)
Profit before tax	448,464	450,411	209,018
Taxation	(156,961)	(165,835)	(57,068)
Profit for the year	291,503	284,576	151,950

The business activity of J. Zammit Limited increased significantly during 2014, with total revenue of circa €7.5m generated from the sale of 745 motor vehicles (2014: 408). The improvement was largely driven by a growth in the demand for Japanese imported motor vehicles, which J. Zammit Limited introduced to its product range in 2013 together with higher sales of exotic and luxury motor vehicles. As sales volumes increased, the overall gross profit margins of J. Zammit Limited decreased to 8.6% in 2014 (2013:16.8%), which decline was underpinned by a number of factors, including among others, a shift in the sales mix whereby lower margin Japanese imported vehicles represented a larger portion of the total revenue base, as well as management's decision to sell a number of motor vehicles at lower overall margins. The decline in EBITDA in 2014 was largely influenced by an increase in administrative expenses, which include variable items such as commissions and factoring charges.

According to the interim unaudited sales figures of J. Zammit Limited as at 31 July 2015, 715 cars were sold since 1 January 2015 and the level of activity, if sustained during 2015, would lead to the sale of approximately 1,200 cars. J. Zammit Limited operates on the concept of a car supermarket accessible from different locations across the island. The company stocks around 300 cars at any one time and these are available in showrooms operated by J. Zammit Limited and those of others, leading to a strong presence around the island and a higher probability of being bought.

<i>J. Zammit Limited – Statements of Financial Position</i>			
<i>As at 31 December</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
	€	€	€
Assets			
Non-current assets	2,342,661	2,929,642	4,064,551
Current assets	1,791,187	2,612,004	4,026,172
Total assets	4,133,848	5,541,646	8,090,723
Equity			
Total equity	939,090	1,223,666	2,005,616
Liabilities			
Non-current liabilities	1,953,943	1,879,267	2,117,468
Current liabilities	1,240,815	2,438,713	3,967,639
Total liabilities	3,194,758	4,317,980	6,085,107
Total equity and liabilities	4,133,848	5,541,646	8,090,723

Total assets stood at c. €8.1m as at 31 December 2014, which represents a significant growth over 2013 levels and is largely reflective of the increased levels of business activity. The expansion of J. Zammit Limited's asset base principally emanated from a significant growth in its book of bills of exchange, which bills are created through the sale of motor vehicles on hire purchase terms. The bills of exchange are classified within trade and other receivables, which comprised 88.2% of the total asset base as at 31 December 2014. The growth in business operations was principally financed through additional bank borrowings. While bank facilities have increased in line with the

growth of J. Zammit Limited's overall business activity, the overall gearing ratio of the company experienced a marginal decrease during the year.

<i>J. Zammit Limited – Statements of Cash Flows</i>			
<i>For the year ended 31 December</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
	€	€	€
Net cash from/(used in) operating activities	(1,536,117)	(285,986)	(770,698)
Net cash used in investing activities	(49,719)	(38,770)	(252,851)
Net cash from/(used in) financing activities	1,587,605	327,893	953,917
Net (decrease)/increase in cash and cash equivalents	1,769	3,137	(69,632)
Cash and cash equivalents at 1 January	7,303	9,072	12,209
Cash and cash equivalents at 31 December	9,072	12,209	(57,423)

6. INFORMATION ABOUT THE ISSUER

6.1 History and development of the Issuer

Full legal and commercial name of the Issuer: Zammit Finance p.l.c.

Registered address: Aries House, Triq tal-Hlas, Haz-Zebbug, Malta

Place of registration and domicile: Malta

Registration number: C-70870

Date of registration: 1st June 2015

Legal form: The Issuer is lawfully existing and registered as a public limited company in terms of the Act.

Telephone number: +356 21463331.

The Issuer is a fully owned subsidiary of Zammit Holdings Ltd, which latter entity is the parent company of the Group.

Zammit Finance p.l.c. was incorporated on 1st June 2015 as a public limited liability company, registered in terms of the Companies Act with company registration number C-70870 and is domiciled in Malta, having its registered office at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta. The Issuer has an authorised and issued share capital of €50,000 divided into 50,000 ordinary shares of €1 each, fully paid up.

The issue of securities falls within the objects of the Issuer, the principal object of which is to carry on the business of a finance company. The Issuer's trading activity is the acquisition of bills of exchange from J. Zammit Limited and the Related Company. The Issuer will acquire bills of exchange from J. Zammit Limited and from the Related Company on a "with recourse" basis. The assets of the Issuer will consist principally of bills of exchange, drawn by J. Zammit Limited (and to a lesser extent from the Related Company) on customers who purchase motor vehicles on hire purchase terms, which bills are subsequently endorsed and transferred in favour of the Issuer and then subsequently re-endorsed and re-transferred to the Trustee for the benefit of the Participation Note Holders.

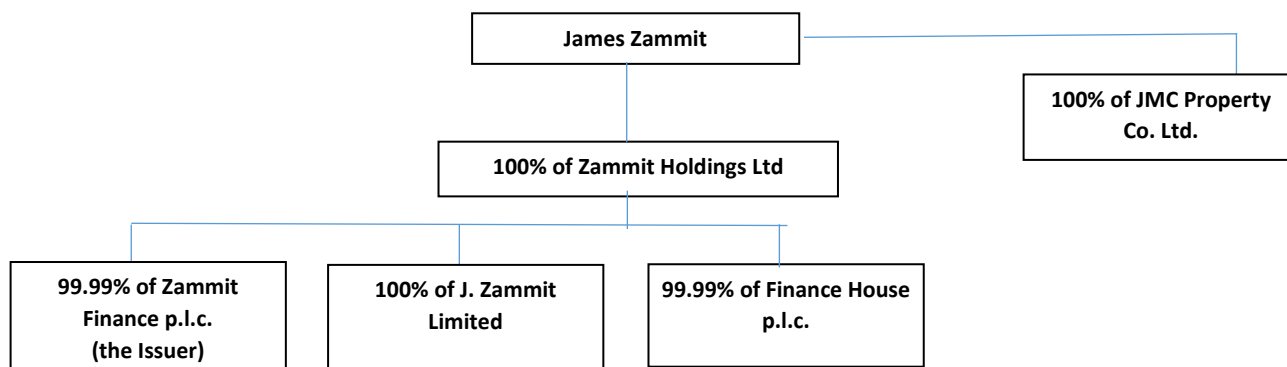
The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company for bills of exchange drawn in favour of J. Zammit Limited and the Related Company.

There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

The Issuer operates exclusively in and from Malta.

6.2 Group organisational structure

The organisational structure of the Group, relevant to the Issuer, is illustrated in the diagram below as at the date of the Prospectus:



The proceeds of the Issue, the Global Note and the Participation Notes will not be covering any lending to, or purchase of bills of exchange from Finance House p.l.c.

6.3 Investments since last published financial statements

The Issuer was set up on 1st June 2015 and, since incorporation to the date of this Registration Document, no financial statements have been prepared.

No material investments have been made by the Issuer since the date of its incorporation and there are no investments there are in progress and no future investments on which the Issuer has already made firm commitments.

Statements regarding the Issuer's competitive position are contained in Section 8 of the Registration Document.

7. BUSINESS OVERVIEW

7.1 The Issuer

Zammit Finance p.l.c., is a fully-owned subsidiary of Zammit Holdings Ltd (except for one share held by James Zammit) and has been set up to act as a financing company.

The Issuer intends to acquire bills of exchange relating to motor vehicle sales from J. Zammit Limited and the Related Company on a “with recourse” basis, as a result of which the Issuer is expected to generate interest and non-interest (fees and charges) income. The assets of the Issuer will principally consist of bills of exchange drawn by J. Zammit Limited (and to a lesser extent from the Related Company) on customers who purchase motor vehicles on hire purchase terms, which bills are subsequently endorsed and transferred in favour of the Issuer and then subsequently re-endorsed and re-transferred to the Trustee for the benefit of the Participation Note Holders.

A brief overview of key business areas of the Group, including details concerning its principal activities and markets, business objectives and trading prospects, is provided below.

7.2 The Group

Since inception, the business has operated under the trade name ‘Raymond Auto Dealer’. In fact, the automotive operations were established by Mr Raymond Zammit in 1988, and Mr Zammit was among the first to introduce the sale of used vehicles on hire purchase terms in Malta. The automotive business was fully taken over by Raymond’s son, James Zammit, in 2006.

7.2.1 J. Zammit Limited

J. Zammit Limited is a large second-hand motor vehicle dealership in Malta and has been operating in the automotive sector for several years. Aside from purchasing cars from the local market, motor vehicles are also imported from the United Kingdom and Japan, with some specific car models imported from the USA. Sales are carried out on either a cash basis or on hire purchase terms. The latter extended against a minimum deposit of €500, with the balance payable on a monthly basis over a period covering a maximum of 5 years (i.e. 60 installments). A six month full warranty is offered on all vehicles sold and this can be extended to up to two years. Up until recently, the business was largely dependent on the importation of second-hand vehicles from the United Kingdom, with a portion of inventory also acquired via part-exchange of cars with customers. The business activity emanating from the sale of UK imports ramped up during the 2008 financial crisis, particularly due to the availability of quality cars at relatively low prices, making them more affordable to the local market.

During the same period however, the local demand for second-hand Japanese manufactured vehicles started increasing and, in 2013, the company ventured in the importation and sale of Japanese vehicles through its affiliation with the Used Vehicles Importers Association (UVIA). J. Zammit Limited operates its flagship showroom in Zebbug, a five-storey complex, under the trade name of 'Cars Unlimited'. In recent years, J. Zammit Limited has expanded its local presence with an increased network of showrooms across Malta such as Premier Car Centre and JC Car Sales. The showrooms are either: (i) operated and managed by J. Zammit Limited, or (ii) used by J. Zammit Limited through some form of affiliation with other car dealers.

During the course of its operations, J. Zammit Limited has experienced a constant growth in its activities in the second-hand car market where it has also provided hire purchase terms to its customers. Mr. James Zammit coined and registered "Cars Unlimited Malta" as the Group's new trade name and "Cars Unlimited Premier" for the higher end Burmarrad showroom.

7.2.2 JMC Property Co. Ltd

Mr. James Zammit also holds a 100% equity interest in JMC Property Co. Ltd., a company incorporated in 2011 with the intention of operating in the real estate sector, in particular the development and sale of property. Since its inception, the company was involved in the development of a property in Attard consisting of a block of apartments, penthouses and garages. However, during 2013, its activities also extended to include the sale of used motor vehicles in the local market. This extension of services is in line with the company's Memorandum and Articles of Association. The intention of the Board of Directors of JMC Property Co. Ltd is to revert to its operations in the real estate sector following the proposed Global Note Issue, whereby it is the intention of JMC Property Co. Ltd to assign all existing bills of exchange relating to motor vehicle sales held in its name to Zammit Finance p.l.c.

7.2.3 History of the Group

The timeline and key milestones of the Group are as follows:

1988: Raymond Auto Dealer Ltd was incorporated. Since its inception, Raymond Auto Dealer was principally involved in the purchase and sale of local second-hand motor vehicles, as during this period, legislation imposed strict limitations on the number of motor vehicles that may be imported each year.

2006: J. Zammit Limited was established.

2008: J. Zammit Limited commenced with the importation of second-hand motor vehicles from the United Kingdom.

2011: JMC Property Co. Ltd. was established.

2013: Incorporation of Finance House p.l.c. J. Zammit Limited commenced its business affiliation with UVIA and subsequently commenced with the importation of second-hand motor vehicles from Japan. J. Zammit Limited became a member of the Used Vehicle Importers Association and expanded its presence across Malta, with its motor vehicles displayed in additional showrooms.

2015: Incorporation of Zammit Holdings Ltd. Mr. James Zammit coined and registered “Cars Unlimited Malta” as the Group’s new trade name.

7.3 Customer Profile

The typical customer for the purchase of second-hand vehicles is between 18 years and 55 years of age. The target for low end cars is the low to medium wage earners with average net annual income in the region of €12,000. In respect of the sale of high end cars, the average net annual income would be in the region of €30,000 or more. Apart from employment income, the due diligence on prospective customers may also include other wealth generated from interests in businesses and/or company ownership.

7.3.3 Business Model

J. Zammit Limited imports used motor vehicles mainly from the UK and Japan as well as from the USA. The motor vehicles are either sold on a cash basis or on hire purchase terms through a number of showrooms across Malta, with bills of exchange guaranteeing the financing. Going forward, it is intended that the Issuer will acquire bills of exchange from other Group entities and the Related Company on a “with recourse” basis, with the bills subsequently re-endorsed and re-transferred to the Trustee at a discount, in exchange for the cash raised through the Participation Note Issue. The Trustee will hold the bills of exchange (and such cash as has not been transferred to the Issuer) for the benefit of the Participation Note Holders.

In view of the fact that the bills of exchange will be endorsed in favour of the Issuer “with recourse”, the Issuer will enjoy a right of recourse for payment of the bills of exchange against the drawer thereof, namely J. Zammit Ltd and the Related Company. Endorsement of bills of exchange between the Issuer and J. Zammit Ltd and the Related Company will be made “without protest”, meaning that, in the event of non-payment of a bill of exchange, the Issuer need not protest the bill in the form required by law to retain its right of recourse against J. Zammit Ltd and the Related Company.

8. TREND INFORMATION AND TRADING PROSPECTS

Over the years, the second-hand vehicle market in Malta has become highly competitive, with an increase in the number of second-hand motor vehicle dealers and models imported at competitive prices. The second-hand car import market has grown substantially in the last few years, as evidenced by statistics published by the National Statistics Office included in the tables below. The importation of second-hand vehicles, particularly from Japan and the UK, which imposes no registration tax on new vehicles, has also increased substantially. The information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by the National Statistics Office, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Statistics taken from the National Statistics Office report issued in August 2014, which covers the period 1st January 2011 up to 31st December 2013, show that the registration of second-hand cars remained practically at same levels in 2013 and 2012. Furthermore, comparing these figures with the registration of new vehicles, there is a significant difference in favour of second-hand cars, which indicates the strength of the market for second-hand cars in which the Group operates. This is shown in the tables below:

2nd Hand Cars registration

	2013	2012	2011
Passenger Cars	7343	7153	9513
Commercials (Goods carrying vehicle only)	1131	1066	1051

New Cars registration

	2013	2012	2011
Passenger Cars	5749	5884	6362
Commercial (Goods carrying vehicle only)	8	12	9

Category of Passenger cars registered as at December 2013

Petrol up to 1,399 cc	142,642
Petrol between 1,400 cc up to 1,999 cc	32,294
Petrol 2000 cc and more	3,206
Diesel up to 1,399 cc	6,410
Diesel between 1,400cc up to 1,999 cc	60,939
Diesel 2000 cc and more	10,029

As indicated in Section 5.3 above, based on the interim unaudited sales figures of J. Zammit Limited as at 31 July 2015 and on current trends as at the date of this Registration Document, during the 2015 financial year J. Zammit Limited expects to sell 1,200 motor vehicles, spread across second-hand cars and new cars, and to sustain its level of activity in the following financial years. As shown by the statistics above, the average annual motor vehicle sales in Malta is of around 12,000 motor vehicles spread across second-hand cars and new cars. Therefore J. Zammit Limited has approximately 10% market share in the second-hand cars and new cars sales market.

There have been no material adverse changes in the prospects of the Issuer since the date of its incorporation and there has been no material adverse change in the prospects of Group companies (excluding the Issuer, which has not yet published any audited financial statements) since the date of their respective latest audited financial statements.

At the time of publication of this Registration Document, the Issuer considers that its future performance is related to the performance of J. Zammit Limited and the Related Company. The Issuer considers that generally it shall be subject to the normal business risks associated with the industry in which J. Zammit Limited is involved and operates, and, barring unforeseen circumstances, do not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of its businesses and that of J. Zammit Limited, at least up to the end of the next financial year.

9. MANAGEMENT AND ADMINISTRATION

9.1 The Issuer

9.1.1 The Board of Directors of the Issuer

The Memorandum of Association of Zammit Finance p.l.c. provides that the affairs of the Company shall be managed and administered by a Board of Directors to be composed of not less than two and not more than five directors, who are appointed by the shareholders.

Specifically, in terms of the Company's Articles of Association, Zammit Holdings Ltd is empowered to appoint the Directors of the Issuer by means of an ordinary resolution in general meeting, thereby putting it in a position to appoint an absolute majority of the Directors of the Issuer and, accordingly, having control over the management and operations of the Issuer.

The Issuer is currently managed by a Board of three (3) Directors, who are responsible for the overall direction and management of the Company. The Board currently consists of two executive Directors, who are entrusted with the Company's day-to-day management and one non-executive Director whose main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors. As at the date of the Prospectus, the Board of the Issuer is composed of the individuals listed in sub-Section 4.1 of this Registration Document.

None of the Directors of the Company have been:

- (a) Convicted in relation to fraud or fraudulent conduct in the last five (5) years;
- (b) Declared bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- (c) The subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- (d) Disqualified by a court from acting as director or manager in the last five (5) years.

9.1.2 Appointment of Directors

The Directors of the Issuer are appointed as aforesaid. In line with generally accepted principles of sound corporate governance, at least one (1) of the Directors shall be a person independent of the Group.

9.1.3 Removal of the Issuer's Directors

In terms of the Company's Articles of Association, the Directors shall remain in office indefinitely, unless removed. Any Director may be removed at any time by the shareholders in general meeting, provided that the Director shall be given the opportunity of making representations to the general meeting at which a resolution for his removal is to be taken. The Directors of the Issuer currently in office are expected to remain in office at least until the next Annual General Meeting of the Company.

9.1.4 Powers of the Issuer's Directors

The Directors are vested with the management of the Company and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Company and, in this respect, have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of the Memorandum and Articles of Association they may do all such things as are allowed by the Memorandum and Articles of Association.

9.1.5 Conflicts of Interest

According to Article 70 of the Memorandum and Articles of Association:

- A. a director, or alternate director, shall make a declaration in respect of any conflict of interest at the first possible Board of Directors' meeting if he is aware of any potential or actual conflict of interest, irrespective of whether the relevant matter is up for discussion or vote at that meeting or not. If the matter is considered a matter of urgency, the said director or alternate director shall advise the Board of Directors in writing at the earliest possible time.
- B. A director, or alternate director, shall not vote at a meeting of the Board of Directors in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting.

He may not be present or participate in a discussion regarding such matter, contract or arrangement at a meeting of the Board of Directors or during the time a vote is taken, save for any participation in the discussion as may be allowed by the chairperson of that meeting of the Board of Directors who, at his absolute

discretion, may allow the interested director to be present for part of the discussion.,

- C. The chairperson of the meeting concerned may, at his discretion, authorise that the circularisation to the affected director of that part of the board minutes regarding the discussion and / or voting on matters covered by sub-article (B) of this article be withheld.
- D. The provisions of paragraph (B) above shall not apply to:
- (a) any arrangement for giving any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
 - (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
 - (c) any contract by a director to subscribe for or underwrite shares or debentures of the Company; or
 - (d) any contract or arrangement with any other company in which he is interested only as an officer of the company or as a holder of shares or other securities;

and these prohibitions may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, by the Company in general meeting.

- E. The provisions of paragraph (B) above shall not apply to any contract or arrangement in which a director is interested when acting as a director of another company forming part of the same group of companies of which the Company forms part.

- F. A director having a continuing material interest that conflicts with the interests of the Company shall take effective steps to eliminate the grounds for conflict.

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

9.1.6 Service contracts of the Issuer's Directors

Mr Alfred Lupi has a service contract with the Issuer.

9.1.7 Aggregate emoluments of the Issuer's Directors

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

Save for Mr. Alfred Lupi, none of the Directors of the Issuer will be receiving emoluments for the financial period ending 31st December 2015. The aggregate emoluments receivable by Mr. Alfred Lupi as the independent Director in the aforesaid period will amount to Euro 8,000 per annum.

9.1.8 Loans to the Issuer's Directors

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

9.2 Employees of the Group

The Issuer does not have any employees of its own and is, therefore, reliant on the Group for administrative support. As at 30th June 2015, the Group had an average total of 15 employees -14 of which are employed with J. Zammit Limited. The staff responsible for the business of the Group are the following:

- Sales area –Manager and Head Salesman together with two salespersons;
- Registrations – two clerks responsible for all car registrations with Transport Malta;
- Garage – Manager who monitors the movement of all motor vehicles and 2 attendants responsible for detailing of the motor vehicles;
- Finance Department – Financial controller, account clerk and 2 clerks, responsible for all bookkeeping and compilation of financial statements;

- Credit Controller –Manager and Chief Credit Controller, responsible for court cases and setting up of procedures regarding debt collection, two debt servicing officers and a cashier.

9.3 Working Capital

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

10. BOARD PRACTICES

10.1 Compliance with Corporate Governance requirements

10.1.1 The Issuer

During the period running from its incorporation to the date of the Prospectus, the Issuer was not subject to the Corporate Governance Guidelines for Public Interest Companies (the "Code") due to the fact that it did not qualify as a public interest company. As a consequence of the present Global Note Issue, the Issuer intends to adopt the provisions of the Code.

10.1.2 Audit Committee

The Issuer does not intend to establish an Audit Committee.

10.1.3 Dividend Policy

For as long as the Global Note remains outstanding, it is the intention of the Directors not to distribute dividends.

11. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

11.1 Interests of major shareholders of the Issuer

The authorised and issued share capital of the Issuer is of €50,000 divided into 50,000 ordinary shares of a nominal value of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

<i>Name of Shareholder</i>	<i>Number of shares held</i>
Zammit Holdings Limited (C-70870)	49,999 ordinary shares

James Zammit 1 ordinary share

The Issuer is indirectly owned and controlled by James Zammit.

The Issuer adopts measures in line with the Corporate Governance Guidelines for Public Interest Companies to ensure that its relationship with other Group companies is, at all times, retained at arm's length and that there is no abuse of power by the Issuer in the context of related party transactions. Any potential conflicts of interest of the directors of the Issuer are addressed as set out in sub-Section 11.3 below.

In order to mitigate possibilities of abuse in the control of the Company arising from the fact that James Zammit owns and controls the Company and together with his father Raymond Zammit constitute a majority of persons on the Board of Directors of the Company, the following measures have been implemented:

- (a) Mr. Alfred Lupi, who is an independent director, is appointed as Chairman of the Board of Directors. The Chairman is not involved in the day-to-day running of the business, and can thereby contribute more objectively in supporting as well as constructively challenging and monitoring the Company's operations.
- (b) The Chairman of the Board shall continue to be free from any business or other relationship with the Company, or the Group, at all times.
- (c) The Chairman of the Board is responsible for: (i) leading meetings of the Board of Directors and to set the agenda, (ii) ensure that the Directors of the Board receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company, (iii) ensure effective communication with the shareholders, and (iv) encourage active engagement by all members of the Board for discussion of complex and contentious issues.
- (d) The Chairman of the Board shall have a second vote at meetings of the Board of Directors where all Directors are present, in this manner the Chairman has the power to veto decisions taken by the other two directors. Furthermore, in terms of article 72 of the Articles of Association of the Issuer, the quorum necessary for board meetings shall always include the Chairman.

11.2 Interests of major shareholders of the Group

The Group is ultimately wholly owned, through Zammit Holdings Ltd, by Mr James Zammit. Mr Raymond Zammit is the father of Mr James Zammit.

11.3 Directors' interests

Mr James Zammit occupies the position of director in respect of both the Issuer, J. Zammit Limited and the Related Company. Mr Raymond Zammit occupies the position of director of the Issuer.

To the extent known or potentially known to the Issuer as at the date of the Prospectus, the following are the potential conflicts of interest between the duties of the directors of the Issuer and their private interests and/or their other duties, which require disclosure in terms of the Regulation:

- Mr. James Zammit is a director of J. Zammit Limited and JMC Property Limited, with which the Issuer shall engage in significant transactions as detailed in this Registration Document.
- Mr. Raymond Zammit is the father of Mr. James Zammit and this may exercise significant influence on him when taking decisions as part of the Board of Directors of the Issuer.

According to Article 70 of the Memorandum and Articles of Association (see Section 9.1.5 above) it should be noted that the voting restrictions on directors do not apply in respect of any contract or arrangement with any other company in which he is interested only as an officer of the company or as a holder of shares or other securities.

12. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

12.1 Historical Financial Information

The Issuer was set up on 1st June 2015 and, since incorporation to the date of this Registration Document, no financial statements have been prepared.

The audited financial statements of J. Zammit Limited for the financial year ended 31st December 2014 have been audited by KPMG, certified public accountants in Malta. These audited financial statements have been published and are available for inspection at the Issuer's registered office during office hours.

12.2 Significant change in the Issuer's financial or trading position

There has been no significant change in the financial or trading position of the Issuer, which has occurred since its incorporation on 1st June 2015. Furthermore, there has been no material change or recent development in the financial or trading position of the Issuer that could adversely affect potential investors' assessments in respect of the Participation Notes.

13. ADDITIONAL INFORMATION

13.1 Memorandum and Articles of Association of the Issuer

13.1.1 Incorporation

The Company was incorporated on 1st June 2015 as a public limited company, registered with the Registry of Companies at the Malta Financial Services Authority in terms of the Companies Act, with company registration number C-70870.

The objects and purposes of the Issuer are set out in clause 3 of its Memorandum of Association. In terms of this clause, the principal object of the Issuer is to carry on the business of financing or refinancing of the funding requirements of the business of any company within the group of companies to which the Company forms part, including to borrow, lend and advance moneys and to give and receive credit to and from such companies on such terms as may be considered expedient. Sub-clause 4(b) of the Company's Memorandum of Association specifically provides that the Issuer is authorised and empowered to issue bonds, commercial paper or any other instruments creating or acknowledging indebtedness and to sell or offer same to the public or through private placement.

The Memorandum and Articles of Association of the Company otherwise regulates matters customarily dealt with therein, including matters such as voting rights and restrictions thereof and the powers of Directors. A copy of the Memorandum and Articles of Association of the Company may be inspected during the lifetime of the Prospectus at the registered office of the Company during office hours and at the Registry of Companies during the lifetime of the Company.

13.1.2 Share Capital

The authorised and issued share capital of the Issuer is €50,000 divided into 50,000 ordinary shares of €1 each, fully paid up.

There are no classes of shares and each share confers the right to one (1) vote at general meetings of the Company. All ordinary shares rank *pari passu* in all respects.

The authorised share capital of the Issuer may be increased by an ordinary resolution of the shareholders in general meeting. In addition, in terms of clause 5(f) of the Memorandum of Association, the Company may by ordinary resolution of the shareholders or of the several classes of shareholders if there is more than one class of shares whose rights are affected by such resolution, authorise the Board of Directors to issue shares up to the maximum authorised share

capital of the Company. Such authorisation shall be for a maximum period of five years, renewable for further periods of five years each.

Article 5 of the Articles of Association provides that without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.

The manner in which shares in the Company may be issued is set out in Article 8 of the Articles of Association. This Article provides that upon any issue of shares, whether part of the original authorised capital or any increase thereof:

- (a) these ordinary shares shall be offered on a pre-emptive basis to the existing holders of the ordinary shares in the Company in proportion as nearly as may be to the number of ordinary shares held by each such holder of ordinary shares;
- (b) where there is more than one class of ordinary shares, shares issued to a particular class shall first be offered to the holders of the ordinary shares in that particular class, and any shares not taken up by any holder of the shares in that class shall be offered pro-rata to the other shareholders of that class;
- (c) if any shares remain not taken up by holders of shares in a class as provided in paragraph (b) above, they are to be offered to holders of ordinary shares in the other classes in proportion, as nearly as may be, to the number of shares they hold.
- (d) if after exhausting the procedure in paragraphs (a), (b) and (c) above there shall remain any ordinary shares that have not been taken up, such shares may be freely issued to non-shareholders.

The shares of the Company are not listed on the Malta Stock Exchange or on any other regulated market and no application for such listing has been made to date.

There is no capital of the Company that is currently under option, nor is there any agreement by virtue of which any part of the capital of the Company is to be put under option.

13.2 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two (2) years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of Group companies.

13.3 Legal and Arbitration Proceedings

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

13.4 Material contracts

Since its incorporation on 1st June 2015, save as disclosed below under Section 13.5, the Issuer has not entered into any contracts of a material nature, which are not in the ordinary course of their business and that could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note forming part of the Prospectus.

13.5 Trust Deed

On 5 November 2015, the Issuer and the Trustee entered into a Trust Deed pursuant to which it was agreed that the Trustee shall hold the Property on trust for the benefit of the Participation Note Holders.

The Issuer undertakes and binds itself in favour of the Trustee to do all the following as soon as possible following the closure of the subscription lists of the Prospectus and within the more defined time-frames to be set out in the Prospectus:

- (i) issue a Global Note to the Trustee;
- (ii) transfer the Property in favour of the Trustee.

The Issuer has undertaken in favour of the Trustee that, at all times during the continuance of this Deed, it shall:

- i. maintain its corporate existence as a limited liability company duly organised and existing and in good standing under the laws of Malta;
- ii. promptly upon the happening of an Event of Default, notify the Trustee of such event;
- iii. keep proper books of account which shall, at all reasonable time, be open to inspection by the Trustee or any person appointed thereby for that purpose, and will furnish to the Trustee or any such agent all such information relating to its business or affairs as the Trustee shall require in accordance with International Financial Reporting Standards as adopted by the EU and will deliver to the Trustee at least five days before the annual general meeting of the Issuer each year, a copy of its balance sheet and profit and loss account certified by its auditors and copies of the auditors' and directors' report thereon together with copies of any other documents required by law to be attached thereto. The Trustee may, but shall not be required or bound to, carry out any independent

audit or other verification of any book of account, balance sheet, profit and loss account, certificates or information furnished to it by the Issuer;

iv. carry on its business in a proper and efficient manner;

v. forthwith on receipt of same, deliver to the Trustee all orders, directions, notices and other things whatsoever affecting or likely to adversely affect the Property and the Issuer shall be entitled to retain a copy thereof, at its own expense.

The Issuer and the Trustee will observe the following procedure with respect to the Property:

a. Every two weeks, a report in arrears listing all the Physical Property that has been issued within the same two week period is sent together with the Physical Property for the Trustee to reconcile. Upon being satisfied of the correctness of such report and reconciliation with the Physical Property, the Trustee shall retain the Physical Property and a cash amount corresponding to 85% of the total face value of the Physical Property will be advanced by the Trustee to the Issuer;

b. Payments received by the Issuer from its underlying clients shall be deposited in an account designated for the savings of such payments;

c. On the 7th day of each month, the Issuer shall deliver to the Trustee a report in arrears listing all the Physical Property, which has expired the immediately preceding month. On the same day the Issuer shall pay the Trustee, according to the said report, a cash amount corresponding to 85% of the total face value of such Physical Property. The Trustee shall reconcile this and send the expiring Physical Property to the Issuer;

d. Every week interest due on the Global Note shall be saved by the Issuer in a separate account of the Issuer, which shall be used specifically for the savings of interest that shall be payable to the Trustee two weeks before the interest is due to the Participation Note Holders.

The Trustee shall deposit the Property (excluding bills of exchange) with a reputable bank in Malta under the terms and conditions that the Trustee shall deem fit and shall not be required to invest in other assets except when requested to do so by the majority of the Beneficiaries pursuant to a meeting called in terms of Clause 12 of the Trust Deed. When depositing funds with a reputable bank in Malta, the Trustee shall have regard to the provisions of Annex III of the Trust Deed as well as any information received from the Issuer about its funding requirements.

Upon the occurrence of an Event of Default, the Trustee shall be entitled to enforce the Trust Deed in terms of Maltese law. The Trustee is not bound to take any such steps or proceedings to

enforce the security unless requested to do so in writing by not less than 75% in value of the Participation Note Holders. The Trustee may monitor financial information relating to the Issuer and the financial soundness of the Issuer, on behalf of the Participation Note Holders, should the auditor's report of the Issuer be qualified, but is otherwise not required to perform such monitoring.

By acquiring the Participation Notes, the Participation Note Holders inter alia agree:

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

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

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

The Trustee will not be liable for any default or breach of duty or trust committed by it or for any loss of profits unless such default or breach is caused by the fraud, wilful misconduct or gross negligence on the part of the Trustee or by some act or omission in respect of which the Trustee cannot be indemnified under proper law.

The Trustee also has the power (with the prior written consent of seventy-five [75%] in value of the Participation Note Holders) to vary, amend, add to or delete any or all provisions of the Trust Deed (whether of a beneficial or administrative nature), provided that such power shall not be exercised if, inter alia, it infringes the proper law of the Trust Deed. Moreover, the Trustee is entitled to receive from the Issuer remuneration for acting as Trustee.

Furthermore, the Trustee may resign by giving not less than 15 days' notice in writing to the Issuer

and the Beneficiaries without assigning any reason whatsoever and without being responsible for any costs occasioned by such retirement.

The Participation Note Holders also have the power exercisable by a resolution passed at a meeting of Participation Note Holders passed by 75% in value of the Participation Note Holders to remove the Trustee. The Issuer undertakes to use all reasonable endeavors to procure that a new trustee is appointed soon as practicable after removal. In the event that no replacement has been appointed within fifteen (15) days of removal of the Trustee, a successor trustee may be appointed by seventy-five percent (75%) in value of the Beneficiaries. The resignation or removal of the Trustee shall not become effective until such time as a successor trustee is appointed.

The Trustee may, at its discretion, charge a fee to Participation Note Holder for each cancellation and subsequent entry made in the Register of Participation Note Holders, which fee shall not exceed sixty Euro (€60) per cancellation or subsequent entry.

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

The Prospectus does not contain any statement or report attributed to any person as an expert.

15. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document, the following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta, during office hours:

- i. The Memorandum and Articles of Association of the Issuer, J. Zammit Limited and JMC Property Co Ltd;
- ii. The Trust Deed;
- iii. The audited financial statements of J. Zammit Limited for the financial years ended 31st December 2013 and 31st December 2014.

Annex A: Profit forecast for the years ending 31 December 2015 to 2017

Summary of significant assumptions and accounting policies

Introduction

The prospective financial information of Zammit Finance p.l.c. (the “Issuer”), which comprises the profit forecast for the three month period 1 October 2015 to 31 December 2015 and the profit projection for the two years ending 31 December 2016 and 2017 (hereinafter collectively referred to as ‘the Prospective Financial Information’) is set out on page 50. The Prospective Financial Information and the underlying assumptions set out below are the sole responsibility of the Directors of Zammit Finance p.l.c.

The Prospective Financial Information has been based on unaudited financial information, including forecast financial information covering the period 1 October 2015 to 31 December 2015 and projected financial information for the years ending 31 December 2016 and 2017.

The Prospective Financial Information is based on stated assumptions that the Directors believe to be reasonable. These assumptions have been based on the nature and size of the intended level of operations and reflect current economic conditions and price levels adjusted where applicable to take into account the projected level of inflation. The Directors have exercised due care and diligence in adopting these assumptions.

Attention is drawn, in particular, to the risk factors set out elsewhere in the Registration Document which describe the principal risks associated with the business to which the Prospective Financial Information relates.

The Prospective Financial Information is dated 7 September 2015 and the stated assumptions are judgements made at that date. The assumptions disclosed herein are those that the Directors believe are significant to the Prospective Financial Information.

Actual results are likely to be different from those indicated in the Prospective Financial Information because events and circumstances frequently do not occur as expected and those differences may be material.

The Issuer

The Prospective Financial Information covers the expected level of trading activity of Zammit Finance p.l.c (the “Issuer”), a special purpose vehicle incorporated with the intention of raising funds for the Group. The Group is principally involved in the operation of a used car dealership largely focused on the importation and sale of motor vehicles from Japan and UK. In this respect,

the Issuer will be principally involved in acquiring bills of exchange relating to motor vehicle sales from J. Zammit Limited on a “with recourse” basis every month.

In addition, a portion of the net proceeds raised shall also be used to acquire existing hire purchase trade receivables relating to motor vehicle sales from J. Zammit Limited and the Related Company. The amounts of net proceeds expected to be utilised to acquire the existing hire purchase trade receivables is dependent on the book of bills of exchange existing as at the date of transfer, which book is constantly evolving with the passage of time, thus limiting the ability to precisely estimate the amount of net proceeds required to acquire the existing hire purchase trade receivables. For the purposes of the Prospective Financial Information, it has been assumed that circa €794k of the net proceeds raised shall be used to acquire existing hire purchase trade receivables from J. Zammit Limited and circa €1,564k shall be utilised to acquire existing hire purchase trade receivables from the Related Company.

Bases of preparation

The bases of preparation relating to the environment in which the Issuer and other entities within the Group operates, and which underpins the Prospective Financial Information are the following:

- The Prospective Financial Information is mainly based on the continuation of the Group’s existing activities provided through J. Zammit Limited, whereby the Issuer is projected to acquire car loans from J. Zammit Limited on a “with recourse” basis every month. In this respect, J. Zammit Limited will be in a position to sustain its expected level of operations over the period under consideration;
- The Group will continue to enjoy the confidence of its customers and suppliers throughout the period under consideration.
- The Group will enjoy good relations with its employees throughout the period under consideration.
- The Group will continue to recruit the required appropriate personnel at the projected cost levels.
- There will be no material external adverse events that will have an impact on the activities of the Group, either directly or indirectly.
- The bases and rates of taxation, both direct and indirect, will not change materially during the three month period 1 October 2015 to 31 December 2015 and the two financial years ending 31 December 2016 and 2017.
- The bases on which the Group’s bankers determine the rate of interest charged on facilities made available will not change materially throughout the period under consideration.
- The rate of inflation throughout the period under consideration will not exceed that experienced in the last few years.
- Any changes in exchange rates will not adversely affect the Group’s operations.

Significant Accounting Policies

The significant accounting policies expected to be adopted by Zammit Finance p.l.c. are set out on pages 50 to 54. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the Prospective Financial Information.

Summary of Significant Assumptions

a) Base currency of the prospective financial information

The underlying prospective financial information of the Issuer has been projected using Euro as the base currency.

b) Revenue

Revenue represents the income arising in connection with bills of exchange acquired from J. Zammit Limited on a monthly basis and includes administration fees and bills of exchange fees, as well as hire purchase interest income. The latter is also earned on the existing hire purchase trade receivables acquired from J. Zammit Limited and the Related Company immediately subsequent to the Global Note Issue. As set out in the table below, the Issuer is expecting to earn most of its revenue from factored receivables acquired.

Zammit Finance p.l.c. – Revenue by component			
<i>For the period</i>	<i>Oct-Dec</i>	<i>Jan-Dec</i>	<i>Jan-Dec</i>
	<i>2015F</i>	<i>2016P</i>	<i>2017P</i>
	€	€	€
Factored receivables acquired	960,000	2,937,600	2,996,280
Administration fees	45,600	139,536	142,320
Bills of exchange fees	43,680	131,040	131,040
Hire purchase interest earned	59,495	344,208	470,842
Total revenue	1,108,775	3,552,384	3,740,482

c) Cost of sales

Cost of sales relates to the acquisition cost of the car loans acquired on a “with recourse” basis from J. Zammit Limited on future car sales over the projected period. The cost of sales is

based on the assumption that an acquisition cost equivalent to 90% of the car loan amount will be paid to J. Zammit Limited, with such payment projected to be affected on a cash basis as soon as the car loan is acquired by the Issuer.

d) Administrative and other expenses

Administrative expenses are principally fixed in nature and are based on the nature and size of the future expected operations and, where applicable, on cost levels experienced in the past in relation to Finance House p.l.c. (a related company within the Group that has a similar trading activity and cost structure), adjusted for inflation as appropriate.

e) Exchange fluctuations

The Prospective Financial Information does not provide for any gains or losses arising out of any possible exchange fluctuations through the period under consideration.

f) Taxation

Income tax comprises current and deferred tax. Current and deferred tax are recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and has been projected based on a tax rate of 35% on profit before taxation.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied on temporary differences when they reverse.

A deferred tax asset is recognised for unutilised tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Conclusion

The Directors believe that the assumptions on which the Prospective Financial Information is based are reasonable.

Zammit Finance p.l.c. – Prospective Financial Information			
<i>For the period</i>	<i>Oct-Dec 2015F</i>	<i>Jan-Dec 2016P</i>	<i>Jan-Dec 2017P</i>
	€	€	€
Revenue	1,108,775	3,552,384	3,740,482
Cost of sales	(864,000)	(2,643,840)	(2,696,760)
Gross profit	244,775	908,544	1,043,722
Administrative and other expenses	(62,322)	(88,768)	(90,529)
Results from operating activities	182,453	819,776	953,193
Finance income	-	-	-
Finance expenses	(81,696)	(327,197)	(327,890)
Net finance costs	(81,696)	(327,197)	(327,890)
Profit before taxation	100,757	492,579	625,303
Taxation income/(expense)	(35,265)	(172,402)	(218,856)
Profit for the period	65,492	320,177	406,447
Total comprehensive income for the period	65,492	320,177	406,447

Overview of Significant accounting policies

The main accounting policies expected to be adopted by the Issuer in the preparation of its financial statements are duly set out below:

1) Financial instruments

1.1 Financial assets and financial liabilities – Recognition and de-recognition

Loans and receivables are initially recognised on the date that they are originated. All other financial assets and financial liabilities are recognised initially on the trade date. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain control over the transferred asset. Any interest in such recognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

A financial liability is derecognised when its contractual obligations are discharged or cancelled, or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.1.1 Financial assets – Measurement

Financial assets comprises loans and receivables and includes trade and other receivables and cash and cash equivalents.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances.

1.1.2 Financial liabilities

Financial liabilities comprises the Global Note and trade and other payables.

Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

1.2 Share capital: ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

2) Plant and equipment

2.1 Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major component) of plant and equipment.

Gains or losses on disposal of an item of plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of plant and equipment and are recognised

net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

2.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

2.3 Depreciation

Depreciation is calculated to write-off the cost of the items of plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The estimated useful life of office equipment is of 4 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3) Impairment

3.1 Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and adverse changes in the payment status of borrowers.

Evidence of impairment for financial asset is considered at both a specific asset and collective level. All individually significant assets are assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default obtained from Group operations, timing of recoveries and the amount of loss incurred, adjusted

for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.

3.2 Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4) **Revenue**

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Company and these can be measured reliably.

4.1 Interest receivable

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

4.2 Bill charges and similar income

Bill charges and similar income is recognised when the Company's right to receive payment is established. This is usually established by reference to the date when the contract is signed.

5) Finance income and costs

Finance income and finance costs comprise bank interest income and interest expense. Interest income or expense is recognised using the effective interest method.

6) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Annex B: Accountant's Report



KPMG
Portico Building
Marina Street
Pietà PTA 9044
Malta

Telephone (+356) 2563 1000
Fax (+356) 2566 1000
E-mail kpmg@kpmg.com.mt
Internet www.kpmg.com.mt

The Directors
Zammit Finance p.l.c.,
Aries House,
Triq Tal-Hlas,
Zebbug,
Malta

7 September 2015

Dear Sirs,

Accountant's Report on the Prospective Financial Information of Zammit Finance p.l.c.

We report on the prospective financial information of Zammit Finance p.l.c., which comprises the profit forecast for the three-month period 1 October 2015 to 31 December 2015 and the profit projection for the two years ending 31 December 2016 and 2017 (hereinafter referred to as the "Prospective Financial Information"). The Prospective Financial Information is dated 7 September 2015 and is set out in Annex 1 of Zammit Finance p.l.c.'s Registration Document, which is expected to be issued in October 2015.

Directors' Responsibility

It is the Directors' responsibility to prepare the Prospective Financial Information, together with the material assumptions on which they are based, in accordance with the requirements of Commission Regulation (EC) No 809/2004 of 29 April 2004, as subsequently amended.

Accountants' Responsibility

It is our responsibility to provide the opinion required by Annex IV item 9.2 of EU Regulation EC809/2004.

Since the Prospective Financial Information and the assumptions on which they are based relate to the future they may be affected by unforeseen events. The variation between forecast/projected and actual results may be material. We are not required to express, nor do we express, any opinion on the possibility of achievement of the results set out in the Prospective Financial Information or on the underlying assumptions.

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 this report.

Work Performed

We have carried out our work in accordance with ISAE 3000, "Assurance Engagement other than Audits or Reviews of Historical Financial Information".

Our work included an evaluation of the procedures undertaken by the Directors in compiling the Prospective Financial Information, and the consistency of the Prospective Financial Information with the accounting policies expected to be adopted by Zammit Finance p.l.c.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the Prospective Financial Information has been properly compiled on the basis of the underlying stated assumptions.

Opinion

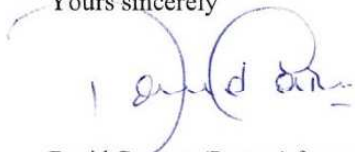
In our opinion:

- a) the profit forecast of Zammit Finance p.l.c. for the three-month period 1 October 2015 to 31 December 2015 and the profit projection for the two years ending 31 December 2016 and 2017 have been properly compiled on the basis of the underlying stated assumptions; and
- b) the basis of accounting is consistent with the accounting policies expected to be adopted by Zammit Finance p.l.c.

Without qualifying our opinion, we draw attention to the fact that the Prospective Financial Information is not intended to, and does not, provide all the information and disclosures necessary and does not purport to give a true and fair view of the results of the operations and the financial position of Zammit Finance p.l.c in accordance with International Financial Reporting Standards as adopted by the EU.

This opinion is solely intended to be relied upon by you for the purposes of the Registration Document, which Registration Document is expected to be issued in October 2015. Readers are cautioned that the Prospective Financial Information may not be appropriate for purposes other than that described above.

Yours sincerely



David Caruana (Partner) for and on behalf of

KPMG
Certified Public Accountants

SECURITIES NOTE

This Securities Note is issued in accordance with the provisions of Article 90 of the Companies Act (Chapter 386 of the laws of Malta) and of Commission Regulation (EC) No. 809/2004 of 29th April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30th March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4th June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30th April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7th March 2014.



Dated 5 November 2015

**In respect of an issue of a €6,000,000 5.25% Secured Global Note 2020 – 2022
represented by the €6,000,000 5.25% Secured Participation Notes 2020 – 2022
issued at par by**

Zammit Finance p.l.c.

A public limited liability company registered in Malta on 1st June 2015
with company registration number C-70870

Prospective investors are to refer to the sections entitled “Risk Factors” contained in this Securities Note, Registration Document and Summary for a discussion of certain risk factors, which should be considered by prospective investors in connection with the Global Note and the Participation Notes. The Global Note and the Participation Notes are complex financial instruments and may not be suitable for all types of retail investors. A potential investor should not invest in the Notes unless: (a) He/she has the necessary knowledge and experience to understand the risks relating to this type of financial instrument; (b) the Notes meet the investment objectives of the potential investor; and (c) such potential investor is able to bear the investment and financial risks which result from investment in these Notes.

THE SECURITIES OFFERED HEREBY ARE BEING ISSUED AND OFFERED THROUGH AN OFFER TO THE PUBLIC IN MALTA BY THE ISSUER. NO APPLICATION HAS BEEN MADE, NOR IS IT INTENDED THAT AN APPLICATION BE MADE, FOR THE SECURITIES ISSUED HEREBY TO BE ADMITTED ON A REGULATED MARKET OR OTHER TRADING PLATFORM. RELIANCE ON THIS REGISTRATION DOCUMENT FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OR A SUBSTANTIAL PART OF THE PROPERTY OR OTHER ASSETS INVESTED.

THE REGISTRAR OF COMPANIES AND THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPT NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKE NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

Placement Agent and Manager



James Zammit

Raymond Zammit

Legal Counsel



Alfred Lupi

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 5 NOVEMBER 2015 AND CONTAINS INFORMATION ON AN OFFER BY THE ISSUER IN RELATION TO A €6,000,000 GLOBAL NOTE 2020 - 2022 REPRESENTED BY THE PARTICIPATION NOTES OF A NOMINAL VALUE OF €1000 EACH.

THE GLOBAL NOTE AND THE PARTICIPATION NOTES SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5.25% PER ANNUM PAYABLE SEMI-ANNUALLY IN ARREARS ON 31ST MARCH AND 30TH SEPTEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT DATE FALLING DUE ON 31ST MARCH 2016. THE NOMINAL VALUE OF THE GLOBAL NOTE AND THE PARTICIPATION NOTES WILL BE REPAYABLE IN FULL AT MATURITY ON 30TH SEPTEMBER 2022, SUBJECT TO THE ISSUER'S OPTION TO REDEEM ALL OR ANY PART OF THE GLOBAL NOTE AND THE PARTICIPATION NOTES AT THEIR NOMINAL VALUE PRIOR TO THE REDEMPTION DATE BETWEEN 30TH SEPTEMBER 2020 AND 30TH SEPTEMBER 2022 (THE "DESIGNATED OPTIONAL REDEMPTION PERIOD") AS THE ISSUER MAY DETERMINE ON GIVING NOT LESS THAN THIRTY (30) DAYS NOTICE IN WRITING TO THE TRUSTEE.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER, THE GLOBAL NOTE AND THE PARTICIPATION NOTES IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1995 (CHAPTER 386 OF THE LAWS OF MALTA) AND THE COMMISSION REGULATION (EC) NO. 809/2004 OF 29TH APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS, AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30TH MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4TH JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30TH APRIL 2013 AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7TH MARCH 2014, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER ON EVEN DATE HEREWITH.

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

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

THE REGISTRAR OF COMPANIES AND THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPT NO RESPONSIBILITY FOR AND MAKE NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN, RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (A) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (B) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (C) TO ANY PERSON TO WHOM IT IS

UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF THE GLOBAL NOTE AND ANY PARTICIPATION NOTES MAY NOT BE TAKEN AS AN IMPLICATION: (A) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (B) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (C) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY UNLISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE NOTES AND THE PROSPECTUS.

THE GLOBAL NOTE AND THE PARTICIPATION NOTES SHALL NOT BE ADMITTED TO LISTING ON ANY REGULATED MARKET.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE PUBLIC OFFERING IN MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE GLOBAL NOTE AND THE PARTICIPATION NOTES OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA), WHICH HAS IMPLEMENTED THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4TH NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING (THE "PROSPECTUS DIRECTIVE") OR, WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE GLOBAL NOTE AND THE PARTICIPATION NOTES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES THAT DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

THE GLOBAL NOTE AND THE PARTICIPATION NOTES HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED (THE "1933 ACT"), OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "UNITED STATES") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY UNITED STATES PERSON (AS DEFINED IN REGULATION "S" OF THE 1933 ACT, AS AMENDED FROM TIME TO TIME). FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE

UNITED STATES INVESTMENT COMPANY ACT, 1940 (THE “1940 ACT”) AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS OF THE 1940 ACT.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO AND APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY ACTING THROUGH THE REGISTRAR OF COMPANIES IN MALTA AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

STATEMENTS MADE IN THIS SECURITIES NOTE ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT FORMING PART OF THE PROSPECTUS UNDER THE HEADING “ADVISORS TO THE ISSUER” IN SUB-SECTION 4.4 OF THE REGISTRATION DOCUMENT FORMING PART OF THE PROSPECTUS HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE GLOBAL NOTE AND THE PARTICIPATION NOTES WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE NOTES.

1. DEFINITIONS

In this Securities Note 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;
“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”	the application to subscribe for and purchase Notes made by an Applicant by completing an Application Form and delivering same to the Placement Agent and Manager (defined below) in accordance with the terms of this Securities Note;
“Application Form”	the form of application for subscription of Participation Notes;
“Appropriateness Test”	the applicable rules pursuant to which an investment services licence holder assesses whether an investment service, other than investment advice or portfolio management, is appropriate for a client, by being required to determine whether that client has the necessary experience and knowledge in order to understand the risks involved in relation to the product or investment service offered or demanded;
“Participation Note Holder”	a holder of Participation Notes;
“Participation Note Issue”	the issue of the Participation Notes;
“Participation Note Issue Price”	at par (€1000 per Participation Note);
“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;
“Company” or “Issuer”	Zammit Finance p.l.c., a public limited liability company registered under the laws of Malta having its registered office at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta and bearing company registration number C-70104;
“Designated Optional Redemption Period”	any day falling between and including 30 th September 2020 and 30 th September 2022 when the Issuer shall be entitled, at its option and in its sole discretion, to redeem part or all of the Global Note then outstanding and all interest accrued up to the date of prepayment, by giving at least thirty (30) days’ advance written notice to the Trustees;
“Euro” or “€”	the lawful currency of the Republic of Malta;
“Group”	Zammit Holdings Limited (C-70104) and its subsidiary and associated companies, including the Issuer and J. Zammit Limited, a company registered under the laws of Malta with company registration number C

37945 and having its registered office at Raymond Auto Dealer, Mdina Road, Zebbug, Malta;

“Global Note”	the €6,000,000 Global Note 2020 – 2022 issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.25% per annum to be issued by the Issuer in favour of the Trustee (in its capacity as trustee for the benefit of the Participation Note Holders) representing the amount due by the Issuer to the Trustee and creating, acknowledging and representing the indebtedness of the Issuer to the Trustee in accordance with the terms and conditions to be set out in the Prospectus;
“Global Note Issue”	The issuance of the Global Note;
“Interest Payment Dates”	31 st March and 30 th September of each year, between and including each of the years 2016 and 2022, unless part or all of the Global Note is redeemed at the Issuer’s sole discretion on any day during the Designated Optional Redemption Period, in respect of the Global Note so redeemed; 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 Date”	expected on 27 th November 2015;
“Issue Period”	the period between 08.30 hours on 17 th November 2015 and 12.00 hours on 26 th November 2015 during which the Participation Notes are available for subscription;
“Memorandum and Articles of Association”	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
“MFSA”	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Chapter 330 of the Laws of Malta);
“Participation Note”	means a participation note issued by the Trustee to one or more Participation Note Holders;
“Participation Note Holder”	a holder of Participation Notes;
“Participation Note Issue”	the issuance of the Participation Notes;
“Placement Agent and Manager”	Calamatta Cuschieri & Co. Limited, a private limited liability company registered under the Laws of Malta having its registered office at 3rd Floor, Valletta Buildings, South Street, Valletta, Malta and bearing company registration number C-13729. Calamatta Cuschieri & Co. Limited is authorised to conduct investment services by the MFSA in terms of the Investment Services Act (Chapter 370 of the Laws of Malta);
“Placement Offer”	shall have the meaning set out in sub-Section 6.2 of this Securities Note;
“Physical Property”	means the bills of exchange endorsed in favour of the Trustee by the Issuer and drawn in favour of J. Zammit Limited and the Related Company;

“Property”	means the bills of exchange endorsed in favour of the Trustee by the Issuer and drawn in favour of J. Zammit Limited and the Related Company and any cash held by the Trustee received from the Issuer and the Participation Note Holders;
“Prospectus”	collectively the Summary Note, the Registration Document and the Securities Note, all dated 5 November 2015, as such documents may be amended, updated, replaced and supplemented from time to time;
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and of the Council of 4th 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;
“Redemption Date”	30 th September 2022, unless otherwise redeemed at the Issuer’s sole discretion on any day during the Designated Optional Redemption Period;
“Redemption Value”	at par (€1000 per Participation Note);
“Registration Document”	the registration document in its entirety dated 5 November 2015, forming part of the Prospectus;
“Regulation”	Commission Regulation (EC) No. 809/2004 of 29th April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30th March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4th June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30th April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7th March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus (Text with EEA relevance);
“Related Company”	JMC Property Co Ltd, a company registered under the laws of Malta with company registration number C 52422 and having its registered office at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta.
“Securities Note”	this securities note issued by the Issuer dated 5 November 2015, forming part of the Prospectus;
“Summary”	the summary note issued by the Issuer dated 5 November 2015, forming part of the Prospectus;

“Terms and Conditions”	the terms and conditions relating to the Participation Notes as contained in the Prospectus, particularly in Section 8 of this Securities Note;
“Trust Deed”	the trust deed entered into by the Issuer and the Trustee pursuant to which Property is settled on trust by the Issuer in favour of the Trustee (in its capacity as trustee for the benefit of the Participation Note Holders) as security for the punctual performance of the Issuer’s obligations under the Global Note (details of the trust deed are contained in the section entitled ‘Material Contracts’);
“Trustee”	PI Trustees Limited a private limited liability company registered under the laws of Malta with company registration number C 28762 and with registered office situated at 2nd Floor, Europa Centre, St. Anne Street, Floriana, FRN1400 and any other successor in such capacity appointed for that purpose in terms of the Trust Deed;
“Suitability Test”	<p>the applicable rules pursuant to which an investment services licence holder is required to obtain from clients or potential clients, such information as is necessary for the licence holder to understand the essential facts about the client 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 entered into in the course of providing a portfolio management service, satisfies the following criteria:</p> <ul style="list-style-type: none">a. it meets the investment objectives of the client in question;b. it is such that the client is able financially to bear any related investment risks consistent with his investment objectives;c. it is such that the client has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his portfolio;
“Summary Note”	<p>the summary note issued by the Issuer dated 5 November 2015, forming part of the Prospectus;</p> <p>All references in the Prospectus to “Malta” are to the “Republic of Malta”. Unless it appears otherwise from the context:</p> <ul style="list-style-type: none">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.

2. RISK FACTORS

THE VALUE OF INVESTMENTS, INCLUDING THE GLOBAL NOTE AND THE PARTICIPATION NOTES, CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

THE NOMINAL VALUE OF THE GLOBAL NOTE AND THE PARTICIPATION NOTES WILL BE REPAYABLE IN FULL UPON MATURITY ON THE REDEMPTION DATE, UNLESS THE GLOBAL NOTE AND THE PARTICIPATION NOTES ARE PREVIOUSLY REPURCHASED AND CANCELLED, SUBJECT TO THE ISSUER'S OPTION TO REDEEM ALL OR ANY PART OF THE GLOBAL NOTE AND THE PARTICIPATION NOTES AT THEIR NOMINAL VALUE PRIOR TO THE REDEMPTION DATE BETWEEN 30TH SEPTEMBER 2020 AND 30TH SEPTEMBER 2022 THE "DESIGNATED OPTIONAL REDEMPTION PERIOD") AS THE ISSUER MAY DETERMINE ON GIVING NOT LESS THAN THIRTY (30) DAYS NOTICE IN WRITING TO THE TRUSTEE.

AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES, WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER THAT COULD LEAD TO A DECLINE IN VALUE OF THE SECURITIES.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE GLOBAL NOTE AND THE PARTICIPATION NOTES: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE PLACEMENT AGENT AND MANAGER THAT ANY RECIPIENT OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY NOTES.

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

2.1 Forward-looking statements

This document contains forward-looking statements which include, among others, statements

concerning matters that are not historical facts and that may involve projections of future circumstances. Such forecasts and projections do not bind the Issuer with respect to future results and no assurance can be given that future results or expectations covered by such forward-looking statements will be achieved. These statements by their nature involve substantial risks and uncertainties, a few of which are beyond the Issuer's control.

2.2 Risks related to the Participation Notes

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

2.2.1 Changes in laws and regulations

The terms and conditions of the Global Note and the Participation Notes are based on Maltese law in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of the Prospectus.

2.2.2 Security

The Global Note shall constitute the general, direct and unconditional obligation of the Issuer and, in accordance with the provisions of the Trust Deed, the Participation Notes shall be secured by the bills of exchange held by the Trustee for the benefit of the Participation Note Holders and, in that respect only, shall rank in preference to all other present and future unsecured obligations of the Issuer, if any. The hire purchase trade receivables are secured by bills of exchange entered into with private individuals resident in Malta, which bills of exchange will be endorsed by JMC Property Co Ltd and/or J. Zammit Limited in favour of the Issuer and subsequently in favour of the Trustee. In this respect, the Issuer will pay to JMC Property Co Ltd and/or J. Zammit Limited the face amount of each bill of exchange less any unaccrued interest. Endorsement of the bill of exchange will operate so as to transfer the property of the bill of exchange to the endorsee, in this case the Issuer. As endorsee, the Issuer shall be entitled to claim payment of the bill of exchange from the acceptor thereof, namely the original customer of JMC Property Co Ltd and/or J. Zammit Limited, on the maturity date of the bill of exchange. In view of the fact that the bills of exchange will be endorsed in favour of the Issuer "with recourse", the Issuer will enjoy a right of recourse for payment of the bills of exchange against the drawer thereof, namely JMC Property Co Ltd and/or J. Zammit Limited. Endorsement of bills of exchange between the Issuer and JMC Property Co Ltd and/or J. Zammit Limited will be made "without protest", meaning that in the event of non-payment of a bill of exchange the Issuer need not protest the bill in the form required by law to retain its right of recourse against JMC Property Co Ltd and/or J. Zammit Limited.

2.2.3 Amendments to the Terms and Conditions of the Participation Note Issue

The Terms and Conditions relating to the Participation Notes contain provisions in sub-Section 6.13 of this Securities Note for calling meetings of Participation Note Holders in the event that the Issuer wishes to amend any of the Terms and Conditions of the Prospectus. These provisions permit defined majorities to bind all Participation Note Holders, including Participation Note Holders who did not attend and vote at the relevant meeting and Participation Note Holders who vote in a manner contrary to the majority.

2.2.4 Early redemption

The Issuer has the option to redeem the Global Note, in whole or in part, at any time during the Designated Optional Redemption Period, together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Global Note and the Participation Notes. Should the Issuer decide to redeem the Global Note at any time during the Designated Optional Redemption Period, the Participation Note Holder may not be able to reinvest his monies at an equivalent or higher rate.

2.2.5 Interest and exchange rate risk

Investment in the Participation Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Participation Notes. A Participation Note Holder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Participation Notes (€) and the Participation Note Holder's currency of reference, if different.

2.2.6 Effect of future public offerings, takeover or 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 the Participation Notes prevailing from time to time.

2.2.7 No prior market for the Participation Notes

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

2.2.8 Limited liquidity of the Participation Notes

The Participation Notes are transferable but shall NOT be traded on any regulated market or other trading facility and, as a result, there may be no liquid market for the Participation Notes. The market for Participation Notes may be less liquid than a regulated market or other trading facility and Participation Note Holders may find it more difficult to identify willing buyers for their Participation Notes. Participation Note Holders who wish to sell their Participation Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for Participation Notes.

2.2.9 The classification of the Participation Notes as complex instruments

In view of the fact that the Participation Notes are complex instruments, investment in the Participation Notes may not be suitable for all investors and accordingly prospective investors are strongly urged to consult an investment advisor licensed under the Investment Services Act (Cap. 370 of the Laws of Malta) as to the suitability or otherwise of an investment in any of the Participation Notes before making an investment decision.

2.2.10 Prior ranking charges

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, if any).

2.2.11 Trust Deed

By acquiring the Participation Notes, the Participation Note Holder is considered to be bound by the terms of the Trust Deed as if he had been a party to it. The Trust Deed contains a number of provisions, which the investors ought to be aware of prior to acquiring the Participation Notes and, therefore, investors ought to read the description of the Trust Deed contained in section 13.5 under the heading 'Trust Deed' of the Registration Document before acquiring any of the Participation Notes. For instance, in terms of the Trust Deed, a) the Trustee is not liable for any default or breach of duty or trust committed by it or for any loss of profits unless such default or breach is caused by the fraud, wilful misconduct or gross negligence of the Trustee or if it is not entitled to an indemnity under Maltese law; b) the Trustee is not bound to take any such steps or proceedings to enforce the security unless requested to do so in writing by not less than 75% in value of the Participation Note Holders; and c) the Participation Note Holders are entitled to require the Trustee to convene a meeting of the Participation

Note Holders provided that such request is made by at least 10% in value of the Participation Note Holders at that time. By acquiring the Participation Notes, the Participation Note Holders inter alia agree: (i) to hold the Trustee harmless and fully indemnified for and against any loss, damage, cost or other liability it may incur by virtue of its failure to enforce or take any steps or proceedings to enforce the covenants and provisions of the Trust Deed in the event that it would have not received proper instructions in writing from at least 75% in value of the Participation Note Holders; and (ii) not to exercise any right of set-off in respect of any amount payable by the Participation Note Holders to the Issuer against any amount payable by the Issuer to the Participation Note Holders. The material elements of the Trust Deed are contained in section 13.5 under the heading 'Trust Deed' of the Registration Document.

3 PERSONS RESPONSIBLE

Each and all of the Directors of the Issuer whose names appear under the heading “Identity of Directors, Senior Management, Auditors and Advisors of the Issuer” in sub-Section 4.1 of the Registration Document accept responsibility for the information contained herein, Alfred Lupi, James Zammit and Raymond Zammit, being directors of the Issuer, accept responsibility for all of the information contained in the Prospectus. To the best of the knowledge and belief of the directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer hereby accept responsibility accordingly.

4 CONSENT REQUIRED IN CONNECTION WITH THE USE OF THE PROSPECTUS BY FINANCIAL INTERMEDIARIES

The Issuer has given its express written consent to the Placement Agent and Manager for the use of the Prospectus by the same Placement Agent and Manager for the purpose of final placement and/or subsequent resale of the Participation Notes. The Issuer accepts full responsibility for the content of the Prospectus also with respect to any subsequent resale or final placement of the Participation Notes by the Placement Agent and Manager.

The Placement Agent and Manager will only be permitted to use the Prospectus in the Republic of Malta.

There are no other conditions attached to the consent given by the Issuer to the Placement Agent and Manager that are relevant for the use of the Prospectus.

Calamatta Cuschieri Investment Services Limited, a private limited liability company duly registered and validly existing under the laws of Malta with company registration number C-13729 and having its registered office at 5th Floor, Valletta Buildings, South Street, Valletta, Malta (the 'Placement Agent and Manager') is the only financial intermediary permitted to use the Prospectus.

All information on the Terms and Conditions of the Participation Notes offered to any investor by the Placement Agent and Manager is to be provided by the Placement Agent and Manager to the investor prior to such investor subscribing to any Participation Notes. Any interested investor has the right to request that the Placement Agent and Manager provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Participation Notes.

The Placement Agent and Manager using the Prospectus in connection with a resale or placement of Participation Notes subsequent to the Participation Note Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale and placement in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

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

If the investor is in doubt as to whether he/she can rely on the Prospectus and/or who is responsible for its contents, the investor should obtain legal advice in that regard.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, such information and/or representation must not be relied upon as having been authorised by the Issuer or the Placement Agent and Manager. The Issuer does not accept responsibility for any information not contained in the Prospectus.

Any resale, placement or offering of Participation Notes to an investor by the Placement Agent and Manager will be made in accordance with any terms and other arrangements in place between such Placement Agent and Manager and such investor, including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of

the Placement Agent and Manager, at the time of such resale, placement or offering, to provide the investor with that information and the Issuer has no responsibility or liability for such information.

5 KEY INFORMATION

5.1 Reasons for the Issue and use of Proceeds

The proceeds from the Global Note Issue and Participation Note Issue, which net of Global Note Issue and Participation Note Issue expenses are expected to amount to approximately €5,900,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- to acquire existing hire purchase trade receivables relating to motor vehicle sales on a “with recourse” basis from J. Zammit Limited;
- to acquire existing hire purchase trade receivables relating to motor vehicle sales on a “with recourse” basis from the Related Company; and
- to acquire new bills of exchange relating to motor vehicle sales drawn by J. Zammit Limited on a monthly basis on a “with recourse” basis.

The amounts of the net proceeds utilised for the first two components is dependent on the book of bills of exchange existing as at the date of transfer, which book is constantly evolving with the passage of time, thus limiting the ability to precisely estimate the amount of net proceeds required to acquire the existing hire purchase trade receivables. The Issuer envisages that the amount of net proceeds applied in this respect will range between €2.3m and €3.5m.

The hire purchase trade receivables relating to motor vehicle sales are secured by bills of exchange entered into with private individuals resident in Malta, which bills of exchange will be endorsed by JMC Property Co Ltd and/or J. Zammit Limited in favour of the Issuer. In this respect, the Issuer will pay to JMC Property Co Ltd and/or J. Zammit Limited the face amount of each bill of exchange less any unaccrued interest. Endorsement of the bill of exchange will operate so as to transfer the property of the bill of exchange to the endorsee, in this case the Issuer. As endorsee, the Issuer shall be entitled to claim payment of the bill of exchange from the acceptor thereof, namely the original customer of JMC Property Co Ltd and/or J. Zammit Limited, on the maturity date of the bill of exchange. In view of the fact that the bills of exchange will be endorsed in favour of the Issuer “with recourse”, the Issuer will enjoy a right of recourse for payment of the bills of exchange against the drawer thereof, namely JMC Property Co Ltd and/or J. Zammit Limited. Endorsement of bills of exchange between the Issuer and JMC Property Co Ltd and/or J. Zammit Limited will be made “without protest”, meaning that in the event of non-payment of a bill of exchange the Issuer need not protest the bill in the form required by law to retain its right of recourse against JMC Property Co Ltd and/or J. Zammit Limited.

The remaining balance of the net Issue proceeds shall be used for financing the bills of exchange acquired by the Issuer from J. Zammit Limited on a monthly basis, and held by the Trustee subject to the provisions of the Trust Deed. In this respect the following procedure will be followed:

- a. Every two weeks, a report in arrears listing all the Physical Property that has been issued within the same two week period is sent together with the Physical Property for the Trustee to reconcile. Upon being satisfied of the correctness of such report and reconciliation with the Physical Property, the Trustee shall retain the Physical Property and a cash amount corresponding to approximately 85% of the total face value of the Physical Property will be advanced by the Trustee to the Issuer;
- b. Payments received by the Issuer from its underlying clients shall be deposited in an account designated for the savings of such payments;

c. On the 7th day of each month, the Issuer shall deliver to the Trustee a report in arrears listing all the Physical Property, which has expired the immediately preceding month. On the same day the Issuer shall pay the Trustee, according to the said report, a cash amount corresponding to 85% of the total face value of such Physical Property. The Trustee shall reconcile this and send the expiring Physical Property to the Issuer;

d. Every week interest due on the Participation Notes shall be saved by the Issuer in a separate account of the Issuer which shall be used specifically for the savings of interest which shall be payable to the Trustee two weeks before the interest is due to the Participation Note Holders.

The Trustee will only hold those bills of exchange relating to motor vehicle sales which are endorsed in its favour by the Issuer after these are acquired from J. Zammit Limited and the Related Company.

The proceeds of the Issue, the Global Note and the Participation Notes will not be covering any lending to, or purchase of bills of exchange from Finance House p.l.c.

5.2 Estimated expenses and proceeds of the Issue

The Global Note Issue and Participation Note Issue will involve expenses, including professional fees, management, placing and advertising expenses as well as other miscellaneous costs incurred in connection with the Global Note and Participation Note Issue. Such expenses are estimated not to exceed €100,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Participation Note Holder who subscribes for the Participation Notes. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Global Note Issue and Participation Note Issue to €5,900,000. There is no particular order of priority with respect to such expenses.

5.3 Issue statistics

“Amount”: €6,000,000;

“Application Forms available to Participation Note Holders”: 5th November 2015;

“Participation Note Issue Price”: at par (€1000 per Participation Note);

“Denomination”: Euro (€);

“Events of Default”: the events listed in sub-Section 6.12 of this Securities Note;

“Governing law and jurisdiction”: the Prospectus and the Participation Notes are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Participation Notes;

“Interest”: the Participation Notes shall bear interest from and including 31st March 2016 at the rate of five point twenty five per cent (5.25%) per annum payable semi-annually in arrears on each of the Interest Payment Dates;

“Issue”: Participation Notes denominated in Euro having a nominal value of €1000 each, which will be issued at par and shall bear interest at the rate of 5.25% per annum;

“Listing”: no application has been made, nor is it intended that an application be made, for the

Participation Notes to be admitted on a regulated market or other trading platform;

“Minimum amount per subscription”: one thousand Euro (€1000) and multiples of €1000 thereafter;

“Placement Offer”: the Issuer shall enter into a conditional subscription agreement with the Trustee for the subscription of the total amount of €6,000,000 Global Note being issued pursuant to the Prospectus and the Trustee will bind itself to allocate the Global Note to the Placement Agent and Manager;

“Plan of Distribution”; the Participation Notes shall be available for subscription to the Placement Agent and Manager through the Placement Offer, either for its own account or on behalf of clients, including retail customers;

“Redemption Value”: at par (€1000 per Participation Note);

“Status of the Participation Notes”: the Global Note shall constitute the general, direct and unconditional obligation of the Issuer and in accordance with the provisions of the Trust Deed, the Participation Notes shall be secured by the bills of exchange held by the Trustee for the benefit of the Participation Note Holders and, in that respect only shall rank in preference to all other present and future unsecured obligations of the Issuer, if any;

“Subscription”: multiples of one thousand Euro (€1000);

“Underwriting”: the Global Note and the Participation Notes are not underwritten. Should subscriptions for a total of at least €4,500,000 (the “Minimum Amount”) not be received, no allotment of the Global Note and the Participation Notes shall be made, the Applications for Participation Notes shall be deemed not to have been accepted and all money received from Applicants for Participation Notes shall be refunded accordingly. In the event that the Minimum Amount is reached but the Participation Note Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Global Note and Participation Notes subscribed.

5.4 Interest of natural and legal persons involved in the Issue

Save for the subscription for the Global Note and Participation Notes by the Placement Agent and Manager and any fees payable to the Placement Agent and Manager in connection with the Participation Note Issue, as far as the Issuer is aware no person involved in the Global Note Issue and the Participation Note Issue has an interest material to the Global Note Issue and the Participation Note Issue.

5.5 Expected timetable of principal events

1. Participation Notes Issue Period: 17th November 2015 to 26th November 2015
2. Commencement of interest on Participation Notes: 27th November 2015
3. Issuance of Participation Notes: 27th November 2015
4. Expected dispatch of allotment advices and refunds of unallocated monies: 30th November 2015

By not later than 30 November 2015, the Issuer shall announce the results of the Offer through a press release in at least one local newspaper.

6 INFORMATION CONCERNING THE PARTICIPATION NOTES

Each Participation Note shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Participation Notes, the Participation Note Holders are deemed to have knowledge of all the terms and conditions of the Participation Notes hereafter described and to accept and be bound by the said terms and conditions. Due to the classification of the Participation Notes as complex instruments, an applicant making an application for the subscription of the Participation Notes is subject to an Appropriateness Test in respect of the purchase of the Participation Notes on a non-advisory basis or an appropriateness and Suitability Test in the case of investment advice or portfolio management, as required by applicable rules and regulations.

6.1 General

6.1.1 Each Participation Note, of a nominal value of €1000 per Participation Note, forms part of a duly authorised issue of an aggregate amount of €6,000,000 5.25% Global Note due 2020 - 2022, issued by Zammit Finance p.l.c. at par.

6.1.2 The issue of the Global Note and the Participation Notes and the publication of the Prospectus has been authorised by a resolution of the Board of Directors of the Issuer dated 28th August 2015.

6.1.3 The Participation Notes shall bear interest at the rate of 5.25% per annum payable semi-annually in arrears on 31st March and 30th September of each year (each an “Interest Payment Date”), the first Interest Payment Date falling on 31st March 2016. Any Interest Payment Date that falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

6.1.4 Unless previously cancelled, the Participation Notes shall be redeemed at the Redemption Value of €1000 per Participation Note (together with interest accrued to the date fixed for redemption) on 30th September 2022 (the “Redemption Date”); or in the event that the Issuer exercises the option to redeem all or any part of the Global Note prior to the Redemption Date, between 30th September 2020 and 30th September 2022 (the “Designated Optional Redemption Period”) as the Issuer may determine in its absolute discretion on giving not less than thirty (30) days’ notice in writing to the Trustee.

6.1.5 The currency of the Participation Notes is Euro (€).

6.1.6 The Participation Note Issue is not underwritten. Should subscriptions for a total of at least €4,500,000 (the “Minimum Amount”) not be received for the Participation Notes by the Placement Agent and Manager, no allotment of the Participation Notes shall be made by the Trustee and the Applications for Participation Notes shall be deemed not to have been accepted by the Trustee. If the Minimum Amount is reached but the Participation Note Issue is still not fully subscribed, the Issuer will proceed with the allotment of the amount of Global Note subscribed and the Trustee will proceed with the allotment of the amount of Participation Notes subscribed.

6.1.7 The Participation Notes will not be listed on the Malta Stock Exchange or on any other regulated market. Application has not been filed for the Participation Notes to be quoted on the Official List or the Alternative Companies List of the Malta Stock Exchange. The Directors of the Issuer have no intention of submitting an application for the admissibility of the Participation Notes to listing and subsequent trading on the Malta Stock Exchange or any other regulated market.

6.1.8 Should any Application not be accepted, or be accepted for fewer Participation Notes than those

applied for, the monies or the balance of the amount paid but not allocated will be returned by the Trustee to the Placement Agent and Manager and by the latter to the Applicant without interest by direct credit into the Applicant's bank account as indicated by the Applicant in the Application Form within five (5) Business Days from the date of final allocation. The Trustee will not be responsible for any charges, loss or delays in transmission of the refunds. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

6.1.9 The minimum subscription amount of Participation Notes that can be subscribed for by Applicants is €1000, and in multiples of €1000 thereafter. Applications for subscriptions to the Participation Notes may be made through the Placement Agent and Manager during the Issue Period on a first-come-first-served basis. The Issue Period shall close immediately upon attaining full subscription. There shall be no possibility to reduce the subscriptions received pro rata or in any other manner and therefore no procedure has been established for refunding excess amounts paid by Applicants.

6.1.10 There are no special rights attached to the Participation Notes other than the right of the Participation Note Holders to payment of capital and interest (as detailed below) and in accordance with the ranking specified in sub-Section 6.6.1 of this Securities Note.

6.2 Placement Offer

The total amount of €6,000,000 of Participation Notes is being reserved for subscription by the Placement Agent and Manager participating in the Placement Offer. The Placement Agent and Manager shall enter into a conditional subscription agreement with the Trustee for the subscription of Participation Notes, whereby it will bind itself to allocate Participation Notes thereto up to the total amount of €6,000,000 as aforesaid.

In terms of said subscription agreement entered into with the Placement Agent and Manager, the Trustee 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 €6,000,000 of Participation Notes as indicated therein, each subject to:

- a. the Prospectus being approved by the Registrar of Companies;
- b. the Minimum Amount of €4,500,000 being subscribed.

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

The subscription agreement will become binding on the Trustee and the Placement Agent and Manager upon delivery, provided that the Placement Agent and Manager would have paid to the Trustee all subscription proceeds in cleared funds on delivery of the subscription agreement.

6.3 Distribution and allotment

The Issuer has appointed Calamatta Cuschieri & Co. Limited as Placement Agent and Manager for the purposes of this Participation Note Issue and interested investors may contact the Placement Agent and Manager for the purposes of participating in the Participation Note/s during the Issue Period. Applications to participate in the Participation Note/s must be accompanied by full price applied for in Euro and in cleared funds at the Issue Price. Payment may be made either in cash or by cheque payable to 'Calamatta Cuschieri & Co. Limited'. In the event that cheques accompanying Application Forms are not honoured on

their first presentation, the Placement Agent and Manager reserve the right to invalidate the relative Application.

The Participation Note/s are expected to be issued and the allotment letters are expected to be dispatched to the subscribers by not later than 31st December 2015 (the “Issue Date”). Dealing in the Participation Notes may not commence prior to the said notification.

6.4 Form, denomination and title

The Participation Notes will be issued in fully certificated and registered form, without interest coupons, in denominations of any integral multiple of €1000, provided that on subscription the Participation Notes will be issued for a minimum of €1000. Any person in whose name a Participation Note 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 Participation Note. The Participation Notes, and transfers thereof, shall be registered as provided under sub-Section 6.5 “Registration, replacement, transfer and exchange” below.

6.5 Registration, replacement, transfer and exchange

6.5.1 The Trustee shall maintain a register, at its registered office or at such other place in Malta as the Trustee may determine, in which it shall enter the name, address and identity card number (in the case of an individual) or company registration number (in the case of a company), as the case may be, of each Participation Note Holder as the holder of Participation Notes, together with particulars of the Participation Notes held. A copy of such register shall at all reasonable times during business hours be open to inspection by Participation Note Holders.

6.5.2 The Participation Notes are freely transferrable and may be transferred or transmitted only in whole (in multiples of €1000) by the Participation Note Holder in accordance with applicable laws, rules or regulations governing the transfer of the Participation Notes, from time to time. If Participation Notes are transferred or transmitted in part, the transferee thereof will not be registered as a Participation Note Holder.

6.5.3 Any person becoming entitled to a Participation Note/s in consequence of the death or bankruptcy of a Participation Note Holder may, upon such evidence being produced as may, from time to time, properly be required by the Trustee, elect either to be registered himself as holder of the Participation Note/s or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Trustee 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 Participation Note/s, or procuring the transfer of the Participation Note/s, in favour of that person. Provided always that if a Participation Note is transmitted or transferred in furtherance of this paragraph 6.5.3, a person will not be registered as a Participation Note Holder unless such transmission or transfer is made in multiples of €1000.

6.5.4 All transfers and transmissions are subject in all cases to any pledge (duly constituted in terms of law) of the Participation Notes and to any applicable laws and regulations.

6.5.5 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 Trustee shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the

transfer/transmission has been made.

6.5.6 The Trustee will not register the transfer or transmission of Participation Notes for a period of fifteen (15) Business Days preceding the due date for any payment of interest on the Participation Notes or the due date for redemption.

6.6 Status of the Participation Notes and negative pledge

6.6.1 The Global Note shall constitute the general, direct and unconditional obligation of the Issuer and, in accordance with the provisions of the Trust Deed, the Participation Notes shall be secured by the Property (bills of exchange and cash) held by the Trustee for the benefit of the Participation Note Holders and in that respect only shall rank in preference to all other present and future unsecured obligations of the Issuer, if any.

As at the date of the Prospectus the Issuer does not have any secured liabilities, indebtedness or bank borrowings.

6.6.2 The Issuer undertakes, for as long as any principal or interest under the Global Note 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 their respective present or future assets or revenues to secure any Indebtedness (as defined below) of the Issuer unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that all amounts payable by them under the Global Note are secured by a Security Interest equally and rateably with the Indebtedness in question being so secured; or (ii) such other Security Interest is approved by a resolution duly passed by the Participation Note Holders in accordance with the provisions of sub-Section 6.13 of this Securities Note.

6.6.3 For the purposes of this sub-Section and of sub-Section 6.12 “Events of Default”, the following terms shall bear the following meanings:

“Indebtedness” means any present or future indebtedness, whether being principal, premium, interest or other amounts for or in respect of (i) money borrowed; (ii) liabilities under or in respect of any acceptance or acceptance credit; or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than in cash, in each case in an aggregate principal amount in excess of one hundred thousand Euro (€100,000) or its equivalent in other currencies.

“Security Interest” means any privilege, hypothec, pledge, lien, charge or other encumbrance that grants rights of preference to a creditor over the assets of the Issuer, as the case may be.

“Permitted Security Interest” means: (a) any Security Interest arising by operation of law; (b) any Security Interest securing payment refund obligations under promise of sale agreements relating to immovable property; (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 Participation Notes; (d) any Security Interest securing any Indebtedness, including bank loans or overdrafts, in the ordinary course of business; (e) any other Security Interest (in addition to those referred to in (a), (b), (c) and (d) above) securing Indebtedness of the Issuer in an aggregate outstanding amount, from time to time, not exceeding eighty percent (80%) of the amount resulting after taking the Relevant Value (as defined below) and subtracting therefrom (i) the aggregate value of the liabilities of the Issuer secured by Security Interests referred to in (a), (b) (c) and (d)

above and (ii) the aggregate principal amount of all Participation Notes still outstanding at the time.

Provided that the aggregate Security Interests referred to in (d) and (e) above do not result in the amount arrived at after taking the Relevant Value and subtracting therefrom the aggregate value of the liabilities of the Issuer secured by Security Interests referred to in (a), (b), (c), (d) and (e) above being less than one hundred and ten per cent (110%) of the aggregate principal amount of all Participation Notes still outstanding.

“Relevant Value” means the value of the assets of the Issuer calculated on the basis of their book value (as reflected in the accounts of the Issuer) and, in the case of immovable property, adjusted by reference to the open market value of the said immovable property of the Issuer as determined by their respective directors on the basis of independent professional advice/valuation procured by them.

6.6.4 Ranking: the Global Note shall constitute the general, direct and unconditional obligation of the Issuer and in accordance with the provisions of the Trust Deed, the Participation Notes shall be secured by the Property (bills of exchange and cash) held by the Trustee for the benefit of the Participation Note Holders and in that respect only shall rank in preference to all other present and future unsecured obligations of the Issuer, if any.

6.7 Interest and Yield

6.7.1 The Participation Notes shall bear interest from and including 27th November at the rate of 5.25% per annum on the nominal value thereof, payable semi-annually in arrears on 31st March and 30th September of each year (each an “Interest Payment Date”), the first Interest Payment Date being on 31st March 2016. Provided that any Interest Payment Date that falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. Each Participation Note will cease to bear interest from and including its due date for redemption, unless payment of the principal in respect of the Participation Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Participation Note Holders to bring claims for payment of interest and repayment of the principal on the Participation Notes is barred by the lapse of five (5) years.

6.7.2 When interest is required to be calculated for any period of less than a full year, such interest shall be calculated on the basis of the actual number of days elapsed from and including the most recent Interest Payment Date or, as appropriate, the Issue Date divided by the actual number of days (365 or 366 as the case may be) in the respective year.

6.7.3 For Participation Notes issued at the Participation Note Issue Price, the gross yield calculated on the basis of the interest, the Participation Note Issue Price and the Redemption Value of the Participation Notes at maturity is five point twenty five per cent (5.25%).

6.8 Payments

- (i) Payment of the principal amount (with interest accrued and unpaid to the Redemption Date), as well as payment of interest due on the Participation Note, shall be made in Euro to the person in whose name such Participation Note is registered as at the close of business by and not later than the date set for redemption or by, and not later than, the relevant Interest Payment Date (as the case may be). In the case of payment of the principal amount, this shall

be made against surrender of the Participation Note at the registered office of the Trustee or at such other place in Malta as may be notified by the Trustee. Such payment shall be effected by direct credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Participation Note Holder. The Trustee shall not be responsible for any loss or delay in transmission.

- (ii) All payments with respect to the Participation Notes are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Trustee in respect of the Participation Note may be made net of any amount, which the Trustee is compelled to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or any other authority thereof or therein having power to tax.
- (iii) No commissions or expenses shall be charged to the Participation Note Holder in respect of such payments.
- (iv) For the purposes of paragraphs (i), (ii) and (iii) hereof, the term Redemption Date shall be deemed to include an Early Redemption Date, where applicable.
- (v) The Trustee shall only be under an obligation to effect payments of principal and/or interest to the Participation Note Holders if it has effectively received such payments from the Issuer in terms of the Global Note. No liability shall attach to the Trustee if it fails to effect such payments to Participation Note Holders when such failure is due to the non-payment thereof by the Issuer in terms of the Global Note.
- (vi) Payment of the principal and interest by the Issuer to the Trustee under the Global Note shall relieve the Issuer from any further liability, to the extent of the payment made, towards the Participation Note Holders, and the Participation Note Holders shall have no right or claim against the Issuer should they not receive the relative payment from the Trustee.

6.9 Redemption, prepayment and purchase

- (i) Unless previously redeemed by the Trustee the Participation Notes shall be redeemed at their nominal value (together with interest accrued and which has remained unpaid to the date set for redemption) on the Redemption Date.
- (ii) The Issuer has reserved the right to redeem all or part of the Global Note at an Early Redemption Date being a date on any day between 30th September, 2020 and 30th September, 2022 on giving not less than thirty (30) Business Days prior written notice to the Trustee specifying the date when such redemption shall be affected. Such redemption may be made in whole or in part, PROVIDED THAT any partial redemption is made in accordance with these Terms and Conditions at a minimum amount of five hundred thousand Euro (€500,000) and in multiples of ten thousand Euro (€10,000) thereafter.
- (iii) In the event that the Issuer redeems the Global Note and any accrued and unpaid interest in whole or in part at an Early Redemption Date, the Trustee shall redeem an equivalent value of Participation Notes. This amount shall be utilised to redeem each Participation Note in accordance with the proportion that the said value redeemed on the Global Note by the Issuer

holds to the aggregate value of Participation Notes on the Register of Participation Note Holders. The Trustee shall pay to the Participation Note Holder concerned the full or proportionate nominal value of that Participation Note Holder's Participation Notes as the case may be and accrued and unpaid interest thereon, and the Participation Note Holder shall hand over the Participation Note to the Trustee.

- (iv) The redemption of the Participation Note shall take place by payment of all principal and interest accrued until the date of redemption.
- (v) Upon an early redemption, the Participation Notes shall be cancelled in whole or in part and the Participation Note Holder shall hand over the Participation Note and, in case of redemption in part, receive a new Participation Note stating the new amount of the Participation Note.
- (vi) Upon an early redemption of the Global Note following an Event of Default, and provided the principal and all accrued and unpaid interest under the Global Note is paid in full to the Trustee, all Participation Notes shall be redeemed in whole. The Trustee shall pay to all Participation Note Holders the nominal value of the Participation Note held by the Participation Note Holders and accrued and unpaid interest thereon, and the Participation Note Holders shall hand over the Participation Note to the Trustee.
- (vii) The Trustee may, at its discretion, charge a fee to Participation Note Holder for each cancellation and subsequent entry made in the Register of Participation Note Holders, which fee shall not exceed sixty Euro (€60) per cancellation or subsequent entry.

6.10 Representations and warranties

6.10.1 The Issuer represents and warrants to the Trustee for the benefit of the Participation Note Holders, 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; and
- ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same and further that, no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions or the Prospectus; 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 that could have a material adverse effect on the business, assets or financial condition of the Issuer.

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

6.11 Rights attached to the Participation Notes

There are no special rights attached to the Participation Notes other than the right of the Participation Note Holders to:

- i. the payment of capital;

- ii. the payment of interest;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of sub-Section 6.6 hereof;
- iv. attend, participate in and vote at meetings of Participation Note Holders in accordance with the terms and conditions of the Participation Note Issue; and e. enjoy all such other rights attached to the Participation Notes emanating from the Prospectus.

6.12 Events of Default

The Trustee may, at its discretion, and shall, upon the request in writing of not less than seventy five percent (75%) in value of the Participation Note Holders, give notice to the Issuer that the Global Note is, and it shall accordingly immediately become, due and payable at its principal amount together with interest accrued on the occurrence of any of the following events (each an “Event of Default”) and without the need of any authorisation and/or confirmation from a competent court:

- i. there is default for a period of twenty (20) days (in the case of interest) or ten (10) days (in the case of principal) in the payment on the due date of interest or principal in respect of the Global Note; or
- ii. the Issuer failing to do all of the matters referred to in Section 8.6.2 of these Terms and Conditions within the time frames and maximum periods set out in that same section;
- iii. the Issuer failing to perform or observe any material covenant, material condition or material provision contained in these Terms and Conditions, the Trust Deed, the Prospectus or the Security Documents (other than any obligation for the payment of principal or interest in respect of the Global Note) and on its part to be performed and observed that default is incapable of remedy or is not remedied within forty-five (45) days after notice of such default shall have been given to the Issuer by the Trustee; or
- iv. any other Indebtedness (as defined below) of the Issuer, (i) is not paid when due nor within any grace period applicable to such Indebtedness, or (ii) has become or becomes capable of being rendered due and payable before its scheduled maturity by reason of a default by the Issuer, or (iii) if payable on demand, is not paid when demanded, or (iv) any guarantee or indemnity given by the Issuer, in respect of any Indebtedness of any other person is not honoured when due and called upon; or
- v. the security for any Indebtedness of the Issuer becomes enforceable and the creditors entitled thereto take steps to enforce the same; or
- vi. all, or in the opinion of the Trustee, a material part of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government; or
- vii. the Issuer is deemed unable or admits its inability to pay its debts as they fall due within the meaning of section 214(5) of the Companies Act; or
- viii. the Issuer shall be adjudicated or found bankrupt or insolvent or any order shall be made by any competent court for, or any resolution shall be passed by the Issuer to apply for its dissolution, liquidation or winding-up, other than for the purposes of a company recovery procedure, reorganisation, administration, reconstruction, merger, division, amalgamation or other similar arrangement on terms approved by the Trustee.

Upon the giving of notice of an Event of Default as aforesaid, the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due and payable at the time of the Event of Default.

At any time after the Global Note shall have become immediately due and payable, the Trustee may, at its discretion, institute such proceedings as it may think fit against the Issuer to enforce repayment of the principal together with accrued but unpaid interest, including the enforcement of the Security, PROVIDED

that the Trustee shall not be bound to do so unless:

- i. It shall have been so requested in writing by not less than seventy-five percent (75%) in value of Participation Note Holders; and
- ii. It shall have been indemnified to its satisfaction.

Only the Trustee may enforce the provisions of the Trust Deed and of these Terms and Conditions as well as the obligations of the Issuer to pay principal and interest due in respect of the Global Note and no Participation Note Holder shall be entitled to enforce performance of any such provisions unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure shall be continuing.

Any payment made by the Issuer under the Global Note to the Trustee pursuant to an Event of Default shall automatically trigger an early redemption of the Participation Notes.

6.13 Meetings of the Participation Note Holders

- 1) The provisions of the Participation Notes and of the Trust Deed may be amended with the approval of the Participation Note Holders at a meeting called for that purpose by the Trustee in accordance with the terms of the Trust Deed or by written instructions given by not less than seventy five per cent (75%) in value of Participation Note Holders.
- 2) In the event that the Issuer wishes to amend any of the provisions of the Participation Notes and of the Trust Deed, it shall call upon the Trustee, in writing, seeking its consent to such amendment or amendments. The Trustee, prior to granting or refusing such consent, shall call a meeting of Participation Note Holders registered in the Register of Participation Note Holders as at that date, by giving such Participation Note Holders not less than fourteen (14) days' notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat, including sufficient information on any amendment that is proposed to be voted upon at the meeting and seeking the approval of the Participation Note Holders registered as aforesaid. Following a meeting of Participation Note Holders held in accordance with the provisions contained in the Trust Deed, the Trustee shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Issuer whether its consent to a request of the Issuer is granted or withheld. Subject to having obtained the necessary approval by the said Participation Note Holders in accordance with the terms set out in the Trust Deed at a meeting called for that purpose as aforesaid, any such proposed amendment or amendments to the provisions set out in the Terms and Conditions shall subsequently be given effect to by the Issuer in consultation with the Trustee.
- 3) For all intents and purposes it is hereby set out that any meeting of Participation Note Holders, including but not limited to meetings held for the purposes set out in paragraphs (1) and (2) above, shall be held in accordance with the provisions of the Trust Deed and the procedure set out therein.

6.15 Participation Notes held jointly

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

6.16 Participation Notes held subject to usufruct

In the respect of a Participation Note 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 Trustee, to be the holder of the Participation Note so held and shall have the right to receive interest on the Participation Note, but shall not, during the continuance of the Participation Note, have the right to dispose of the Participation Note so held without the consent of the bare owner.

6.17 Governing law and jurisdiction

The Participation Notes, the Prospectus, all the rights and obligations of the Trustee and any Participation Note Holder and any non-contractual obligations arising out of or in connection with the Participation Notes, the Prospectus and these Terms and Conditions, shall be governed by and construed in accordance with Maltese law. Any suit, action or proceedings arising out of, or in connection with, the Prospectus and the Participation Notes, shall be submitted to the Courts of Malta. The Trustee and every Participation Note Holder each agree that the Courts of Malta shall have exclusive jurisdiction to hear and settle any dispute arising out of or in connection with the Participation Notes and the Prospectus and each shall irrevocably submit to the jurisdiction of the Courts of Malta.

6.18 Notices

Notices will be mailed to the Trustee or the Participation Note Holders (as the case may be) at their registered addresses and shall be deemed to have been served at the expiration of twentyfour (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 the Trustee or the Participation Note Holders (as the case may be) at their registered address and posted.

7 TAXATION

7.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation that may be applicable to them in respect of the Participation Notes, 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 holders of the Participation Notes in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

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

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

7.2 Malta tax on interest

Insofar that the Participation Note Holder falls within the definition of “recipient” in terms of article 41(c) of the Income Tax Act (Chapter 123 of the laws of Malta) and the said Participation Note Holder does not elect otherwise, interest shall be paid to such person net of a final withholding tax, on the basis that the interest is paid in respect of a public issue as required in the Income Tax Act. Currently final withholding tax is applied at a rate of ten per cent (10%) of the gross amount of the interest where the Participation Note Holder is a collective investment scheme that is a prescribed fund, or at a rate of fifteen per cent (15%) of the said gross amount in other cases.

Participation Note Holders that do not fall within the definition of a “recipient” do not qualify for the said rates and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident Participation Note Holder who is an individual need not declare the interest so received on his income tax return. No person shall be charged to further tax in respect of such income. However, tax withheld shall in no case be available to any person as a credit against that person’s tax liability or for a refund, as the case may be.

In the case of a valid election made by an eligible Participation Note Holder to receive the interest due without the deduction of final tax, interest is paid gross and such person may be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer and/or any such other payor of the interest will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the recipient is not resident in Malta and satisfies the requisite statutory requirements.

Any such election made by an eligible Participation Note Holder at the time of the application may be subsequently changed by giving notice in writing to the Issuer and/or payor of the interest. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c)(i) of the Income Tax Act, Participation Note Holders 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 should receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer and/or the payor in terms of law.

7.3 European Union Savings Directive

Persons who are not resident in Malta should note that payment of interest to individuals and certain entities residing in another EU Member State or in certain other states who have concluded an appropriate agreement in this regard is reported on an annual basis to the Malta Commissioner for Revenue, who in turn exchanges the information with the competent authorities of the Member State where the recipient of the interest is resident. This exchange of information takes place in terms of Council Directive 2003/48/EC.

7.4 Malta tax on capital gains on transfer of the Participation Notes

On the assumption that the Participation Notes would not fall within the definition of “securities” in terms of the applicable definition for income tax purposes and that such Participation Notes are held by the Participation Note Holder as a capital asset, no tax should be chargeable in respect of a capital gain arising on the transfer of the Participation Notes. Gains that arise on the transfer of the Participation Notes, when such Participation Notes are not held as a capital asset by the Participation Note Holder, should be taxable in the hands of the Participation Note Holder in accordance with the applicable provisions of the Income Tax Act.

7.5 Duty on documents and transfers

No Maltese duty on documents and transfers should be chargeable on the issue of the Participation Notes.

8 TERMS AND CONDITIONS OF THE ISSUE

8.1 The contract created by the acceptance of an Application shall be subject to the Terms and Conditions set out herein. If any Application is not accepted or if any Application is accepted for fewer Participation Notes than those applied for, the Application monies or the balance of the amount paid on Application will be returned by the Issuer, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. The Issuer will not be responsible for any charges, loss or delay in transmission. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

8.2 Subject to all other terms and conditions set out in the Prospectus, the Issuer, Trustee and Placement Agent and Manager reserve the right to reject, in whole or in part, or to scale down any Application and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application that, in the opinion of the Issuer and the Placement Agent and Manager, is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents and/or payments. 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.

8.3 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. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign and bind such Applicant. It shall not be incumbent on the Trustee or the Placement Agent and Manager to verify whether the person or persons purporting to bind such an Applicant is or are in fact duly authorised.

Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Participation Notes allocated pursuant to such an Application shall be registered in the name of the minor as Participation Note Holder, 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 Trustee has been duly notified, in writing, of the fact that the minor has attained the age of eighteen (18) years.

8.4 By completing and delivering an Application Form, you as the Applicant(s) shall:

- a. irrevocably offer to purchase the number of Participation Notes specified in your Application Form (or any smaller number for which the Application is accepted) at the Participation Note Issue Price subject to the Prospectus, the terms and conditions thereof and the Memorandum and Articles of Association of the Issuer; and
- b. authorise the Placement Agent and Manager and the Trustee to include your name or, in the case of joint Applications the first named Applicant, in the Register of Participation Note Holders of the Issuer in respect of the Participation Notes allocated to you; and
- c. warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a registration advice, or to be registered in the Register of Participation Note Holders or to enjoy or receive any rights in respect

- of such Participation Notes unless and until payment in cleared funds for such Participation Notes is received and accepted by the Trustee and/or the Placement Agent and Manager (which acceptance shall be made in the absolute discretion of the Trustee and/or the Placement Agent and Manager and may be on the basis that the Trustee 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 Trustee and/or the Placement Agent and Manager of such late payment in respect of such Participation Notes, the Trustee and/or the Placement Agent and Manager may (without prejudice to other rights) treat the agreement to allocate such Participation Notes as void and may allocate such Participation Notes to some other person, in which case you will not be entitled to any refund or payment in respect of such Participation Notes (other than return of such late payment); and
- d. agree that the registration advice and other documents and any monies returnable by the Trustee and/or the Placement Agent and Manager may be retained pending clearance of the remittance and any verification of identity as required by all applicable laws and regulations in Malta, including the Prevention of Money Laundering Act, 1994 (and regulations made thereunder) and that such monies will not bear interest; and
 - e. agree that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that you submit to the exclusive jurisdiction of the Maltese courts and agree that nothing shall limit the right of the Trustee 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; and
 - f. warrant that if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions and undertake to submit a power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Trustee and/or the Placement Agent and Manager; and
 - g. agree that all documents in connection with the issue of the Participation Notes and any returned monies, including refunds of all unapplied Application monies, will be sent at your 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; and
 - h. agree that, having had the opportunity to read the Prospectus, you have and shall be deemed to have had notice of all information and representations concerning the Trustee and the issue of the Participation Notes contained herein; and
 - i. confirm that in making such Application you are not relying on any information or representation in relation to the Issuer or the issue of the Participation Notes other than those contained in the Prospectus and you, accordingly, agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation; and
 - j. warrant that you are not under the age of eighteen (18) years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor; and
 - k. warrant that all information given in the Application Form was not incorrect or misleading; and
 - l. agree that such Application Form is addressed to the Trustee and/or the Placement Agent and Manager and, that in respect of those Participation Notes for which application has been accepted by the Trustee and/or the Placement Agent and Manager, you shall receive a registration advice

- confirming such acceptance; and
- m. confirm that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Participation Notes; and
 - n. agree to provide the Placement Agent and Manager and/or the Trustee as the case may be, with any information, which it/they may request in connection with your Application(s); and
 - o. agree that Calamatta Cuschieri & Co. Limited in its capacity of Placement Agent and Manager will not treat you as its customer by virtue of your making an Application for Participation Notes or by virtue of your Application to subscribe for Participation Notes being accepted and that Calamatta Cuschieri & Co. Limited will owe you no duties or responsibilities concerning the price of the Participation Notes or their suitability for you; and
 - p. warrant that, in connection with the Application, you have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action that will or may result in the Trustee or the Placement Agent and Manager acting in breach of the regulatory or legal requirements of any territory in connection with the Participation Note Issue or your Application; and
 - q. warrant that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with; and
 - r. represent that you are 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 (the “Securities Act”)] and that you are not accepting the invitation set out in the Prospectus 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, unless indicated otherwise on the Application Form in accordance with the instructions on the Application Form; and
 - s. agree that, in all cases, any refund of unallocated Application monies will be sent to the Applicant by direct credit into the Applicant’s bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Trustee and/or the Placement Agent and Manager shall not be responsible for any changes, loss or delay in transmission.

8.5 The Participation Notes have not been and will not be registered under the Securities Act 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.

8.6 No person receiving a copy of the Prospectus in any territory other than Malta may treat the same as constituting an invitation or offer to him/her nor should he/she in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to him/her or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself 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.

8.7 Save where the context requires otherwise, terms defined in the Prospectus 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 the Prospectus.

8.8 If the Application Form(s) and proof of payment of cleared funds do not reach the Placement Agent and Manager by the close of the Issue Period, the Application will be deemed to have been declined.

8.9 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to

revoke the Global Note Issue by notice to the Placement Agent and Manager and the Trustee at any time before the closing of the Issue Period and this will lead to an automatic revocation of the Participation Note Issue. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.

8.10 Due to the classification of the Participation Notes as complex instruments, an applicant making an application for the subscription of the Participation Notes is subject to an Appropriateness Test in respect of the purchase of the Participation Notes on a non-advisory basis or an appropriateness and Suitability Test in the case of investment advice or portfolio management, as required by applicable rules and regulations.

8.11 The Issuer, the Placement Agent and Manager and the Trustee have not sought assessment of the Participation Notes by any independent credit rating agency.

SUMMARY NOTE

This part of the Prospectus is prepared in accordance with the requirements of the Regulation, as amended by Commission Delegated Regulation (EU) No 486/2012 of the 30 March 2012 amending the Regulation as regards the format and content of the prospectus, the base prospectus, the summary and the final terms as regards the disclosure requirements. The sequence and numbering of the provisions set out below corresponds to that set out in Annex XXII of the aforesaid amending regulation specifying the disclosure requirements in summaries.



Dated 5 November 2015

**In respect of an issue of a €6,000,000 5.25% Secured Global Note 2020 – 2022
represented by the €6,000,000 5.25% Secured Participation Notes 2020 – 2022**

issued at par by

Zammit Finance p.l.c.

A public limited liability company registered in Malta on 1st June 2015

with company registration number C-70870

Prospective investors are to refer to the sections entitled “Risk Factors” contained in this Summary, the Registration Document and the Securities Note for a discussion of certain risk factors, which should be considered by prospective investors in connection with the Global Note and the Participation Notes. The Global Note and the Participation Notes are complex financial instruments and may not be suitable for all types of retail investors. A potential investor should not invest in the Notes unless: (a) He/she has the necessary knowledge and experience to understand the risks relating to this type of financial instrument; (b) the Notes meet the investment objectives of the potential investor; and (c) such potential investor is able to bear the investment and financial risks which result from investment in these Notes.

THE SECURITIES OFFERED HEREBY ARE BEING ISSUED AND OFFERED THROUGH AN OFFER TO THE PUBLIC IN MALTA BY THE ISSUER. NO APPLICATION HAS BEEN MADE, NOR IS IT INTENDED THAT AN APPLICATION BE MADE, FOR THE SECURITIES ISSUED HEREBY TO BE ADMITTED ON A REGULATED MARKET OR OTHER TRADING PLATFORM. RELIANCE ON THIS REGISTRATION DOCUMENT FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL, OR A SUBSTANTIAL, PART OF THE PROPERTY OR OTHER ASSETS INVESTED.

THE REGISTRAR OF COMPANIES AND THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPT NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKE NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM, OR IN, RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

Placement Agent and Manager



A blue ink signature of James Zammit, consisting of several overlapping loops and horizontal strokes.

James Zammit

A blue ink signature of Raymond Zammit, featuring a large, stylized loop and horizontal strokes.

Raymond Zammit

Legal Counsel



A blue ink signature of Alfred Lupi, featuring a large, stylized loop and horizontal strokes.

Alfred Lupi

In this Summary Note 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;
“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”	the application to subscribe for and purchase Notes made by an Applicant by completing an Application Form and delivering same to the Placement Agent and Manager (defined below) in accordance with the terms of this Securities Note;
“Application Form”	the form of application for subscription of Participation Notes;
“Participation Note Holder”	a holder of Participation Notes;
“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;
“Company” or “Issuer”	Zammit Finance p.l.c., a public limited liability company registered under the laws of Malta having its registered office at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta and bearing company registration number C-70104;
“Euro” or “€”	the lawful currency of the Republic of Malta;
“Group”	Zammit Holdings Limited (C-70104) and its subsidiary and associated companies, including the Issuer and J. Zammit Limited, a company registered under the laws of Malta with company registration number C 37945 and having its registered office at Raymond Auto Dealer, Mdina Road, Zebbug, Malta;
“Global Note”	the €6,000,000 Global Note 2020 – 2022 issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.25% per annum to be issued by the Issuer in favour of the Trustee (in its capacity as trustee for the benefit of the Participation Note Holders) representing the amount due by the Issuer to the Trustee and creating, acknowledging and representing the indebtedness of the Issuer to the Trustee in accordance with the terms and conditions to be set out in the Prospectus;
“Participation Note”	means a participation note issued by the Trustee to one or more Participation Note Holders;
“Participation Note Holder”	a holder of Participation Notes;
“Placement Agent and Manager”	Calamatta Cuschieri & Co. Limited, a private limited liability company registered under the Laws of Malta having its registered office at 3rd Floor, Valletta Buildings, South Street, Valletta, Malta and bearing company registration number C-13729. Calamatta Cuschieri & Co. Limited is authorised to conduct investment services by the MFSA in terms of the Investment Services Act (Chapter 370 of the Laws of Malta);
“Physical Property”	means the bills of exchange endorsed in favour of the Trustee by the Issuer and drawn in favour of J. Zammit Limited and the Related Company;
“Property”	means the bills of exchange endorsed in favour of the Trustee by the Issuer and

drawn in favour of J. Zammit Limited and the Related Company and any cash held by the Trustee received from the Issuer and the Participation Note Holders;

“Prospectus”	collectively the Summary Note, the Registration Document and the Securities Note, all dated 5 November 2015, as such documents may be amended, updated, replaced and supplemented from time to time;
“Redemption Date”	30 th September 2022, unless otherwise redeemed at the Issuer’s sole discretion on any day during the Designated Optional Redemption Period;
“Redemption Value”	at par (€1000 per Participation Note);
“Registration Document”	the registration document in its entirety dated 5 November 2015, forming part of the Prospectus;
“Related Company”	JMC Property Co Ltd, a company registered under the laws of Malta with company registration number C 52422 and having its registered office at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta.
“Securities Note”	the securities note issued by the Issuer dated 5 November 2015, forming part of the Prospectus;
“Summary”	the summary note issued by the Issuer dated 5 November 2015, forming part of the Prospectus;
“Terms and Conditions”	the terms and conditions relating to the Participation Notes as contained in the Prospectus;
“Trust Deed”	the trust deed entered into by the Issuer and the Trustee pursuant to which Property is settled on trust by the Issuer in favour of the Trustee (in its capacity as trustee for the benefit of the Participation Note Holders) as security for the punctual performance of the Issuer’s obligations under the Global Note (details of the trust deed are contained in the section entitled ‘Material Contracts’ of the Securities Note);
“Trustee”	PI Trustees Limited a private limited liability company registered under the laws of Malta with company registration number C 28762 and with registered office situated at 2nd Floor, Europa Centre, St. Anne Street, Floriana, FRN1400 and any other successor in such capacity appointed for that purpose in terms of the Trust Deed.

Section A Introduction and Warnings

A.1 Prospective investors are hereby warned that:

- i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
- ii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before legal proceedings are initiated; and
- iii. Civil liability attaches only to those persons who have tabled the summary including any translation thereof and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus is misleading, inaccurate or inconsistent, or does not provide key information to aid investors when considering whether to invest in such securities.

A.2 The Issuer has given its express written consent to the Placement Agent and Manager for the use of the Prospectus by the same Placement Agent and Manager for the purpose of final placement and/or subsequent resale of the Participation Notes. The Issuer accepts full responsibility for the content of the Prospectus also with respect to any subsequent resale or final placement of the Participation Notes by the Placement Agent and Manager. The Placement Agent and Manager will only be permitted to use the Prospectus in the Republic of Malta. There are no other conditions attached to the consent given by the Issuer to the Placement Agent and Manager that are relevant for the use of the Prospectus. Calamatta Cuschieri Investment Services Limited is the only financial intermediary permitted to use the Prospectus. The Placement Agent and Manager using the Prospectus in connection with a resale or placement of Participation Notes subsequent to the Participation Note Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale and placement in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period. No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, such information and/or representation must not be relied upon as having been authorised by the Issuer or the Placement Agent and Manager. The Issuer does not accept responsibility for any information not contained in the Prospectus.

Section B Issuer

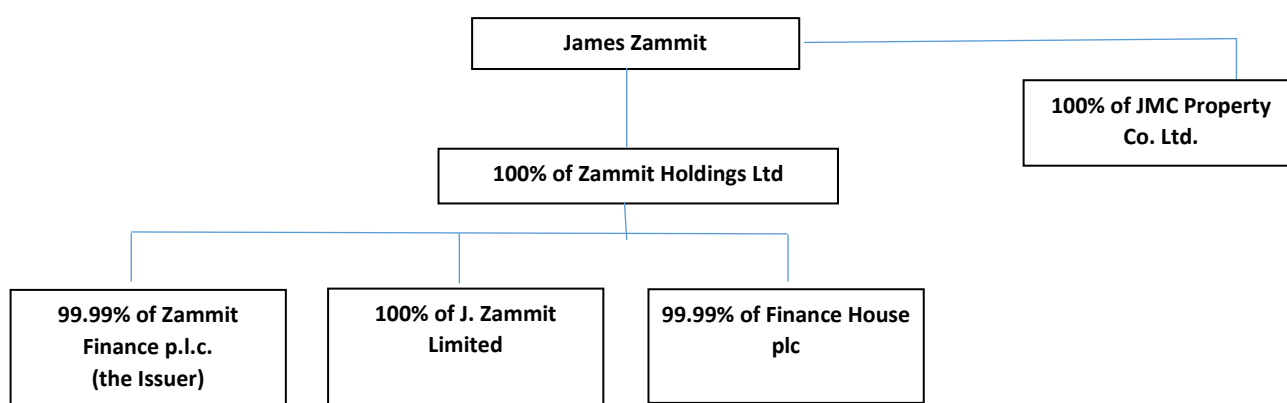
B.1 The legal and commercial name of the Issuer is Zammit Finance p.l.c.

B.2 The Issuer is a public limited liability company registered under the laws of Malta on 1st June 2015 having its registered office at Aries House, Triq tal-Hlas, Haz-Zebbug, Malta and bearing company registration number C-70870. The Issuer is domiciled in Malta.

B.4b The key activity of the Issuer is, and will continue to be, acquiring bills of exchange from J. Zammit Limited and the Related Company on a “with recourse” basis, as a result of which the Issuer is expected to generate interest and non-interest (fees and charges) income. The proceeds of the Issue, the Global Note and the Participation Notes will not be covering any lending to, or purchase of bills of exchange from

Finance House p.l.c. The assets of the Issuer will principally consist of bills of exchange drawn by J. Zammit Limited and the Related Company on customers who purchase motor vehicles on hire purchase terms, which bills are subsequently endorsed and transferred in favour of the Issuer and then subsequently re-endorsed and re-transferred to the Trustee for the benefit of the Participation Note Holders. At the time of publication of this Prospectus, the Issuer considers that it shall be subject to the normal business risks associated with the industries in which the Issuer are involved, and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the Issuer, at least up to the end of the next financial year.

B.5 The organisational structure of the Group, in so far as this is relevant to the Issuer as at the date of this Prospectus, is illustrated in the diagram below:



B.9 The Prospectus contains profit forecasts or estimates. These are reproduced in Annex A of the Registration Document. In brief, the prospective financial information of the Issuer comprises the profit forecast for the three month period 1 October 2015 to 31 December 2015 and the profit projection for the two years ending 31 December 2016 and 2017, as follows:-

Zammit Finance p.l.c. – Prospective Financial Information			
<i>For the period</i>	<i>Oct-Dec 2015F</i>	<i>Jan-Dec 2016P</i>	<i>Jan-Dec 2017P</i>
	€	€	€
Revenue	1,108,775	3,552,384	3,740,482
Cost of sales	(864,000)	(2,643,840)	(2,696,760)
Gross profit	244,775	908,544	1,043,722
Administrative and other expenses	(62,322)	(88,768)	(90,529)
Results from operating activities	182,453	819,776	953,193
Finance income	-	-	-
Finance expenses	(81,696)	(327,197)	(327,890)
Net finance costs	(81,696)	(327,197)	(327,890)
Profit before taxation	100,757	492,579	625,303
Taxation income/(expense)	(35,265)	(172,402)	(218,856)
Profit for the period	65,492	320,177	406,447
Total comprehensive income for the period	65,492	320,177	406,447

B.10 The Issuer was set up on 1st June 2015 and no financial statements have been prepared since the date of its inception. The financial information about J. Zammit Limited is extracted from the audited financial statements for the financial period 1st January 2012 to 31st December 2014. The statements of comprehensive income are as follows:

<i>J. Zammit Limited – Statements of Comprehensive Income</i>			
<i>For the year ended 31 December</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
	€	€	€
Revenue	3,046,836	3,812,477	7,551,737
Cost of sales	(2,458,657)	(3,170,700)	(6,902,543)
Gross profit	588,179	641,777	649,194
Other income	219,558	152,740	214,975
Administrative and other expenses	(369,239)	(431,526)	(667,393)
EBITDA	438,498	326,991	196,776
Depreciation and amortisation	(42,329)	(60,058)	(110,355)
Operating profit	396,169	302,933	86,421
Finance income	188,778	328,864	304,942
Finance costs	(136,483)	(181,386)	(182,345)
Profit before tax	448,464	450,411	209,018
Taxation	(156,961)	(165,835)	(57,068)
Profit for the year	291,503	284,576	151,950

The audit reports on the said historical financial information do not contain any material qualifications.

B.12 As explained in section B.10 above, no historical financial information regarding the Issuer is available. However the Issuer is in a position to declare that there have been no material adverse changes to the prospects of the Issuer since the date of incorporation. With reference to the selected historical key financial information and applicable comparative information regarding J. Zammit Limited referred to in section B.10 above, there has been no material adverse change in the prospects of J. Zammit Limited since the date of its last published audited financial statements or significant changes in its financial or trading position subsequent to the period covered by the historical financial information.

B.13 The Issuer is not aware of any recent events that are to a material extent relevant to the evaluation of its solvency.

B.14 The Company itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of J. Zammit Limited and the Related Company. The Issuer is mainly dependent on the business prospects of J. Zammit Limited and, therefore, the operating results of the Group have a direct effect on the Issuer's financial performance and position. Accordingly, the risks of the Issuer are indirectly those of J. Zammit Limited. Since the Issuer shall be acquiring existing hire purchase trade receivables from the Related Company on a "with recourse" basis, the Issuer may to a lesser extent also be dependent on the Related Company to settle any shortfall that may arise in the event of non-payment.

B.15 As at the date of this Prospectus, the Issuer intends to, among others, acquire bills of exchange from J. Zammit Limited and from the Related Company on a "with recourse" basis and consequently its own trading activities are currently limited to the assets that will be acquired from the proceeds of the Offer. The assets will consist principally of bills of exchange, drawn by Group companies (and to a lesser extent

drawn by the Related Company) on customers who purchase motor vehicles on hire purchase terms, which bills are subsequently endorsed and transferred in favour of the Issuer and then subsequently re-endorsed and re-transferred to the Trustee for the benefit of the Participation Note Holders.

B.16 The Issuer is directly owned and controlled by Zammit Holdings Limited (C-70104) and ultimately by Mr James Zammit.

B.17 The Issuer has not sought the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Global Note issued by the Issuer or of the Participation Notes.

Section C Securities

C.1 The Global Note shall be issued to in favour of the Trustee (in its capacity as trustee for the benefit of the Participation Note Holders) representing the amount due by the Issuer to the Trustee and creating, acknowledging and representing the indebtedness of the Issuer to the Trustee in accordance with the terms and conditions set out in the Prospectus. Each Participation Note issued by the Trustee acknowledging the interest of the person named therein and evidencing an entry in the Register of Participation Note Holders will be in fully certificated and registered form.

C.2 The Global Note and the Participation Notes are denominated in Euro (€).

C.5 The Participation Notes are freely transferrable and may be transferred or transmitted only in whole (in multiples of €1000) by the Participation Note Holder in accordance with applicable laws, rules or regulations governing the transfer of the Participation Notes, from time to time.

C.8 The Issuer has appointed Calamatta Cuschieri & Co. Limited as Placement Agent and Manager for the purposes of this Participation Note Issue and interested investors may contact the Placement Agent and Manager for the purposes of subscribing to Participation Notes during the Issue Period. Subscription to the Participation Notes must be accompanied by full price of the Participation Notes applied for in Euro and in cleared funds at the Issue Price. Payment may be made either in cash or by cheque payable to 'Calamatta Cuschieri & Co. Limited'. Execution of the Subscription Agreement will entitle an investor:

- i. to participate in the Global Note with respect to the rights and benefits under the Global Note in the proportion that the amount of the subscription constitutes in relation to the face value of the Global Note;
- ii. to receive from the Trustee an acknowledgement of his interest in the Global Note by the issue of a Participation Note;
- iii. to all such rights and benefits applicable to Participation Note Holders as set out in the Prospectus;
- iv. to all such applicable rights and benefits applicable to Participation Note Holders set out in the Trust Deed.

Upon execution of the Subscription Agreement, an investor will also be bound by, and be deemed to have notice of, all the provisions of the Trust Deed and the terms and conditions of the Global Note and the Participation Notes.

Due to the classification of the Participation Notes as complex instruments, an applicant making an application for the subscription of the Participation Notes is subject to an appropriateness test in respect of the purchase of the Participation Notes on a non-advisory basis or an appropriateness and suitability test in the case of investment advice or portfolio management, as required by applicable rules and regulations.

C.9 The Participation Notes shall bear interest from and including 27th November 2015 at the rate of 5.25%

per annum on the nominal value thereof, payable semi-annually in arrears on 31st March and 30th September of each year (each an “Interest Payment Date”), the first Interest Payment Date being on 31st March 2016. Unless previously cancelled, the Participation Notes will be redeemed at par (together with interest accrued to the date fixed for redemption) on 30th September 2022 by payment direct to the Participation Note Holders whose names are entered in the Register of Participation Note Holders. In such a case the Issuer shall be discharged of any and all obligations under the Participation Notes. However, the Issuer reserves the right to prepay the Global Note prior to the Redemption Date, within the Designated Optional Redemption Period, in whole or in part, together with all interest accrued up to the date of prepayment, by giving not less than thirty (30) days’ prior written notice to the Trustee of its intention to effect such prepayment, specifying the date when such prepayment shall be effected.

The following elements specified in the amending Regulation are not applicable to the Offer: “indication of yield” and “name of representative of debt security holders”.

C.10 The following elements specified in the amending Regulation is not applicable to the Offer given that interest payable on the Participation Notes is not tied to or affected by any underlying instruments: “if the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.”

C.11 No application has been made, nor is it intended that an application will be made, for the Participation Notes to be admitted to listing on a regulated market or other trading platform.

Section D Risks

Holding of the Participation Notes involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire the Participation Notes. Prospective investors are warned that by investing in the Participation Notes they may be exposing themselves to significant risks that may have the consequence of losing a substantial part of all of their investment.

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

The risk factors set out below are a summary of the principal risks associated with an investment in the Participation Notes – there may be other risks that are not mentioned in this Summary. Investors are therefore urged to consult their own financial or other professional advisors with respect to the suitability of investing in this instrument. The following is a summary of the principal risks:

D.2 Key information on the key risks specific to the Issuer:

- i. The Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of J. Zammit Ltd and the Related Company. The Issuer is mainly dependent on the business prospects of J. Zammit Ltd and, therefore, the operating**

results of J. Zammit Ltd have a direct effect on the Issuer's financial performance and position. Accordingly, the risks of the Issuer are indirectly those of J. Zammit Ltd and the Related Company. Since the Issuer shall also be acquiring existing hire purchase trade receivables from the Related Company on a "with recourse" basis, the Issuer may to a lesser extent also be dependent on the Related Company to settle any shortfall that may arise in the event of non-payment of bills of exchange which the Issuer will acquire from the Related Company.

- ii. Furthermore the Issuer is largely dependent, including for the purpose of servicing interest payments on the securities described in the Securities Note and the repayment of the principal on Redemption Date, on interest and non-interest income (fees and charges) generated on the bills of exchange acquired from J. Zammit Limited on a monthly basis and on J. Zammit Limited maintaining its current level of operating activity.
- iii. J. Zammit Limited is the main operational and revenue-generating company within the Group and, accordingly, its performance most significantly determines the success or otherwise of the Group.
- iv. As J. Zammit Limited's business (and to a lesser extent, the business of the Related Company) is reliant on motor vehicle hire purchase agreements secured by bills of exchange entered into with private individuals resident in Malta, severe competition in the motor vehicle financing sector and changes in economic and market conditions could adversely affect the Issuer's business and operating results.
- v. J. Zammit Limited may not be able to successfully execute its long-term business strategy. There is no assurance that J. Zammit Limited will be able to drive growth to the extent desired through its focus of efforts and resources on its sales or to enhance profitability to the extent desired through continuous improvement.
- vi. J. Zammit Limited is reliant on the attractiveness of the car models designed by the car manufacturers. The attractiveness and competitiveness of any brand of cars, and of particular models, is influenced by a host of factors such as engineering quality, design, the age of a particular model, the brand's plans for its replacement, and cost (which may also be impacted, inter alia, by exchange rates and incidence of registration taxes). These are all external factors over which J. Zammit Limited has no control and, in certain circumstances, may negatively impact the level of demand for some of the cars offered by J. Zammit Limited.
- vii. J. Zammit Limited operates in a highly competitive market. Substantial competition could reduce their respective market share and significantly harm their financial performance. This level of competition may increase, which may limit the future ability of J. Zammit Limited to maintain its market share and revenue level.
- viii. The interest rates charged by J. Zammit Limited to its car hire purchase customers and the number of hire purchase agreements concluded could be adversely impacted by a number of events including political, social and economic instability, among others, all of which could have the effect of reducing the demand for car sales, which may have an adverse impact on the Issuer.
- ix. J. Zammit Limited's business consists of the sale of used motor vehicles, both on a cash basis and on hire purchase terms. In this respect, the financing element of hire purchase agreements and the bills of exchange held as security is subject to a number of specific risks including, among others, the inability to source adequate opportunities, changes in interest rates, bad debts and the reduction of demand. If these risks were to materialise, they would have an adverse impact on J. Zammit Limited's revenue generation, cash flows and operational performance, which in turn will have an adverse impact on the revenue generation, cash flows and operational performance of the Issuer insofar as the Issuer acquires bills of exchange from J. Zammit Limited.

D.3 Key information on the key risks specific to the Participation Notes

An investment in the Participation Notes involves certain risks including, but not limited to, those set out below in this section. In deciding whether to make an investment in the Participation Notes, prospective

investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisors, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus.

(a) General risks

- i. The value of investments can go up or down and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed stockbroker or an investment advisor licensed under the Investment Services Act, Cap. 370 of the Laws of Malta.
- ii. Investment in the Participation Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Participation Notes. A Participation Note Holder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Participation Notes (€) and the Participation Note Holder's currency of reference, if different.
- iii. No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Participation Notes prevailing from time to time.
- iv. The Issuer has the option to redeem the Global Note, in whole or in part, at any time during the Designated Optional Redemption Period, together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Notes. Should the Issuer decide to redeem the Global Note at any time during the Designated Optional Redemption Period, the Participation Note Holder may not be able to reinvest his monies at an equivalent or higher rate.

(b) Trading and Liquidity risks

- i. The Participation Notes are transferable but shall NOT be traded on any regulated market or other trading facility and, as a result, there may be no liquid market for the Participation Notes. The market for Participation Notes may be less liquid than a regulated market or other trading facility and Participation Note Holders may find it more difficult to identify willing buyers for their Participation Notes. Participation Note Holders who wish to sell their Participation Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for Participation Notes.
- ii. The ease of transferability of the Participation Notes depends on factors beyond the Issuer's control that could impact the trading value of the Participation Notes such as the willingness or otherwise of potential buyers and sellers of the Participation Notes.
- iii. The trading value of the Participation Notes may also be impacted by other factors such as the time remaining for maturity of the Participation Notes, the outstanding amount of the Participation Notes and the level, direction and volatility of market interest rates generally.
- iv. There can be no assurance, also, that an investor will be able to re-sell his/her participation in the Participation Notes at or above the Issue Price.
- v. Due to the absence of any prior market for the Participation Notes, there can be no assurance that the Issue Price will correspond to the price at which the Participation Notes will be traded subsequent to the Offer.
- vi. In view of the fact that the Participation Notes are complex instruments, investment in the Participation Notes may not be suitable for all investors and accordingly prospective investors are strongly urged to consult an investment advisor licensed under the Investment Services Act (Cap. 370 of the Laws of Malta) as to the suitability or otherwise of an investment in any of the Participation Notes before making an investment decision.

Section E Offer

E.2b The cash proceeds from the Global Note shall amount to €6,000,000 (six million euro). Following the deduction of those expenses incurred in relation to the Offer (see “Offer Expenses” below), the proceeds of the Global Note will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- to acquire existing hire purchase trade receivables relating to motor vehicle sales on a “with recourse” basis from J. Zammit Limited;
- to acquire existing hire purchase trade receivables relating to motor vehicle sales on a “with recourse” basis from the Related Company; and
- to acquire new bills of exchange relating to motor vehicle sales drawn by J. Zammit Limited on a monthly basis on a “with recourse” basis.

The amounts of the net proceeds utilised for the first two components is dependent on the book of bills of exchange existing as at the date of transfer, which book is constantly evolving with the passage of time, thus limiting the ability to precisely estimate the amount of net proceeds required to acquire the existing hire purchase trade receivables. The Issuer envisages that the amount of net proceeds applied in this respect will range between €2.3m and €3.5m.

The hire purchase trade receivables relating to motor vehicle sales are secured by bills of exchange entered into with private individuals resident in Malta, which bills of exchange will be endorsed by JMC Property Co Ltd and/or J. Zammit Limited in favour of the Issuer. In this respect, the Issuer will pay to JMC Property Co Ltd and/or J. Zammit Limited the face amount of each bill of exchange less any unaccrued interest. Endorsement of the bill of exchange will operate so as to transfer the property of the bill of exchange to the endorsee, in this case the Issuer. As endorsee, the Issuer shall be entitled to claim payment of the bill of exchange from the acceptor thereof, namely the original customer of JMC Property Co Ltd and/or J. Zammit Limited, on the maturity date of the bill of exchange. In view of the fact that the bills of exchange will be endorsed in favour of the Issuer “with recourse”, the Issuer will enjoy a right of recourse for payment of the bills of exchange against the drawer thereof, namely JMC Property Co Ltd and/or J. Zammit Limited. Endorsement of bills of exchange between the Issuer and JMC Property Co Ltd and/or J. Zammit Limited will be made “without protest”, meaning that in the event of non-payment of a bill of exchange the Issuer need not protest the bill in the form required by law for it to retain its right of recourse against JMC Property Co Ltd and/or J. Zammit Limited. Bills of exchange endorsed by the Issuer in favour of the Trustee will be endorsed “without protest”.

The remaining balance of the net Issue proceeds shall be used for financing the bills of exchange acquired by the Issuer from J Zammit Limited on a monthly basis, subject to the provisions of the Trust Deed. In this respect the following procedure will be followed:

- a. Every two weeks, a report in arrears listing all the Physical Property that has been issued within the same two week period is sent together with the Physical Property for the Trustee to reconcile. Upon being satisfied of the correctness of such report and reconciliation with the Physical Property, the Trustee shall retain the Physical Property and a cash amount corresponding to approximately 85% of the total face value of the Physical Property will be advanced by the Trustee to the Issuer;
- b. Payments received by the Issuer from its underlying clients shall be deposited in an account designated for the savings of such payments;
- c. On the 7th day of each month, the Issuer shall deliver to the Trustee a report in arrears listing all the Physical Property that has expired the immediately preceding month. On the same day the Issuer shall pay the Trustee, according to the said report, a cash amount corresponding to 85% of the total face value of such Physical Property. The Trustee shall reconcile this and send the expiring Physical Property to the Issuer;
- d. Every week interest due on the Participation Notes shall be saved by the Issuer in a separate account of the Issuer which shall be used specifically for the savings of interest which shall

be payable to the Trustee two weeks before the interest is due to the Participation Note Holders. The Trustee will only hold those bills of exchange relating to motor vehicle sales which are endorsed in its favour by the Issuer after these are acquired from J. Zammit Limited and the Related Company. The proceeds of the Issue, the Global Note and the Participation Notes will not be covering any lending to, or purchase of bills of exchange from Finance House p.l.c.

E.3 The principal terms and conditions of the Offer applicable to the Global Note and Participation Notes are set out below:

Global Note

The following is a synopsis of the general terms and conditions applicable to the €6,000,000 5.25% Global Note issued by the Company in terms of the Trust Deed and the Prospectus. A Participation Note Holder as well as any person having an interest under the Global Note and the Notes is deemed to have invested only after having received, read and understood the contents of this Prospectus, including the full terms and conditions contained in the annexes thereto:

1. General

The Global Note shall be issued to the Trustee, as Trustee for the benefit of the Participation Note Holders. The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Trustee on behalf of the Participation Note Holders.

2. Form, Denomination and Title

The Global Note shall be issued in fully certificated and registered form. The Global Note shall be issued to the Trustee for the Offer Amount and the Trustee shall be entered in the Register of debentures of the Issuer as the holder of the Global Note.

3. Interest

The Global Note shall bear interest at the rate of 5.25% per annum payable semi-annually in arrears on 31st March and 30th September of each year (each an "Interest Payment Date"), the first Interest Payment Date falling on 31st March 2016. The Global Note shall cease to bear interest from and including the Redemption Date.

4. Status of the Notes and Negative Pledge

The Global Note shall constitute the general, direct and unconditional obligation of the Issuer and in accordance with the provisions of the Trust Deed, the Notes shall be secured by the Property (bills of exchange and cash) held by the Trustee for the benefit of the Participation Note Holders and in that respect only shall rank in preference to all other present and future unsecured obligations of the Issuer, if any.

5. Payments

Payment of the principal amount of the Global Note, as well as payment of any instalment of interest on the Global Note, will be made by the Issuer in Euro to the Trustee.

6. Redemption

Unless previously redeemed by the Issuer, the Global Note shall be redeemed at its nominal value (together with interest accrued and that has remained unpaid to the date set for redemption) on the Redemption Date. The Issuer has reserved the right to redeem all or part of the Global Note at an Early Redemption Date being a date on any day between 30th September, 2020 and 30th September, 2022 on giving not less than thirty (30) Business Days prior written notice to the Trustee specifying the date when such redemption shall be affected.

7. Covenants by the Company

The Issuer shall throughout the term of the Global Note be bound by the covenants made in favour of the Trustee for the benefit of Participation Note Holders as set out in the Trust Deed, including covenants relating to the payment of interest and principal, record-keeping and the manner in which their respective business is to be conducted.

8. Functions and Powers of the Trustee

The Trustee may, but shall not be bound to, unless requested to do so in writing by not less than seventy five percent (75%) in value of the Participation Note Holders, enforce or take any step to enforce the covenants referred to in the paragraph above relating to “Covenants by the Company”.

9. Events of Default

The Trustee may, at its discretion, and shall, upon the request in writing of not less than seventy five percent (75%) in value of the Participation Note Holders, give notice to the Issuer that the Global Note is, and it shall accordingly immediately become, due and payable at its principal amount together with interest accrued on the occurrence of certain events (each an “Event of Default”). Upon the giving of notice of an Event of Default as aforesaid, the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due and payable at the time of the Event of Default.

10. Register of Debentures

The Issuer shall maintain a register of debentures, at its registered office or at such other place in Malta as the directors of the Issuer may determine, in which it shall enter the name and address of the Trustee as the holder of the Global Note, together with particulars of the Global Note. A copy of such register shall at all reasonable times during business hours be open to inspection by the Trustee at the registered office of the Issuer.

11. Further Issues

The Issuer may, from time to time, without the consent of the Participation Note Holders, create and issue further bonds, notes, debentures or any other debt securities having such terms as the Issuer may determine at the time of their issue.

12. Governing Law and Jurisdiction

The Global Note has been created, and the Offer relating thereto is being made, in terms of the Act. From its inception the Global Note, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Global Note shall be brought exclusively before the Maltese Courts.

Participation Notes

The following is a synopsis of the general terms and conditions applicable to the Participation Notes issued in terms of the Prospectus. A Participation Note Holder as well as any person having an interest under the Participation Notes is deemed to have invested only after having received, read and understood the contents of this Prospectus, including the full terms and conditions contained in the annexes thereto:

1. General

The Participation Notes constitute the beneficial interest of the Participation Note Holders in the Global Note including the right to payment of principal and interest under the Global Note. The Participation Notes shall bear interest at a rate of 5.25% (five point twenty five percent) per annum in accordance with

the terms and conditions as set out in the Prospectus. The Participation Notes shall be redeemable at their nominal value including accrued but unpaid interest on the Redemption Date and shall be redeemable in whole or in part at the discretion of the Trustee. Upon an early redemption of the Global Note, the Participation Notes of all Participation Note Holders shall be redeemed in whole or in part according and up to the amount received by the Trustee from the redemption of the Global Note.

2. Form, Denomination and Title

The Participation Notes shall be issued in fully certificated and registered form. Participation Notes shall be issued under the signature of a duly authorised signatory of the Trustee. The Trustee shall maintain a Register of Participation Note Holders that shall identify the Participation Note Holders from time to time. An entry in the Register shall be conclusive evidence of the beneficial interest of the person or persons named therein in the Global Note. Every Participation Note Holder shall be entitled to be entered in the Register of Participation Note Holders as a participant in the Global Note and shall be entitled to receive from the Trustee a Participation Note acknowledging the Participation Note Holders' beneficial interest in the Global Note and evidencing the appropriate entry in the Register of Participation Note Holders.

3. Interest

The Participation Notes shall bear interest from and including 27th November 2015 at the rate of 5.25% per annum on the nominal value thereof, payable semi-annually in arrears on 31st March and 30th September of each year (each an "Interest Payment Date"), the first Interest Payment Date being on 31st March 2016. Each Participation Note will cease to bear interest from and including its due date for redemption. The right of Participation Note Holders to bring claims for payment of interest and repayment of the principal on the Participation Notes is barred by the lapse of five (5) years.

4. Payments

Payment of the principal amount (with interest accrued and unpaid to the Redemption Date), as well as payment of interest due on the Participation Note, shall be made in Euro to the person in whose name such Participation Note is registered as at the close of business by and not later than the date set for redemption; or by and not later than the relevant Interest Payment Date (as the case may be). In the case of payment of the principal amount, this shall be made against surrender of the Participation Note at the registered office of the Trustee or at such other place in Malta as may be notified by the Trustee. Such payment shall be effected by direct credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the Participation Note Holder.

5. Redemption

Unless previously cancelled, the Participation Notes shall be redeemed at the Redemption Value of €1000 per Participation Note (together with interest accrued to the date fixed for redemption) on 30th September 2022 (the "Redemption Date"); or in the event that the Issuer exercises the option to redeem all or any part of the Participation Notes at their nominal value prior to the Redemption Date, between 30th September 2020 and 30th September 2022 (the "Designated Optional Redemption Period"), as the Issuer may determine in its absolute discretion on giving not less than thirty (30) days' notice in writing to the Participation Note Holders.

6. Covenants by the Company

The Company shall, until such time as the Global Note remains outstanding, be bound by the covenants made in favour of the Trustee for the benefit of Participation Note Holders as set out in the Trust Deed, including covenants relating to the payment of interest and principal, record-keeping and the manner in which their respective business is to be conducted.

7. Functions and Powers of Trustee

The Trustee may, but shall not be bound, unless requested to do so in writing by not less than seventy five percent (75%) in value of the Participation Note Holders, to enforce or take any step to enforce the covenants referred to in the paragraph above relating to “Covenants by the Company”.

8. Events of Default under the Global Note

The Terms and Conditions of the Participation Notes make reference to the provision regulating “Events of Default” under the Global Note. Any payment of the Global Note made by the Issuer to the Trustee pursuant to an Event of Default shall trigger an early redemption of the Participation Notes.

9. Registration and Replacement of the Participation Notes

The Trustee shall maintain a register, at its registered office or at such other place in Malta as the Trustee may determine, in which it shall enter the names and addresses of the Participation Note Holders and particulars of the Participation Notes held by them respectively. A copy of such register shall at all reasonable times during business hours be open to inspection by the Participation Note Holders and by the Issuer at the registered office of the Trustee.

10. Transferability of the Participation Notes

The Participation Notes are freely transferrable and may be transferred or transmitted only in whole (in multiples of €1000) by the Participation Note Holder in accordance with applicable laws, rules or regulations governing the transfer of the Participation Notes, from time to time.

11. Meetings of Participation Note Holders

The provisions of the Prospectus and of the Trust Deed may be amended with the approval of Participation Note Holders at a meeting called for that purpose by the Trustee in accordance with the terms and procedure set out under the heading “Meeting of Participation Note Holders” under the Securities Note.

12. Governing Law and Jurisdiction

The Participation Notes and all contractual arrangements arising therefrom are governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Participation Note shall be brought exclusively before the Maltese Courts and the Participation Note Holders shall be deemed to acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

E.4 There is no interest or conflict of interest that is material to the Issue.

E.7 Professional fees for managing and placing the issue including all other miscellaneous costs are estimated not to exceed €100,000 (one hundred thousand euro).

Section F Time-Table

1. Issue Period: 17th November 2015 to 26th November 2015
2. Commencement of interest on Participation Notes: 27th November 2015
3. Issuance of Participation Notes: 27th November 2015
4. Expected dispatch of allotment advices and refunds of unallocated monies: 30th November 2015

By not later than 6 December 2015, the Issuer shall announce the results of the Offer through a press release in at least one local newspaper.



APPLICANT			
<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Corporate	<input type="checkbox"/> CIS
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME / REGISTERED NAME		
ADDRESS			
			POST CODE
MSE A/C NO. (if applicable)		I.D. CARD / PASSPORT / COMPANY REG. NO.	
E-MAIL ADDRESS		TEL NO.	MOBILE NO.
ADDITIONAL (JOINT) APPLICANTS <small>(please use additional application form if space is not sufficient)</small>			
TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/..)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
I/We apply to purchase and acquire the amount set out below			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
Zammit Finance plc EUR 5,000,000 5.25% Bonds 2020 at the Bond Issue Price (at par) pursuant to the Prospectus dated [-] 2015 (minimum €1,000 and in multiples of €100 thereafter)			
RESIDENT - WITHHOLDING TAX DECLARATION <small>(to be completed ONLY if the Applicant is a Resident of Malta)</small>			
<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest.			
<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).			
NON-RESIDENT DECLARATION FOR TAX PURPOSES <small>(to be completed ONLY if the Applicant is a Non-Resident)</small>			
TAX COUNTRY		TOWN OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD NUMBER		ISSUE DATE	
<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.			
<input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.			
INTEREST, REFUND AND REDEMPTION MANDATE <small>(completion of this panel is mandatory)</small>			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions (as defined therein) which I/we fully accept.			
_____ Signature/s of Applicant/s (Parent/s or legal guardian/s is/are to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application)		_____ Date	
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP		AUTHORISED FINANCIAL INTERMEDIARY'S CODE	

Terms and Conditions of the Participation Notes

Applicability of the Terms and Conditions of the Participation Notes

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €6,000,000 5.25% PARTICIPATION NOTES, ISSUED IN TERMS OF THESE TERMS AND CONDITIONS, THE TRUST DEED AND THE PROSPECTUS DATED 5 NOVEMBER 2015. THE ISSUE OF THE PARTICIPATION NOTES IS BEING MADE SUBJECT TO THE PROVISIONS OF THE TRUST DEED DATED 5 NOVEMBER 2015 (HEREINAFTER REFERRED TO AS THE "TRUST DEED"), THE PROSPECTUS AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTE HOLDER, AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE PARTICIPATION NOTES, IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THESE TERMS AND CONDITIONS, THE PROSPECTUS AND THE TRUST DEED AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THESE TERMS AND CONDITIONS, THE PROSPECTUS AND THE TRUST DEED AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT HEREIN, IN THE PROSPECTUS AND THE TRUST DEED.

ALL TERMS USED HEREIN SHALL, UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED, HAVE THE SAME MEANINGS ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE TRUST DEED. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THESE TERMS AND CONDITIONS AND OF THE TRUST DEED AND/OR THE PROSPECTUS, THESE TERMS AND CONDITIONS SHALL APPLY TO THE EXTENT OF THE CONFLICT OR INCONSISTENCY.

General

The Participation Notes shall be constituted by the Trust Deed. The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Trustee on behalf of the Participation Note Holders. The Participation Notes constitute the beneficial interest of the Participation Note Holders in the Trust Property. Participation Note Holders shall rank *pari passu* between themselves according to the rights and interests held by each Participation Note Holder in the Global Note. Unless previously redeemed, purchased and cancelled, the Participation Notes shall be redeemable at their nominal value including accrued but unpaid interest on the Redemption Date. In the event of an early redemption by the Issuer of the Global Note on an Early Redemption Date in accordance with the Terms and Conditions of the Global Note, all Participation Notes shall be redeemed in whole or in part according and up to the amount received by the Trustee from the redemption of the Global Note.

Upon an early redemption of the Global Note following an Event of Default, and provided the principal and all accrued and unpaid interest under the Global Note is paid in full to the Trustee, all Participation Notes shall be redeemed in whole. The Trustee shall pay to all Participation Note Holders the nominal value of the Participation Note held by the Participation Note Holder and accrued and unpaid interest thereon, and the Participation Note Holder shall hand over the Participation Note to the Trustee.

Currency and Denomination

The Participation Notes issued by the Trustee shall be issued in Euro (€) and in the aggregate principal amount of €6,000,000 (six million Euro).

Form and Title

The Participation Notes shall be issued in fully certificated and registered form, without coupons. Participation Notes shall be issued under the signature of a duly authorised signatory of the Trustee.

The Trustee shall maintain a Register of Participation Note Holders which shall identify the Participation Note Holders from time to time. An entry in the Register of Participation Note Holders shall be conclusive evidence of the beneficial interest of the person or persons named therein in the Trust Property. The Register of Participation Note Holders shall contain the following information:

1. Name of Participation Note Holder;
2. Residential address of Participation Note Holder (in the case of an individual);
3. Registered office address of Participation Note Holder (in the case of a company);
4. Identity card number or passport number and issuing country of Participation Note Holder (in the case of an individual);
5. Company registration number of Participation Note Holder (in the case of a company);
6. The value expressed in Euro (€) of the beneficial interest of the Participation Note Holder in the Trust Property; and
7. The date of entry into the Register of Participation Note Holders.

Every Participation Note Holder shall be entitled to be entered into the Register of Participation Note Holders as a beneficiary under the Trust Deed and shall be entitled to receive from the Trustee a Participation Note acknowledging the Participation Note Holders' beneficial interest in the Trust Property and evidencing the appropriate entry in the Register of Participation Note Holders.

Any such Participation Note issued by the Trustee in favour of a single or joint Participation Note Holder shall be for an amount not below one thousand Euro (€1,000) and in multiples of one thousand Euro (€1,000) each, and shall be for an amount not exceeding the Offer Amount.

Joint Participation Note Holders shall be entitled to only one entry in the Register of Participation Note Holders and accordingly to only one Participation Note, and such Participation Note shall be issued and delivered to that joint Participation Note Holder whose name first appears in the Register of Participation Note Holders and the Trustee shall not be bound to register more than three (3) persons as the joint Participation Note Holder.

The Participation Notes are freely transferable. The Participation Notes are not listed.

Interest

Interest on any amounts outstanding under the Participation Notes shall accrue at the rate of five point twenty five (5.25%) per annum. Unless previously redeemed, purchased and cancelled in accordance with these Terms and Conditions, interest shall be payable bi-annually in arrears on 31st March in each year between the years 2016 and 2022, both years included, and on 30th September in each year between the years 2016 and 2022, both years included. The first interest payment on 31st March 2016 shall cover the period 27th November 2015 to 31st March 2016, both days included. Thereafter, interest shall be payable bi-annually in arrears on 31st March in each year between the years 2017 and 2022, both years included and on 30th September in each year between the years 2016 and 2022, both years included. However, any Interest Payment Date which falls on a day other than a Business Day will be carried over to the following day that is a Business Day.

The Participation Note shall cease to bear interest from and including the Redemption Date, including an Early Redemption Date.

For the avoidance of doubt, when interest is payable for a period of less than one (1) year, it shall be calculated on the basis of the actual number of days elapsed and a year of 365 (three hundred sixty five) days.

Any claim to be brought by the Trustee against the Issuer for the payment of principal and interest due under the Global Note shall be barred by the lapse of five (5) years in accordance with the provisions of Article 2156 of the Civil Code.

Payments

- (i) Payment of the principal amount (with interest accrued and unpaid to the Redemption Date), as well as payment of interest due on the Participation Note, shall be made in Euro to the person in whose name such Participation Note is registered as at the close of business by and not later than the date set for redemption or by and not later than the relevant Interest Payment Date (as the case may be). In the case of payment of the principal amount, this shall be made against surrender of the Participation Note at the registered office of the Trustee or at such other place in Malta as may be notified by the Trustee. Such payment shall be effected by direct credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Participation Note Holder. The Trustee shall not be responsible for any loss or delay in transmission.
- (ii) All payments with respect to the Participation Notes are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Trustee in respect of the Participation Note may be made net of any amount which the Trustee is compelled to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or any other authority thereof or therein having power to tax.
- (iii) No commissions or expenses shall be charged to the Participation Note Holder in respect of such payments.
- (iv) For the purposes of paragraphs (i), (ii) and (iii) hereof, the term Redemption Date shall be deemed to include an Early Redemption Date, where applicable.
- (v) The Trustee shall only be under an obligation to effect payments of principal and/or interest to the Participation Note Holders if it has effectively received such payments from the Issuer. No liability shall attach to the Trustee if it fails to effect such payments to Participation Note Holders when such failure is due to the non-payment thereof by the Issuer.
- (vi) Payment of the principal and interest by the Issuer to the Trustee under the Global Note shall relieve the Issuer from any further liability, to the extent of the payment made, towards the Participation Note Holders, and the Participation Note Holders shall have no right or claim against the Issuer should they not receive the relative payment from the Trustee.

Redemption

Unless previously redeemed by the Issuer, the Participation Notes shall be redeemed at their nominal value (together with interest accrued and which has remained unpaid to the date set for redemption) on the Redemption Date.

The Issuer has reserved the right to redeem all or part of the Global Note at an Early Redemption Date being a date on any day between 30th September, 2020 and 30th September, 2022 on giving not less than thirty (30) Business Days prior written notice to the Global Note Holder specifying the date when such redemption shall be affected. Such redemption may be made in whole or in part, PROVIDED THAT any partial redemption is made in accordance with these Terms and Conditions at a minimum amount of five hundred thousand Euro (€500,000) and in multiples of ten thousand Euro (€10,000) thereafter.

In the event that the Issuer redeems the Global Note in whole or in part at an Early Redemption Date, the Trustee shall redeem an equivalent amount of Participation Notes. This amount shall be utilised to redeem Participation Notes in accordance with the proportion of Participation Notes held by the respective Participation Note Holder to the aggregate holding of Participation Notes. The Trustee shall pay to the Participation Note Holder concerned the nominal value of that Participation Note Holder's Participation Notes and accrued and unpaid interest thereon, and the Participation Note Holder shall hand over the Participation Note to the Trustee.

The redemption of the Participation Note shall take place by payment of all principal and interest accrued until the date of redemption. Upon an early redemption, the Participation Notes shall be cancelled in whole or in part and the Participation Note Holder shall hand over the Participation Note, and in case of redemption in part, receive a new Participation Note stating the new amount of the Participation Note. Upon an early redemption of the Global Note following an Event of Default, and provided the principal and all accrued and unpaid interest under the Global Note is paid in full to the Trustee, all Participation Notes shall be redeemed in whole. The Trustee shall pay to all Participation Note Holders the nominal value of the Participation Note held by the Participation Note Holders and accrued and unpaid interest thereon, and the Participation Note Holders shall hand over the Participation Note to the Trustee. The Trustee may, at its discretion, charge a fee to Participation Note Holder for each cancellation and subsequent entry made in the Register of Participation Note Holders, which fee shall not exceed sixty Euro (€60) per cancellation or subsequent entry.

Transferability of Participation Notes

The Participation Notes are freely transferable and, once registered by the Trustee, may be transferable in whole for a minimum face value of one thousand Euro (€1,000) and multiples of one thousand Euro (€1,000) thereafter. All transfers are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer has been made. Any person to whom the transfer has been made shall, upon such evidence being produced as may from time to time properly be required by the Trustee, request in writing the transfer of such Participation Note from a registered Participation Note Holder and may elect either to be registered himself as Participation Note Holder or to have some person nominated by him registered as Participation Note Holder. The Trustee will not register the transfer of Participation Notes for a period of fifteen (15) days preceding an Interest Payment Date in relation to the Participation Notes.

Declarations by the Applicant/s

By completing and delivering the Application Form, you as the Applicant(s) shall:

- a. irrevocably offer to purchase the number of Participation Notes specified in your Application Form (or any smaller number for which the Application is accepted) at the Participation Note Issue Price subject to the Prospectus, the terms and conditions thereof and the Memorandum and Articles of Association of the Issuer; and
- b. authorise the Placement Agent and Manager and the Trustee to include your name or, in the case of joint Applications the first named Applicant, in the Register of Participation Note Holders of the Issuer in respect of the Participation Notes allocated to you; and

- c. warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a registration advice, or to be registered in the Register of Participation Note Holders or to enjoy or receive any rights in respect of such Participation Notes unless and until payment in cleared funds for such Participation Notes is received and accepted by the Trustee and/or the Placement Agent and Manager (which acceptance shall be made in the absolute discretion of the Trustee and/or the Placement Agent and Manager and may be on the basis that the Trustee 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 Trustee and/or the Placement Agent and Manager of such late payment in respect of such Participation Notes, the Trustee and/or the Placement Agent and Manager may (without prejudice to other rights) treat the agreement to allocate such Participation Notes as void and may allocate such Participation Notes to some other person, in which case you will not be entitled to any refund or payment in respect of such Participation Notes (other than return of such late payment); and
- d. agree that the registration advice and other documents and any monies returnable by the Trustee and/or the Placement Agent and Manager may be retained pending clearance of the remittance and any verification of identity as required by all applicable laws and regulations in Malta, including the Prevention of Money Laundering Act, 1994 (and regulations made thereunder) and that such monies will not bear interest; and
- e. agree that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that you submit to the exclusive jurisdiction of the Maltese courts and agree that nothing shall limit the right of the Trustee 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; and
- f. warrant that if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions and undertake to submit a power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Trustee and/or the Placement Agent and Manager; and
- g. agree that all documents in connection with the issue of the Participation Notes and any returned monies, including refunds of all unapplied Application monies, will be sent at your 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; and
- h. agree that, having had the opportunity to read the Prospectus, you have and shall be deemed to have had notice of all information and representations concerning the Trustee and the issue of the Participation Notes contained herein; and
- i. confirm that in making such Application you are not relying on any information or representation in relation to the Issuer or the issue of the Participation Notes other than those contained in the Prospectus and you, accordingly, agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation; and
- j. warrant that you are not under the age of eighteen (18) years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor; and
- k. warrant that all information given in the Application Form was not incorrect or misleading; and
- l. agree that such Application Form is addressed to the Trustee and/or the Placement Agent and Manager and, that in respect of those Participation Notes for which application has been accepted by the Trustee and/or the Placement Agent and Manager, you shall receive a registration advice confirming such acceptance; and
- m. confirm that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Participation Notes; and
- n. agree to provide the Placement Agent and Manager and/or the Trustee as the case may be, with any information, which it/they may request in connection with your Application(s); and
- o. agree that Calamatta Cuschieri & Co. Limited in its capacity of Placement Agent and Manager will not treat you as its customer by virtue of your making an Application for Participation Notes or by virtue of your Application to subscribe for Participation Notes being accepted and that Calamatta Cuschieri & Co. Limited will owe you no duties or responsibilities concerning the price of the Participation Notes or their suitability for you; and
- p. accept that Applications will be handled by Calamatta Cuschieri & Co. Limited on a first come first served basis; and
- q. warrant that, in connection with the Application, you have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action that will or may result in the Trustee or the Placement Agent and Manager acting in breach of the regulatory or legal requirements of any territory in connection with the Participation Note Issue or your Application; and
- r. warrant that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with; and
- s. represent that you are 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 (the "Securities Act")] and that you are not accepting the invitation set out in the Prospectus 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, unless indicated otherwise on the Application Form in accordance with the instructions on the Application Form; and
- t. agree that, in all cases, any refund of unallocated Application monies will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Trustee and/or the Placement Agent and Manager shall not be responsible for any changes, loss or delay in transmission.

Complex Instruments

Due to the classification of the Participation Notes as complex instruments, an applicant making an application for the subscription of the Participation Notes is subject to an appropriateness test in respect of the purchase of the Participation Notes on a non-advisory basis or an appropriateness and suitability test in the case of investment advice or portfolio management, as required by applicable rules and regulations.

Governing Law and Jurisdiction

These Terms and Conditions, the Participation Notes, the Prospectus, all the rights and obligations of the Trustee and any Participation Note Holder and any non-contractual obligations arising out of or in connection with the Participation Notes, the Prospectus and these Terms and Conditions, shall be governed by and construed in accordance with Maltese law.

Any suit, action or proceedings arising out of, or in connection with, these Terms and Conditions, the Prospectus and the Participation Notes, shall be submitted to the Courts of Malta. The Trustee and every Participation Note Holder each agree that the Courts of Malta shall have exclusive jurisdiction to hear and settle any dispute arising out of or in connection with the Participation Notes, the Prospectus and these Terms and Conditions, and each shall irrevocably submit to the jurisdiction of the Courts of Malta.



ZAMMIT FINANCE PLC

Issuer:

Zammit Finance plc
Aries House,
Triq tal-Hlas, Haz-Zebbug,
ZBG 4012, Malta

Advisors to the Issuer:

Legal Advisor

CDF Advocates
162,
Old Bakery Street, Valletta
VLT 1455, Malta

Placement Agent & Manager

Calamatta Cuschieri & Co. Ltd.
Fifth Floor, Valletta Buildings
South Street, Valletta
VLT1103, Malta

Financial Advisors

KPMG
Portico Building,
Triq Marina, Pietà,
PTA 9044, Malta