

## **Synopsis SENIOR UNSECURED BONDS 2017 / 2022**

## 12. TERMS AND CONDITIONS

Issuer	<b>EVAN</b> Group plc
Address	St. Christopher Street 168, Valetta VLT 1467, Malta
Registration No.	C 55616
Security	Senior unsecured Bond, Private Placement
Industry	Real Estate
Country	Federal Republic of Germany
LEI	213800E8WDF8XY4B8O08
ISIN	DE000A19L426
WKN	A19L42
Tenor	5 years after issue date
Currency	EUR
Volume	125'000'000
Par amount	1'000
Min. Initial Investment	100'000
Coupon	6 % fixed – payable annually
Day count convention	Actual/Actual
First interest payment	31.07.2018
Maturity	31.07.2022
Use of proceeds	Development and refurbishment of properties in portfolio and pipeline
Call structure	24 months after issue date at par
Amortization	Bullet
Listing (expected)	Listing on Frankfurt Exchange (Open Market- Freiverkehr)
Principal Paying Agent	Fintech Group Bank AG, Frankfurt a. Main
Jurisdiction	Germany

These terms and conditions (the “Terms and Conditions”) govern the rights and obligations of the Issuer (as such term is defined below) and the Bondholders (as such term is defined below), and provide more detailed information about the issuance of senior unsecured bonds (the “Bonds”) due in 2022, in the anticipated aggregate principal amount of up to EUR 125'000'000 (one hundred twenty five million Euro), bearing interest at a fixed rate to be

issued by Evan Group plc (GIG plc No C55616), with its seat at 168, St. Christopher Street, Valletta VLT1467, Malta (the “Issuer”). The issue of the Bonds was approved by a decision of the board of directors of the Issuer dated 3<sup>rd</sup> July 2017.

### *12.1 General Characteristics of the Bonds*

#### Form, Type, Denomination, Class

The Bonds are certificated securities, in bearer form (represented by the Global Note, as such term is defined below), are issued in the quantity of up to 125,000 (one hundred and twenty five thousand) bonds in a denomination of EUR 1'000 (one thousand Euro) each, and will be listed securities, if admitted to trading on the Frankfurt Stock Exchange (Open Market – Freiverkehr). No pre-emptive or conversion rights shall attach to the Bonds.

### *12.2 Transferability of the Bonds*

Subject to applicable law, there is no restriction on the transfer of the Bonds following the registration of the Bond with Clearstream as set forth in Section 12.3.

### *12.3 Bondholders / Global Note*

The Bonds issued and subscribed for as of the Issue Date will be represented by a global certificate (the “Global Note”). The Global Note shall be deposited for custody and management before the Issue Date at Clearstream Banking AG / Frankfurt am Main / Federal Republic of Germany (“Clearstream System” or “Clearstream”) and will be signed duly by the Issuer. The Bondholders shall participate in the total principal amount of the Global Note by holding a certain number of Bonds, without any serial numbers being assigned to such Bonds. The Global Note shall be jointly owned by the holders of interests in the Global Note. The holder of an interest in the Global Note shall hold such number of Bonds as corresponds to its interest in the Global Note, and shall have all the rights pertaining to a Bondholder (including the right to interest on the Bond).

### *12.4 Separation of the Right to Interest*

There will be no separation of the right to receive interest payable on the Bonds.

### *12.5 Certain Obligations of the Issuer*

The Issuer undertakes to pay interest on and repay the principal of the Bonds in accordance with these Terms and Conditions.

The Issuer undertakes to use its reasonable efforts to ensure that the Bonds are listed securities within the meaning of the Capital Markets Act (*BörsG*) during the entire term of their existence.

### *12.6 Issue Date of the Bonds; Issue Price*

The expected issue date of the Bonds is scheduled on 31 of July 2017 (the “Issue Date”). The issue price of the Bonds issued on the Issue Date shall amount to 100% of their principal amount.

The issue price of any Bonds issued after the Issue Date during the Issue Period or the Additional Issue Period (as such terms are defined below) will be set by the Issuer in order to reflect prevailing market conditions. The relevant accrued interest will be added to the

issue price of any Bonds issued after the Issue Date during the Issue Period or Additional Issue Period.

#### *12.7 Method and Place of Underwriting the Bonds*

The Bonds shall be offered for underwriting and purchase primarily in the European Community exclusively to institutional investors, in accordance with the applicable laws of **Federal Republic of Germany** and the European Community, through the Issuer of the Bonds.

#### *12.8 Anticipated Aggregate Principal Amount of the Bonds; Issue Period and Additional Issue Period*

The anticipated principal amount of the issue of the Bonds is equal to EUR 125'000'000 (one hundred twenty five million EUR). The Issue Period for underwriting the Bonds shall commence running on 31st July 2017 until 31st December 2021. The Issuer shall be entitled to issue the Bonds up to the anticipated aggregate principal amount, during the Issue Period and after its expiry, at any time during an additional issue period, if any, set and published by the Issuer in accordance with applicable legal regulations (the "Additional Issue Period"). The Issuer shall be entitled to issue the Bonds in an aggregate principal amount smaller than the anticipated aggregate principal amount.

#### *12.9 Status of the Obligations under the Bonds*

The Bonds (and all payment obligations of the Issuer from the Bonds towards the Bond- holders) constitute direct, general, unsecured, unconditional and unsubordinated liabilities of the Issuer, which are and will rank pari passu among themselves and at least pari passu with any present and future unsubordinated and unsecured liabilities of the Issuer, with the exception of such liabilities preferred by binding mandatory legal provisions. The Issuer undertakes to treat all Bondholders equally under the same circumstances.

#### *12.10 Negative Pledge*

The Issuer undertakes that until the full payment of all of its payment liabilities resulting from issued and outstanding Bonds, it will neither secure nor allow any security to be created in respect of any other liabilities of the Issuer by way of any mortgages, pledges or any other similar third party rights attached to the Issuer's current or future assets or income, unless the Issuer secures simultaneously with the creation of such mortgages, pledges or any other similar third party rights that the Issuer's liabilities under the Bonds are secured equally with such secured liabilities. The previous sentence shall not apply to securities, mortgages, pledges or any other similar third party rights attached or relating to subsidiaries of the Issuer.

#### *12.11 Interest*

The Bonds shall bear interest at a fixed rate of 6% per year.

Interest shall accrue from the first day of each Interest Period to the last day included in such Interest Period at the interest rate applicable to such Interest Period. Interest

for each Interest Period shall be paid annually in arrears, as of 31 July of each year (the "Interest Payment Date") in accordance with these Terms and Conditions. The first payment of interest shall be made on 31 July 2018.

For the purposes of these Terms and Conditions, "Interest Period" means the period from and including the Issue Date to and excluding the first Interest Payment Date, and each subsequent period from and including the Interest Payment Date to and excluding the next Interest Payment Date until the Maturity Date. For the purposes of the running of any Interest Period, the Interest Payment Date shall not be shifted in accordance with the Business Day Convention.

#### *12.12 Day Count Convention for Interest Calculation*

Where interest is to be calculated in respect of a period which is shorter than an Interest Period the interest will be calculated on the basis of the actual number of days elapsed in the relevant period (from and including the most recent Interest Payment Date) divided by the actual number of days of the Interest Period (365 days and 366 days, respectively, in case of a leap year) (Actual/Actual).

#### *12.13 Interest Determination*

The amount of interest payable on one Bond for each period of 1 (one) current year shall be determined as the product of the principal of such Bonds and the relevant interest rate (expressed as a decimal number).

#### *12.14 End of Interest Accrual*

The Bonds shall cease bearing interest as of the Maturity Date (the "Maturity Date" means both the Final Redemption Date and the Early Redemption Date).

#### *12.15 Final Redemption*

Unless previously redeemed or purchased by the Issuer and canceled as specified below, the entire principal amount of the Bonds shall be redeemed in a single payment on 31 July 2022 (the "Final Redemption Date") in accordance with these Terms and Conditions.

#### *12.16 Early Redemption at the Option of the Issuer*

The Issuer is entitled to redeem the Bonds prior to the Final Redemption Date at its option 2 years after the Issue Date (Call Option American Type) in whole or in part at par (100%).

#### *12.17 Purchase of the Bonds*

The Issuer shall be entitled to purchase any of the Bonds at any time via the stock exchange or otherwise at any price.

#### *12.18 Deemed Payment*

If the Issuer pays to the Principal Paying Agent the full amount of the principal of the Bonds together with accrued interest payable in connection with the redemption of the Bonds in accordance with these Terms and Conditions, all liabilities of the Issuer

under the Bonds, for the purposes of these Terms and Conditions, shall be deemed fully discharged as of the date on which the relevant amount is credited to the account of the Principal Paying Agent.

#### *12.19 Issuer's Covenant to Pay the Amount Due*

The Issuer undertakes to pay the principal of and interest on the Bonds (or, if applicable, a pro rata share of interest in the case of early redemption) in such manner and at such place as specified in these Terms and Conditions.

#### *12.20 Payments*

The Issuer undertakes to pay the interest and principal in respect of the Bonds exclusively in EURO. The interest and principal in respect of the Bonds shall be paid to the Bondholders subject to and in accordance with these Terms and Conditions, and the tax, foreign exchange, and other applicable laws and regulations of the Federal Republic of Germany as in effect at the time of the relevant payment.

#### *12.21 Payment Date*

The payment of interest on and the repayment of the principal of the Bonds shall be made through the Principal Paying Agent on such dates as specified in these Terms and Conditions. If any Payment Date falls on a date that is not a Business Day, the Issuer shall be obliged to pay the due and payable sums on the next following Business Day, and no additional interest or other charges shall accrue and be payable by reason of such delay in payment ("Business Day Convention").

"Business Day" means a day (other than a Saturday or Sunday) on which (i) the Trans-European Automated Real-time Gross settlement Express Transfer System 2 (TARGET) and (ii) Clearstream are operating and settle payments.

#### *12.22 Breach of Obligations, Insolvency / Liquidation*

If

- (a) the Issuer defaults in the performance or observance of any of its material obligations set forth in these Terms and Conditions, and such default remains unremedied for more than 30 (thirty) days after written notice thereof given to the Issuer by the holder of any Bond (not repaid or purchased or canceled as of such date) by a letter delivered to the Issuer,
- (b) or
  - (i) the Issuer becomes insolvent or generally suspends payments under its obligations;
  - (ii) a bankruptcy trustee or liquidator of the Issuer or of the whole or almost the whole of the undertaking, assets and revenues of the Issuer is appointed;
  - (iii) the Issuer files a petition in bankruptcy or applies for composition or files a motion for a moratorium;
  - (iv) the Issuer is declared bankrupt by any court,
  - (v) a petition in bankruptcy in relation to the Issuer is rejected by any court on the grounds of insufficiency of assets to pay for the costs of the bankruptcy proceeding, or

- (e) the respective court renders a final and non-appealable decision or adopts a valid resolution on dissolution of the Issuer with liquidation,

then any Bond may, by written notice addressed by the holder thereof to the Issuer and the Principal Paying Agent and delivered to the Issuer and the Principal Paying Agent be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest (if any) without further action or formality.

#### *12.23 Financial Covenants*

- (a) The Issuer will not incur Indebtedness (as defined below) on a consolidated basis as of any Reference Date exceeding 75% of its Consolidated Total Assets. "Consolidated Total Assets" means total assets and liabilities of the Issuer as shown in the most recent consolidated financial statements or interim consolidated financial statements. "Indebtedness" within the meaning of this Section 12.23 means any indebtedness net of cash and cash equivalents of the Issuer or any subsidiary as shown in the most recent consolidated financial statements of the Issuer ("Subsidiary"), in respect of: (i) borrowed money evidenced by bonds, notes, debentures or similar instruments whether or not such indebtedness is secured by any lien existing on property owned by the Issuer or any Subsidiary; future convertible notes where the conversion price is below the relevant share price ("in the money") shall not be deemed borrowed money; (ii) indebtedness for borrowed money of a person other than the Issuer or a Subsidiary which is secured by any lien on property owned by the Issuer or any Subsidiary, to the extent of the lesser of (x) the amount of indebtedness so secured and (y) the fair market value of the property subject to such lien; (iii) reimbursement obligations, in connection with any letters of credit actually issued or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable or (iv) any lease of property by the Issuer or any Subsidiary as lessee which is reflected on the Issuer's consolidated balance sheet as a capitalized lease in accordance with IFRS (as in effect on the date hereof), to the extent, in the case of indebtedness under (i) through (iii) above, that any such items (other than letters of credit) would appear as a liability on the Issuer's consolidated balance sheet in accordance with IFRS. Indebtedness also includes, to the extent not otherwise included, any obligation by the Issuer or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), indebtedness of another Person (other the Issuer or any Subsidiary) of the type described in clauses (i)-(iv) of this definition; provided that Indebtedness shall not include any derivative instruments shown in the most recent published financial statements. "Person" means any individual, legal entity, partnership or legal entity governed by public law. "Reference Date" means 31 December and 30 June of each year, respectively, or should the Issuer change its financial year, the balance sheet date of its consolidated annual and semi-annual financial statements of the Issuer.
- (b) The Issuer undertakes that as of any Reference Date its Interest Coverage

Ratio (ICR) will not be lower than 2x, whereby  $ICR = EBIT^1 / \text{Interest expense}$  for the period.

#### *12.24 Consequence of a breach of the obligations set out in Section 12.23.*

If the Issuer is in breach with any of its obligations pursuant to Section 12.23 as of any Reference Date, which falls in a certain Interest Period,

- (i) the Coupon payable for such Interest Period shall be increased by 0.50 percentage points,
- (ii) the Issuer may not declare or pay any dividend or make any other distribution to its shareholders,
- (iii) the Issuer may not incur any further Indebtedness.

The consequences set out in lit. (a) to (c) persist until the period in which the Issuer demonstrates in its consolidated financial statements that level of Indebtedness falls below the Percentage of Total Assets as defined in Section 12.23 or, as the case may be, the ICR is at least 2x. The Issuer will publish consolidated half-yearly financial statements.

#### *12.25 Change of control*

- (a) In the event of a Change of Control (as defined below), the Issuer will immediately after becoming aware of the Change of Control, publish this fact by way of a notice pursuant to Section 12.29.
- (b) Definitions.

“**Control**” means (i) direct or indirect (within the meaning of § 22 of the German Securities Trading Act (*Wertpapierhandelsgesetz*)) legal or beneficial ownership of, in the aggregate, more than 50% of the voting rights of the Issuer or (ii) in the event of a tender offer for shares of the Issuer, circumstances where (A) the shares already in the control of the offer or and the shares which have already been tendered carry, in aggregate more than 50% of the voting rights in the Issuer and (B) at the same time the offer has become unconditional or (iii) the disposition or transfer by the Issuer of all or substantially all of its assets to another Person or other Persons. A “**Change of Control**” occurs if a Person or Persons acting in concert, respectively, acquires or acquire Control of the Issuer.

#### *12.26 Listing Agent*

The Issuer reserves the right to appoint and replace another Listing Agent at any time. However, any change shall be without prejudice to the Bondholders. The Listing Agent shall act as an agent of the Issuer when performing its duties of the Listing Agent, and shall be in no legal relationship to the Bondholders.

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<sup>1</sup> EBIT = Earnings before Interest and Taxes, based on projected Net Rental Income



### *12.27 Amendments and Waivers*

The Issuer and the Principal Paying Agent may agree, without the consent of the Bondholders, upon (i) any amendment to any of the provisions of the Principal Paying Agency Agreement if such amendment is exclusively of a formal, secondary or technical nature, or is made to correct a manifest error, or is required by applicable law, and (ii) any other amendment or waiver of any breach of any of the terms of the Principal Paying Agency Agreement which, in the reasonable opinion of the Issuer and the Fiscal and Principal Paying Agent, shall be without prejudice to the Bondholders.

### *12.28 Governing Law, Language, Disputes*

The Bonds are issued under the applicable and effective laws of the Federal Republic of Germany. Any rights and obligations under the Bonds shall be governed by, and interpreted and construed in accordance with the laws of the Federal Republic of Germany with the venue being Frankfurt am Main.

### *12.29 Notices*

All notices by the Issuer regarding the Bonds shall be made by notice to Clearstream Frankfurt for delivery to the relevant accountholders with Clearstream Frankfurt in accordance with the applicable procedures of Clearstream Frankfurt. Any such notice shall be deemed to have been given to the Bondholders on the seventh day following the day on which the said notice was given to Clearstream Frankfurt. The Issuer will also publish such notices by way of one or more electronic communication systems.