

CHARGE AGREEMENT



BETWEEN

ELLINAS FINANCE PUBLIC COMPANY LIMITED

(Chargor)

AND

ADM AUDIT TRUST LIMITED

(Trustee)

**ANTIS
TRIANTAFYLLIDES
& SONS LLC**
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THIS CHARGE (the “Charge”) dated 31st January 2019 is made **BETWEEN**

1. **ELLINAS FINANCE PUBLIC COMPANY LIMITED**, a company incorporated under the laws of the Republic of Cyprus and having its registered office at 6 Theotiki, Ellinas House, Nicosia, Cyprus (the “Chargor”);

AND

2. **ADM AUDIT TRUST LIMITED**, a company incorporated under the laws of the Republic of Cyprus and having its registered office at 8 Sotirias Aliperti, Strovolos, 2046, Nicosia, Cyprus (hereinafter the “Trustee”, which expression shall include any person from time to time appointed as a successor, assignee replacement or additional trustee in relation to the interests created by this Charge),

each a “Party” and together the “Parties”.

WHEREAS:

- (A) The Chargor will issue up to Euro 2.000.000 non-convertible 3,5% 5-year bonds (the “Bonds”) subject to the terms and conditions of the Bonds as these are set out in the trust deed dated on or about the date of this Charge between the Chargor and the Trustee (the “Trust Deed”).
- (B) Under this Charge, the Chargor provides security to the Trustee for and on behalf of the holders of the Bonds from time to time, for the Bonds.

IT IS AGREED as follows:

1. DEFINITIONS

In this Charge:

“Acceleration Notice” has the meaning given to the term in the terms and conditions of the Bonds as these are set out in the Trust Deed;

“Bondholders” means the holders of the Bonds from time to time;

“Bonds” has the meaning given to the term in Recital A above;

“Charged Assets” means the Debts and the Properties;

“Debts” means all amounts outstanding and owed by borrowers to the Chargor under loan agreements pursuant to which the Chargor grants facilities to borrowers in the Chargor’s ordinary course of business, including principal, accrued interest and any other amount due under such loan agreements;

“Event of Default” has the meaning given to the term in the terms and conditions of the Bonds as these are set out in the Trust Deed;

“Property” means each of the original properties set out in Schedule 1 of this Charge and any other properties which the Chargor shall notify the Trustee that are charged under this Charge from time to time pursuant to Clause 5.2 below, and **“Properties”** means all or any of the same, as the context requires.

“Security Period” means the period commencing on the date hereof and terminating on the irrevocable and unconditional discharge in full of the Bonds;

“Secured Obligations” means any obligation of the Chargor owing to the Bondholders pursuant to the terms and conditions of the Bonds as these are set out in the Trust Deed;

“Trust Deed” has the meaning given to the term in Recital B above.

2. CREATION OF SECURITY

2.1 Security interest

To secure performance of the Secured Obligations by it, the Chargor charges in favour of the Trustee:

- (a) by way of first fixed charge, the Properties; and
- (b) as a general assignment by way of security, the Debts,

provided always that the maximum amount secured and recoverable pursuant to clause 2.1(b) above shall not exceed the amount of Euro 500.000.

2.2 General

- (a) All the security created under this Charge:
 - (i) is security for the payment of all the Secured Obligations; and
 - (ii) is in addition to, and not in any way prejudiced by, any other security now or subsequently held by the Bondholders.
- (b) If any discharge (whether in respect of this Charge, the obligations of the Chargor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on bankruptcy, insolvency, liquidation, moratorium or otherwise without limitation, the security created, and the obligations of the Chargor, under this Charge will continue as if the discharge or arrangement had not occurred.
- (c) The Trustee and each Bondholder may concede or compromise any claim that any payment, security or other disposition to it is liable to avoidance or restoration.
- (d) The Trustee holds the security hereby created in trust for the Bondholders.

3. FURTHER ASSURANCES

- 3.1 The Chargor shall from time to time and at its own expense give all such assurances and do all such things as the Trustee may require or consider desirable in order to enable the Trustee to perfect or protect the security created or intended to be created by this Charge or to exercise any of the rights conferred on it by this Charge or by law and to that intent the Chargor shall execute all such instruments, deeds and agreements and give all such notices and directions as the Trustee may consider expedient.
- 3.2 By way of security for the performance of its obligations hereunder, the Chargor hereby irrevocably appoints the Trustee to be its attorney acting severally (or jointly with any other such attorney or attorneys) and on its behalf and in its name or otherwise to do any and every thing which the

Chargor is obliged to do under the terms of this Charge or which such attorney considers necessary or desirable in order to enable the Trustee or such attorney to exercise the rights conferred on it by this Charge or by law. The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed under this Charge shall do in its capacity as such.

4. REPRESENTATIONS AND WARRANTIES

4.1 The Chargor represents, warrants and covenants, which representations, warranties and covenants shall survive execution and delivery of this Charge, as follows:

- (a) That the Chargor is and shall remain the owner of the Charged Assets free from any security.
- (b) The Chargor has the full corporate power, authority and legal right to charge the Charged Assets purported to be charged by it pursuant to this Charge.
- (c) This Charge has been duly authorised and executed by the Chargor and constitutes a legal, valid and binding obligation of the Chargor enforceable in accordance with its terms.

5. UNDERTAKINGS

5.1 Restrictions on dealings

Subject to clause 5.2 below, the Chargor may not:

- (a) create or permit to subsist any security on the Charged Assets;
- (b) sell, transfer or otherwise dispose of the Charged Assets; or
- (c) take any action which would result in a reduction in the value, or might jeopardise the existence or enforceability, of the Properties or the security created by this Charge.

5.2 Replacement of Properties

The Chargor has the right, without the prior consent of the Trustee, to sell, transfer or otherwise dispose of any of the Properties, provided that, upon any such action, the Chargor shall as soon as possible charge pursuant to this Charge other property(ies) having a value equivalent to the Property(ies) that were sold, transferred or otherwise disposed of, which the Chargor will notify the Trustee of, and the Parties shall take all steps necessary to give effect to the aforementioned.

5.3 Information

The Chargor must supply the Trustee as soon as reasonably practicable, but subject to applicable law, with any information it reasonably requests in respect of the Charged Assets.

6. WHEN SECURITY BECOMES ENFORCEABLE

6.1 This Charge will become immediately enforceable if:

- (a) an Event of Default occurs and is continuing; or
- (b) the Chargor is in default in the performance of any obligations under this Charge.

7. ENFORCEMENT OF SECURITY

7.1 General

- (a) After this Charge has become enforceable, the Trustee may immediately, in its absolute discretion, exercise any right under:

- (i) applicable law; or

- (ii) this Charge,

to enforce all or any part of the security created by this Charge in any manner it sees fit.

- (b) In particular, without any further consent or authority on the part of the Chargor and irrespective of any direction given by it, the Trustee may to the extent permitted by applicable law:

- (i) sell the Charged Assets, in whole or in part;
- (ii) give notice to any person in connection with enforcing this Charge; or
- (iii) enforce the Charged Assets by way of proceedings or otherwise.

7.2 Scope of Obligations

The Trustee:

- (a) may not be held liable for any action taken, or not taken, in connection with collecting any receivable or enforcing this Charge except for any loss caused directly by its own wilful misconduct or gross negligence;
- (b) may not be held liable for, and need not make, any payment in connection with the Charged Assets except for any loss caused directly by its own wilful misconduct or gross negligence;
- (c) need not make any enquiries as to the nature or sufficiency of any payment received in respect of the Charged Assets;
- (d) need not perform any obligation of the Chargor; and
- (e) need not present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Charge.

7.3 Receipts after an Acceleration Notice

If, after an Acceleration Notice has been delivered, the Chargor receives any proceeds relating to the Charged Assets, it must immediately transfer an amount equal to those proceeds to the Trustee, if the Trustee so directs. This is without prejudice to any right the Trustee may have against the person who made that payment.

7.4 Contingencies

Without prejudice to any other right the Trustee may have, if the proceeds of enforcement of this Charge are received at a time when no amount is due with respect to the Secured Obligations but at a time when amounts may or will become due, the Trustee may pay the proceeds of any recoveries effected by it into a designated suspense account and such proceeds shall be held by the Trustee as trustee for the Chargor.

8. APPLICATION OF PROCEEDS

Any moneys received by the Trustee after this Charge has become enforceable must be applied in order to discharge the Secured Obligations and any surplus shall be paid to the Chargor.

9. EVIDENCE AND CALCULATIONS

In the absence of manifest error, the records of the Trustee are prima facie evidence of the existence and the amount of the Secured Obligations.

10. CHANGES TO THE PARTIES

10.1 Chargor

The Chargor may not assign or transfer any of its rights or obligations under this Charge without the consent of the Trustee.

10.2 Trustee

The Trustee may transfer its rights and obligations by way of transfer of contract together with the Secured Obligations as permitted under the Trust Deed.

11. RELEASE

- 11.1 At the end of the Security Period, the Trustee must, at the request and cost of the Chargor, take whatever action is necessary to release the Charged Assets from this Charge and to renounce the powers of attorney or authorities given under clause 2 hereof.

11.2 The Trustee may at any time terminate in whole or in part any of this Charge by giving notice to the Chargor either:

- (a) to release the Charge, or part of it; or
- (b) to reduce the amount of the Secured Obligations.

12. MISCELLANEOUS

12.1 This Charge constitutes the entire understanding of the Parties with respect to the subject matter hereof and supersedes any and all prior understandings and agreements, whether written or oral, with respect to such subject matter.

12.2 In case any one or more of the provisions contained in this Charge shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Charge and such invalid, illegal and unenforceable provision shall be modified and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

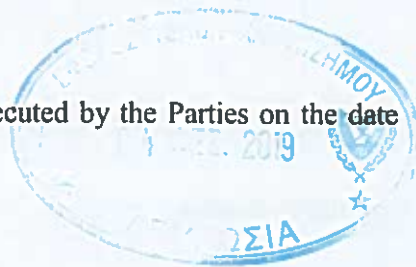
12.3 Every notice, request, demand or other communication under this Charge shall be made in accordance with the notice provisions set out in the Trust Deed.

12.4 This Charge may be executed in counterparts each of which when taken together shall constitute a single agreement.

13. GOVERNING LAW

This Charge and any non-contractual obligations arising out of or in connection with it are governed by and construed and enforced in accordance with the laws of Cyprus.

IN WITNESS WHEREOF this Charge has been executed by the Parties on the date hereof.



THE CHARGOR
ELLINAS FINANCE PUBLIC CO. LTD

MANAGING DIRECTOR

ELLINAS FINANCE PUBLIC COMPANY LIMITED

by: *Emilia Ellinas*

being a person so authorised to bind

ELLINAS FINANCE PUBLIC COMPANY LIMITED

THE TRUSTEE

ADM AUDIT TRUST LTD

ADM AUDIT TRUST LIMITED

by: *Paris Mytilineos*

Το πρωτότυπο έχει χαρτοσημανθ.
δεόντως

Έφορος Τελών Χαρτοσήμου (1)

being a person authorised to so bind

ADM AUDIT TRUST LIMITED

Το ακριβές τέλος χαρτοσήμου των € *2*
με το οποίο επιβαρύνεται το έγγραφο αυτό,
εισπράχθηκε σε μετρητά, Αρ. Απόδειξης 032
1-1015-2019-0728 του Γραφείου Εισπράξης
Φόρων Λευκωσίας ημερομηνίας *4.2.19*
Έφορος Τελών Χαρτοσήμου *01* (1)

Schedule 1

Original Properties

ELLINGHAM FINANCE PUBLIC CO. LTD.

TAMMAMING DIRECTOR

1911

ADM AUDIT TRUST LTD

1911

SCHEDULE 1 – ORIGINAL POPERTIES

	Property Description	City	Municipality	Location	No. Registration	Sheet	Plan/Scale	Block	Plot No
1)	Ground floor shop with mezzanine floor (Old Nicosia City)	Nicosia	Nicosia	Ayios Andreas	5/1068	21	460503	5	EPI 176
2)	Ground floor shop with mezzanine floor (Old Nicosia City)	Nicosia	Nicosia	Ayios Andreas	5/1067	21	460503	5	EPI 176
3)	Plot of land - Residential Area	Nicosia	Psimolofou	Psimolofou Village	0/1750	30	43W1	3	430
4)	Plot of land - Residential Area	Nicosia	Psimolofou	Psimolofou Village	0/1749	30	43W1	3	429
5)	Ground floor shop with mezzanine floor (Limassol shopping area)	Limassol	Limassol	Ayia Napa	2/61164	54	580603	2	EPI 674
6)	Flat on the 1st floor in a Private Resort	Paphos	Mandria	Mandria Village	0/3704	51	47	0	EPI 359
7)	Two-bedroom beach house with swimming pool	Larnaca	Pyla	Pyla	0/10576	0	2-262-371	5	EPI 699
8)	Three-bedroom house with swimming pool	Paphos	Anarita	Anarita Village	2/324 (A2-1)	51/31	2-156-345	2	348
9)	Two-bedroom house with swimming pool	Paphos	Anarita	Anarita Village	2/324 (A1)	51/31	2-156-345	2	348

