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**TERM LOAN AGREEMENT**

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**Between**

**HART CAPITAL PARTNERS (EUROPE) P.L.C.**

**(LENDER)**

**AND**

**HART CAPITAL PARTNERS (UK) LIMITED**

**(BORROWER)**

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**THIS TERM LOAN AGREEMENT** (this “**Agreement**”) is made on 20 October 2022.

**BETWEEN:**

- (1) **HART CAPITAL PARTNERS (EUROPE) P.L.C.**, a public limited liability company set up under the laws of Malta with company registration number C 100619 and having its registered office situated at 55D, Birbal Street, Balzan, BZN 9017, Malta, (hereinafter referred to as the “**Lender**”);

AND

- (2) **HART CAPITAL PARTNERS (UK) LIMITED**, a private limited liability company set up under the laws of England & Wales with company registration number 13528148 and having its registered office situated at 47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD (hereinafter referred to as the “**Borrower**”).

The Lender and the Borrower shall hereinafter sometimes be collectively referred to as the “**Parties**” and each a “**Party**”.

**WHEREAS:**

- (A) The Lender owns the entire issued share capital of the Borrower;
- (B) The Borrower is desirous of obtaining an unsecured loan from the Lender in the Loan Amount for the purposes set out in clause 2.3 below;
- (C) The Lender is willing to grant such a loan to the Borrower utilising the net proceeds of the Bond Issue; and
- (D) The Parties are entering into this Agreement so as to establish and regulate *inter alia* the terms and conditions under which the Lender will make available to the Borrower the Loan Amount and under which the repayment shall be effected.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 Definitions**

“**Business Day**” means a day (other than Saturday or Sunday) on which banks are open for general business in Malta;

“**Bonds**” means the seven point two five percent (7.25%) secured callable bonds having a nominal value of one hundred Euro (€100) per bond (ISIN MT0002681204), issued or to be issued by the Issuer in terms of the Company Admission Document;

“**Bond Issue**” means the issue of the Bonds pursuant to the Company Admission Document;

“**Company Admission Document**” means the company admission document published by the Lender on or around the date of this Agreement in respect of the Bond Issue;

“**Final Maturity Date**” means the fifth (5<sup>th</sup>) anniversary, less thirty (30) Business Days, of the date of this Agreement;

“**Interest Payment Date**” means 17 October of every year during the term of this Agreement;

“**Interest Rate**” means eight percent (8%) per annum or such other rate as may be agreed to from time to time between the Parties;

**“Over-Allotment Option”** shall have the same meaning ascribed to it in the Company Admission Document.

## 1.2 *Construction*

- (a) In this Agreement, unless the contrary intention appears, a reference to:
  - (i) a Clause is a reference to a clause of this Agreement; and
  - (ii) a “Party” or any other person includes, as applicable, its or his successors in title, permitted assigns and permitted transferees.
- (b) Headings are for ease of reference only.
- (c) The singular form includes the plural and vice versa; the masculine form includes the feminine.
- (d) Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Company Admission Document.

## 2. **THE LOAN**

- 2.1 The Lender hereby makes available to the Borrower, who accepts a loan of up to two million eight hundred thousand euro (€2,800,000) (or up to four million eight hundred thousand euro (€4,800,000) in the event that the Over-Allotment Option is exercised in full), representing the net proceeds of the Bond Issue (the **“Loan Amount”**) pursuant to the terms and conditions as outlined in this Agreement.
- 2.2 Pursuant to Clause 2.1 herein, the Lender hereby advances to the Borrower, who accepts, by title of loan the Loan Amount.
- 2.3 The Borrower shall apply the Loan Amount for the purpose of acquiring Loans (as defined in the Company Admission Document) from Original Lenders (as defined in the Company Admission Document) and/or granting Loans to third party special purpose vehicles established in England and Wales, which Loans (whether acquired or granted) shall follow the Due Diligence Policy and meet the Loan Criteria (each as defined in the Company Admission Document). The Lender shall have no obligation to monitor the use by the Borrower of the proceeds of the Loan Amount.

## 3. **INTEREST & MANAGEMENT FEE**

- 3.1 Interest shall accrue on the Loan Amount. The Borrower shall pay interest to the Lender at the Interest Rate.
- 3.2 When interest is required to be calculated in respect of a period of less than a full year; it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty days each, and in the event of an incomplete month, the number of days.
- 3.3 The Borrower shall pay the Lender an annual management fee of one hundred and ten thousand euro (€10,000), payable biannually in advance, the first instalment of which shall be due upon execution of this Agreement. The said management fee shall increase by two percent (2%) each year.
- 3.4 Any costs, expenses or disbursements incurred by the Lender in connection with this Agreement and the enforcement thereof shall be at the expense of the Borrower.

## 4. **REPAYMENT**

- 4.1 (a) The principal Loan Amount shall be repaid by the Borrower in one single bullet payment on the Final Maturity Date to the Lender, and payment shall be made in full and without set-off or counterclaim.
- (b) The interest on the Loan Amount shall be paid on each Interest Payment Date and in accordance with the terms of this Agreement.

- 4.2 Notwithstanding the provisions of Clause 4.1, the Lender may, at its sole discretion, require the Borrower to repay the principal Loan Amount, together with any accrued interest, or any part thereof, on any date after the third (3<sup>rd</sup>) anniversary of the date of this Agreement.

PROVIDED that the Lender shall give at least twenty (20) Business Days' notice to the Borrower of the date by which an early repayment in terms of this Clause 4.2 is to be made.

PROVIDED FURTHER that any early repayment in terms of this Clause 4.2 shall be made in one single bullet payment and without set-off or counterclaim.

- 4.3 The repayment of all amounts due to the Lender under this Agreement shall be made by crediting the bank account held with Citibank Europe plc (Netherlands Branch) identified hereunder, or such other account as the Lender may notify to the Borrower:

Name of account holder: Hart Capital Partners (Europe) p.l.c.  
Name of bank: Citibank Europe plc  
Account Number: 7003833968  
IBAN Number: NL25CITI7003833968

- 4.4 Any repayment effected by the Borrower to the Lender shall be applied as follows:

FIRST in payment of all fees, costs and expenses,

SECOND in payment of any interest due,

THIRD in payment of the principal Loan Amount

## **5. REPRESENTATIONS & WARRANTIES**

- 5.1 The Borrower hereby represents and warrants to the Lender:

- (a) it is an entity duly incorporated and validly existing under the laws of its jurisdiction of incorporation and it has the power to own its assets and carry on its business as it is being conducted;
- (b) it has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance, and delivery of this Agreement;
- (c) this Agreement constitutes its legal, valid and binding obligation enforceable in accordance with its terms;
- (d) all authorisations, regulatory approvals and third party consents required or advisable in connection with the entry into, performance, validity and enforceability of the Agreement have been obtained or effected and are in full force and effect;
- (e) the entry into and performance by it of, and the transactions contemplated by, the Agreement does not and will not:
- (i) conflict with any law or regulation or judicial or official order; or

- (ii) conflict with its constitutional documents; or
    - (iii) conflict with any document which is binding upon itself or any of its assets;
  - (f) this Agreement and all the terms and obligations herein contained are valid and binding on the Borrower and there exist no limitations in any agreement to which any Borrower is a party or in any applicable law which would hinder the performance of any of the obligations of the Borrower hereunder;
  - (g) for the purposes of Regulation 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (the “**Recast Insolvency Regulation**”), the centre of main interest of the Borrower (as that term is used in the Recast Insolvency Regulation) is situated in its jurisdiction of incorporation.
  - (h) that this Agreement and the obligations it creates shall constitute the general, direct, unconditional obligation of the Borrower towards the Lender, and will rank at least *pari passu*, with all other present and future unsecured debt of the Borrower other than subordinated debt, if any;
  - (i) that no Event of Default (as identified in Clause 7 hereunder) has arisen or is likely to arise as a consequence of the drawdown of the Loan Amount.
- 5.2 The Borrower shall promptly and without delay give notice in writing to the Lender of any occurrence of an Event of Default.
- 5.3 The Borrower also represents and warrants to and undertakes in favour of the Lender that the foregoing representations and warranties in Clause 5.1 will be true and accurate throughout the duration of this Agreement with reference to the facts and circumstances subsisting from time to time.

## 6. COVENANTS

- 6.1 The Borrower covenants and agrees with the Lender from the date of this Agreement and during its continuance, the Borrower will:
- (a) obtain and maintain in full force and effect all governmental and other approvals and consents and do or cause to be done all other acts and things necessary or desirable in connection herewith or for the performance of its obligations under this Agreement;
  - (b) provide any information relating to its legal, economical, and financial status at the request of the Lender;
  - (c) promptly pay all interest, principal, loan administration fee, expenses, charges under this Agreement as they fall due.

## 7. EVENTS OF DEFAULT & TERMINATION

- 7.1 An Event of Default shall *ipso jure* occur under this Agreement, without the need of any authorisation and/or confirmation from a competent court, upon any one or more of the following events (each an “**Event of Default**”), namely:
- (a) the Borrower does not pay on the due date any amount payable under this Agreement and such failure is not remedied within three (3) Business Days after written notice thereof shall have been given by the Lender; or
  - (b) the Borrower is in breach of its obligations under this Agreement and such default (if capable of remedy) is not cured within three (3) Business Days after written notice thereof shall have been given by the Lender; or

- (c) any of the representation and warranties made or deemed to have been made under this Agreement is proved to be incorrect or misleading in any respect when made or deemed to be made; or
- (d) any legal proceedings or other procedure or resolution or the taking of any step or procedure by or in respect of the Borrower; in relation to its bankruptcy, winding-up, administration, receivership, reconstruction, compromise with creditors, execution of judgment, sequestration or attachment of assets; or
- (e) the Borrower is unable, or admits in writing its inability to pay its debts in full as they fall due, or otherwise falls insolvent; or
- (f) the Borrower suspends payments (whether of principal or interest) with respect to all or any class of its debts, or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- (g) the borrower is subjected to the enforcement of any security over a material part of its assets, or any analogous procedure or step is taken in any jurisdiction; or
- (h) the Borrower repudiates the Agreement or evidences an intention to repudiate the Agreement.

7.2 On and at any time after the occurrence of an Event of Default the Lender may by notice in writing to the Borrower (the “**Notice of Default**”):

- (a) cancel any commitments (if any) of the Lenders under this Agreement, at which time they shall immediately be cancelled;
- (b) declare that all or part of the Loan Amount, together with accrued interest, and all other amounts accrued or outstanding under this Agreement be immediately due and payable, at which time they shall become immediately due and payable;
- (c) declare that all or part of the Loan Amount, together with accrued interest, be payable on demand, at which time they shall become payable by simple demand in writing by the Lender.

## 8. NOTICES

8.1 Notices under this Agreement may be sent by registered mail, fax or electronic mail. Where notice is sent by registered mail, it shall be deemed to have been served five (5) Business Days following the date on which it was posted and in the case of notice sent by fax or electronic mail, on the day of transmission. In providing such service it shall be sufficient to prove that the notice was addressed properly and posted or transmitted to such fax or electronic mail address as may be notified to the other Party for this purpose.

For the purposes of this Agreement, the proper addresses (including electronic mail addresses) and fax numbers of the Parties are:

To: Hart Capital Partners (Europe) p.l.c.  
 Attention: The Directors  
 Address: 55D, Birbal Street, Balzan, BZN 9017, Malta  
 Email: [info@hartcapitaleurope.com](mailto:info@hartcapitaleurope.com)

To: Hart Capital Partners (UK) Limited  
 Attention: The Directors  
 Address: 47a Broadgates, Market Place, Henley-On-Thames, England, RG9 2AD  
 Email: [info@hartcapitalpartners.co.uk](mailto:info@hartcapitalpartners.co.uk)

PROVIDED that each Party may at any time change such address or fax number by giving five (5) Business Days’ prior written notice to the other Party.

## **9. INDEMNITY**

- 9.1 The Borrower shall at all times indemnify and hold harmless the Lender against and from all losses, liabilities, damages, costs and expenses incurred by it at any time in the execution or performance of the terms and conditions hereof and against all actions, proceedings, claims, demands, costs, charges and expenses which may be incurred, sustained or arise at any time in respect of the non-payment, non-performance or non-observance of any of the undertakings and obligations on the part of the Borrower contained herein.

## **10. SET-OFF & WAIVER OF RIGHTS**

- 10.1 In addition to the rights conferred by law, the Lender shall be entitled, in terms of the provisions of the Set-Off and Netting on Insolvency Act, Chapter 459 of the laws of Malta) to set-off against monies due to it under this Agreement all or any monies from time to time standing to the credit of the Borrower with the Lender, whether on current or any other account, including those subject to any term whatsoever and any sums standing in a suspense or impersonal account.

For the purposes of the foregoing:

- (i) the Lender shall be entitled (as well before as after demand) to aggregate, combine or consolidate all monies now or hereafter due by the Borrower to the Lender including any monies standing to the credit of the Lender on any account or in terms of any other agreement with the Lender and in any currency;
  - (ii) if the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purposes of the set-off; and
  - (iii) if either obligation is unliquidated or unascertained, the Lender may set-off in an amount estimated by it in good faith to be the amount of that obligation.
- 10.2 However, it is expressly agreed that the liability of the Borrower under this Agreement shall in no way be extinguished, discharged or reduced or in any way affected by any right of set-off or counter-claim or any right whatsoever against the Lender and the Borrower is hereby expressly waiving all rights (including any and all rights of action) the Borrower may have against the Lender until after satisfaction and discharge in full of the obligations to the Lender in terms of this Agreement.

## **11. SUCCESSORS IN TITLE AND CHANGES TO THE PARTIES**

- 11.1 This Agreement shall bind and inure for the benefit of each of the Parties hereto and its successors and permitted assigns.
- 11.2 Neither Party may assign, transfer, novate, delegate or dispose of any of, or any interest in, its rights and/or obligations under this Agreement without the prior written consent of the other Party to this Agreement.

## **12. TAXATION**

- 12.1 All payments of principal and interest and other revenues by or on behalf of the Borrower in respect of the Loan shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Malta or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law ("**Maltese Taxes**").
- 12.2 If a payment of interest by the Borrower in respect of the Loan is subject to Maltese Taxes by way of withholding or deduction, the Borrower shall pay to the fullest extent permitted by law such additional amounts (the "**Additional Amounts**") as will result in receipt by the Lender of such amounts of interest as

would have been received by it had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in relation to any payment of interest in respect of the Loan:

- (i) If the Lender is liable to such Maltese Taxes, in respect of the Loan by reason of it having some connection with Malta other than the Loan; or
- (ii) Where the applicable Maltese Taxes are levied other than by way of a withholding or deduction. For the avoidance of doubt, no Additional Amounts shall be payable by the Borrower in respect of payments of principal under the Loan.

### **13. SEVERANCE AND MODIFICATION OF CLAUSES**

- 13.1 If any of the clauses or part thereof of this Agreement is or becomes invalid or unenforceable for any reason whatsoever, the validity of the remaining clauses or part thereof will not in any way be affected or impaired.
- 13.2 If any invalid or unenforceable clause or part thereof of this Agreement would be valid or enforceable if its form or effect were modified in any way, it shall be deemed to have the modified form or effect provided that the Lender gives its consent.

### **14. REMEDIES AND WAIVERS**

- 14.1 No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

### **15. AMENDMENTS**

- 15.1 The provisions of this Agreement may only be varied, amended or modified in any way by agreement reached in writing and signed by the Parties hereto.

### **16. GOVERNING LAW AND JURISDICTION**

- 16.1 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of Malta.
- 16.2 For the benefit of the Lender, the Borrower agrees that the Courts of Malta have jurisdiction to settle any disputes in connection herewith and accordingly submit to the jurisdiction of such Courts. The Borrower waives any objection to the Maltese Courts on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agree that a judgement or order of such a Court shall be conclusive and binding on them and may be enforced against them in the Courts of any other jurisdiction.
- 16.3 Nothing in this Agreement limits the right of the Lender to bring proceedings against the Borrower in any other Court of competent jurisdiction or concurrently in more than one jurisdiction.

### **17. COUNTERPARTS**

- 17.1 This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts (including fax copies) were on a single copy of this Agreement.
- 17.2 Delivery of an executed signature page of a counterpart by facsimile transmission or in Adobe™ Portable Document Format (PDF) sent by electronic mail shall take effect as delivery of an executed counterpart of this Agreement. If either method is adopted, without prejudice to the validity of such agreement, each Party shall provide the other with the original of such page as soon as reasonably practicable thereafter.



*SIGNATURE PAGE TO FOLLOW*

IN WITNESS whereof the Parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**The Lender**

A handwritten signature in black ink, appearing to read 'A. Tanti', written over a horizontal line.

Mr. Alexander Tanti  
Director  
Duly authorised for and on behalf of  
**Hart Capital Partners (Europe) p.l.c.**

**The Borrower**

A handwritten signature in black ink, appearing to read 'C. Burrows', written over a horizontal line.

Mr. Christon Burrows  
Director  
Duly authorised for and on behalf of  
**Hart Capital Partners (UK) Limited**