

# **VBL p.l.c.**

## Memorandum and Articles of Association

*Companies Act  
(Cap 386 of the Laws of Malta)*

**MEMORANDUM OF ASSOCIATION  
OF  
VBL p.l.c.**

**1. Name**

The name of the company is VBL p.l.c. (the "**Company**").

**2. Registered Office**

The registered office of the Company shall be at 54, Marsamxett Road, Valletta, Malta, or at such other place as the Board of Directors may from time to time determine.

**3. Objects**

The objects for which the Company is established are as follows:

1. To purchase, exchange, lease, rent or acquire or by any other title valid at law, movable or immovable property whether for the purpose of producing an income, for commercial or for other purposes and to hold the property so acquired and to further sell, transfer, assign, lease or otherwise dispose of the whole or any part of the property, assets or undertaking of the Company;
2. To maintain or manage buildings whether residential or commercial in nature of any description in particular houses, flats, apartments, shops, offices, warehouses or any other commercial or residential properties and to sell and/or lease these properties whether in a furnished or unfurnished state;
3. To invest, lease, hire, grant by way of emphyteutical concession or in any other manner employ, improve, manage or develop any of its assets as may from time to time be determined;
4. To sell, lease or otherwise dispose of the whole or any part of the property, assets or undertaking of the Company;
5. To borrow or raise money for the purpose of, or in connection with, providing financing or re-financing for the Company's business or the business of the companies in the group of companies of which the Company forms part; and, or any subsidiary, affiliate or related companies or third parties thereof, in such manner as the Company shall think fit and in particular by the issue of debentures; and to secure or guarantee the repayment of any money borrowed or raised by the Company or by any third party or to guarantee the performance of any contract or obligation in which the Company, or any Company in which the Company may be interested, by way of hypothecation, charge, or lien upon the whole or part of the Company's assets including the uncalled capital, and

to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments;

6. To carry on any other business or businesses whatever, within the objects of the Company and which may be conveniently carried on or which may be calculated, directly or indirectly, to enhance the value of or render profitable any of the Company's property rights or to utilise skills and knowledge available to the Company;
7. To carry out project development, planning and management, development, construction or other projects on its own behalf and for third parties on the local and international markets;
8. To receive from any assets which the Company is entitled to own, dividends, capital gains, interest, and any other income derived from investments including income or gains on their disposal, rents, royalties and similar income whether arising in or outside Malta, and profits or gains attributable to a permanent establishment (including a branch) of the Company;
9. To issue Debt Securities (as defined in the Articles of Association), commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public;
10. To construct, reconstruct, renovate, alter, improve, decorate, demolish, remove or replace and do anything that may enhance the value of immovable property acquired by the Company or by any third party and to manage any projects which may be undertaken by the Company or by any third party in connection with the construction, reconstruction, renovation, alteration, improvement, decoration, demolition, removal, replacement or enhancement of the value of immovable property acquired by the Company or by any third party;
11. To carry out all ancillary services or businesses related to the tourism and hospitality industry;
12. To invest the capital and other moneys of the Company in the purchase or subscription of any stocks, shares, debentures, bonds or other securities;
13. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments;
14. To purchase, take on lease, exchange or acquire movable property, whether in its own name for the purposes of its business or on behalf of third parties for the receipt of a commission thereon;
15. To undertake the conduct, management, agency or administration on behalf of any other person, body of persons, firm, company or partnership carrying on business of a nature similar or ancillary to the Company's business;

16. To enter into any agreement or make any arrangement in connection with the Company's business, with any government department or other authority, corporation, company or person which is in the interest of the Company;
17. To promote any other company or companies for the purpose of it or them acquiring all or any property and rights and undertaking of any business of this Company and to pay all the expenses of and incidental to such promotion;
18. To carry out the retail sale and wholesale of products and services related to the hospitality and tourism industry, tour operator and travel agency services, transport and related goods and services, marketing and publishing services, including but not limited to publishing and distribution of books, newspapers, stationary, audio and video equipment, media, sports equipment, toys, souvenirs, clothing, footwear, leather goods;
19. To carry out the retail sale and wholesale of food, beverages, telecommunication services (including but not limited to wireless communications and related), IT and computer equipment, hardware, glass, artwork, household appliances, lightning equipment, and any other household items, and other products in non-specialized and specialized stores;
20. To carry out the retail sale and wholesale of furniture, equipment, building and construction materials, household articles, medical or cosmetics goods, toiletries, or other goods of any kind and sort;
21. To carry out technical testing and analysis, surveying services, warehousing and storage, freight forwarding, transport and logistic services;
22. To carry out event catering services, reservation and booking services, cultural and other promotion, education and intermediary services;
23. To carry out advertising services, the organization of marketing events, conferences or summits, marketing campaigns, surveys and related services, and media representation;
24. To carry out business and other management consultancy services, architectural activities, engineering services, and related technical consultancy, research and experimental development; and
25. To do all such other things which are incidental or conducive to the attainment of the objects and the exercise of the powers of the Company.

It is hereby declared that the objects of the Company shall not be restrictively construed and the widest interpretation shall be given thereto. None of the above-described objects and powers shall be deemed to be subsidiary or ancillary to any other object or power mentioned therein. The Company shall have full authority to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the Company's objects.

Nothing in the foregoing shall be construed as empowering or enabling the Company to carry out any activity or service which requires a licence or other authorisation under any law in force in Malta or elsewhere without such a licence or other appropriate authorisation from the relevant competent authority and the provisions of Article 77(3) of the Companies Act shall apply.

The foregoing objects shall be construed consistently with and subject to the provisions of the Companies Act (Chapter 386 of the Laws of Malta).

#### 4. Status

The Company is registered as a public limited liability company.

#### 5. Share Capital

5.1 The authorised share capital of the Company is sixty six million Euro (€66,000,000) divided into three hundred and thirty million (330,000,000) ordinary shares having a nominal value of twenty cents (€0.20) each.

5.2 The issued share capital of the Company is forty ~~six~~ nine million eight hundred and thirty five thousand eight hundred and thirty seven Euro ~~-(€496,000,835,000,837)~~ divided into two hundred and ~~thirty~~ forty nine million one hundred and seventy nine thousand one hundred and eighty three ~~(230,249,000,179,000,183)~~ ordinary shares having a nominal value of twenty cents (€0.20) each, ~~which have all been allotted, taken up and~~ fully paid up, ~~as follows:~~

Name of shareholder	Number of ordinary shares held
<p>ANDREI IMBROLL ID Card: 531778M</p> <p>74, Triq ii-Bies San Gwann SGN1912 Malta</p>	<p><del>36,919,655 ordinary shares of a nominal value of €0.20 each share, fully paid up</del></p>
<p>ARPAD HAJNOCZY ID Card: 385269AE</p> <p>Bathory U. 7. 4/1 Budapest 1054 Hungary</p>	<p><del>305,545 ordinary shares of a nominal value of €0.20 each share, fully paid up</del></p>
<p>DAVID BENE Passport: BC1453322</p>	<p><del>789,305 ordinary shares of a nominal value of €0.20 each share, fully paid up</del></p>

<p><del>Batthyany U. 45, Godollo H-2100 Hungary</del></p>	
<p><del>GEZA SZEHALMI ID Card: 67571A</del></p> <p><del>7, The Mews, F1 02 Triq Ant. Schembri Kappara San Gwann Malta</del></p>	<p>40,433,395 ordinary shares of a nominal value of €0.20 each share, fully paid up</p>
<p><del>JULIAN TZVETKOV ID Card: 157717A</del></p> <p><del>Bemere, 113 Triq Santa Lucija Naxxar Malta</del></p>	<p>12,005,245 ordinary shares of a nominal value of €0.20 each share, fully paid up</p>
<p><del>MARIA MATYAS &amp; DONOGANY GERGELY Passport: BA8746455-- BD8380246</del></p> <p><del>Tanito Utca 17B Budapest H-1221 f-lu-ga-ry-</del></p>	<p>1,833,265 ordinary shares of a nominal value of €0.20 each share, fully paid up</p>
<p><del>PERPROP LIMITED Registration No: C-6451</del></p> <p><del>3 Independence Square Valletta VLT 1520 Malta</del></p>	<p>8,211,430 ordinary shares of a nominal value of €0.20 each share, fully paid up</p>
<p><del>PETROLSPED (MALTA) LTD Registration No: C-66150</del></p> <p><del>MK Business Centre, 115A, Floor 2, Valley Road Birkirkara BKR 9022 Malta</del></p>	<p>14,997,045 ordinary shares of a nominal value of €0.20 each share, fully paid up</p>

**6. Directors**

6.1 The board of directors of the Company shall consist of not less than 4 (four) and not more than 8 (eight) directors.

6.2 The executive directors of the Company are:

<b>NAME</b>
Andrei Imbroli (identity card number 531778M)  74, Triq ii-Bies San Gwann SGN1912 Malta
Geza Szephalmi (identity card number 67571A)  7, The Mews, Fl 02 Triq Ant. Schembri Kappara, San Gwann Malta
Julian Tzvetkov (identity card number 157717A)  Bemore, 113 Triq Santa Lucija Naxxar Malta

6.3 The non-executive directors of the Company are:

Artur Haze (Swedish passport number 35393493)  Ul. Saneczkowa 2 A Konstancin - Jeziorna 05 - 520 Poland
David Galea Souchet (identity card number 0348390M)  The White Lodge, Triq id-Dejma, Naxxar, Malta

Isabella Vella (identity card number 0564564M)

239, Fl 8,  
Triq it-Torri,  
Sliema  
Malta

~~Csaba Bato~~ [John Attard](#) (identity card number

[931543TA0378707L](#))

~~Dobrenței utca 107, Shearwater, Fl 1, Plajjet~~

~~Bognor ,  
1013 Budapest~~ [St Paul's Bay](#)  
[Hungary](#) [Malta](#)

## 7. Company Secretary

The secretaries of the Company are:

~~David Meli~~ [Joseph Borg Bartolo](#)  
(**253583M171567M**)

~~80/6, Windsor Street 8,~~

[Casa San Lawrenz](#)

[Triq il-Gholja Ta' San](#)

[Lawrenz](#)

[Sliema](#) [Siggiewi](#)

Malta

[Mikiel Calleja](#)

(**527383M**)

[3, Highbury Court,](#)

[Triq ir-Ratal](#)

[Swieqi](#)

[Malta](#)

## 8. Legal and Judicial Representation

- 8.1. Deeds of whatsoever nature engaging the Company and all other documents purporting to bind the Company, including bank documents, cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and receipts for moneys paid to the Company falling within the ordinary course of business of the Company, up to the amount of one hundred thousand Euro (€100,000) shall be signed, drawn, accepted, endorsed or otherwise executed by any two of the Company's executive directors acting together, or without prejudice to the aforesaid, by any two employees (acting together) authorised by the Board of Directors from time to time:



Provided that the provisions of this clause 8.1. shall not apply to the execution of deeds relating to the purchase or disposal of immovable property.

- 8.2. Deeds of whatsoever nature engaging the Company and all other documents purporting to bind the Company, including bank documents, cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments and receipts for moneys paid to the Company falling within the ordinary course of business of the Company, with a value higher than one hundred thousand Euro (€100,000) but lower than ~~one-three~~ million Euro (€~~34~~,000,000), or the entry into any loan or facility agreement relating to a loan or facility, as the case may be, of up to one million Euro (€1,000,000), shall be signed, drawn, accepted, endorsed or otherwise executed by any two executive directors of the Company, acting together.

Provided that the provisions of this clause 8.2. shall not apply to the execution of deeds relating to the purchase or disposal of immovable property.

- 8.3. Deeds of whatsoever nature engaging the Company and all other documents purporting to bind the Company, including bank documents, cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and receipts for moneys paid to the Company falling within the ordinary course of business of the Company, with a value higher than ~~one three~~ million Euro (€~~13~~,000,000), or the entry into any loan or facility agreement relating to a loan or facility, as the case may be, for an amount in excess of one million Euro (€1,000,000), or deeds relating to the purchase or disposal of immovable assets or any matter not falling within the ordinary course of business of the Company (regardless of the value of the transaction) shall require a resolution of the Board of Directors of the Company, which shall be empowered to authorise that any of the aforesaid be signed, drawn, accepted, endorsed or otherwise executed by any two executive directors of the Company acting together.
- 8.4. For the purposes of this clause 8, any one or more series of transactions relating to the same matter shall be considered as one and the amounts specified in this clause 8 shall apply on an aggregate basis, such that two or more deeds or other documents purporting to bind the Company shall be considered as one deed or other document for the purposes of this clause 8 when entered into with the same counterparty and for the same purpose.
- 8.5. The representation of the Company in litigious or judicial proceedings shall be vested in any one executive director, provided that no proceedings may be instituted by the Company without the approval of the Board of Directors of the Company.
- 8.6. Without prejudice to the provisions of this clause 8, the Board of Directors shall have the power to appoint any person to be the attorney of the Company for such purposes and with such powers (including the legal and/or judicial representation of the Company), authorities and discretions,(not exceeding those vested in them) and for such periods and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may deem fit.

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**ARTICLES OF ASSOCIATION  
OF  
VBL p.l.c.**

**Preliminary**

1. The following regulations shall be the sole Articles of Association of the Company, and Part I of the First Schedule of the Act shall not apply to the Company.

**Interpretation**

2. In the Company's Memorandum of Association and in the Articles the following terms shall have the meanings given to them hereunder unless the context requires otherwise:

Act	means the Companies Act (Cap. 386 of the Laws of Malta);
Articles	means these Articles of Association as currently applicable or as may from time to time be in force;
<a href="#">Capital Markets Rules</a>	<a href="#">the capital markets rules issued by the MFSA;</a>
CSD	means the central securities depository of the Malta Stock Exchange established pursuant to article 24 of the Financial Markets Act, Cap. 345 of the Laws of Malta, and situated at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Company	means VBL <a href="#">piep.l.c.</a> ;
Debt Securities	means debentures, including debenture stock, loan stock, bonds and other instruments creating or otherwise acknowledging indebtedness, but excluding such instruments that are issued as debt securities but have an option or right to be converted into the share capital of the Company;
Directors	means the directors of the Company from time to time;
<a href="#">MFSA</a>	<a href="#">means the Malta Financial Services Authority as established under the Financial Markets Act (Cap. 345 of the Laws of Malta);</a>
Exchange	means the Malta Stock Exchange p.l.c. as the regulated market in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) or any other regulated market on which the Company's Shares may be listed and traded from time to time;
Malta	has the same meaning as assigned to it by article 124 of the Constitution of Malta;
Memorandum	means the Memorandum of Association of the Company as currently applicable or as may from time to time be in force;
Office	means the registered office of the Company;

Person	means any person whether natural or juridical and whether, corporate, or un-incorporate, that may according to law be the subject of rights and obligations;
Record Date	shall be the date falling thirty (30) days immediately preceding the date set for the general meeting to which it relates. A Person shall be entitled to: <ul style="list-style-type: none"> <li>i. receive notice of, participate in and attend at the general meeting;</li> <li>ii. be paid dividends and/or other benefits declared by the general meeting; and</li> <li>iii. appoint <a href="#">D</a>irectors or vote at the election of Directors pursuant to the provision of these Articles,</li> </ul> <p>in all cases, if such person is entered as a Shareholder on the Register of Shareholders on the Record Date, and any change to an entry on the said register after the Record Date shall be disregarded in determining the right of any person in respect of (i) to (iii) above;</p>
Due Diligence Register	the register kept by the Board of Directors which contains the names and data and personal information of Shareholders as may be deemed to be necessary in order for the Company to comply with the due diligence procedures of the Company in place from time to time;
Register of Shareholders	means the register of Shareholders of the Company, as registered at the CSD in the case of listed Shares;
<a href="#">Shares</a>	<a href="#">means shares in the Company of whatever class or rights to subscribe for, or to convert securities into shares of whatever class in the Company; and</a>
Shareholder	means a shareholder of the Company whose name is registered in the Register of Shareholders.

Defined terms may be used in the singular or plural as required by the context.

## Share Capital and Due Diligence Register

3. All of the issued Shares in the Company have been issued as ordinary shares. For the purposes of issuing ~~of Shares~~ of any other class, the approval of the Shareholders in general meeting shall be required.
4. Subject to the provisions of the Act and any relevant resolution of the Company, all Shares from time to time un-issued shall be at the disposal of the Board of Directors and they may offer, allot, grant options over or otherwise dispose of them to such Persons, at such times and on such terms as they think proper.
- 5.1 Pursuant to and in accordance with the Act, the Board of Directors shall be generally authorised and empowered to exercise, during the Prescribed Period (as hereinafter defined), all the powers of the Company to allot ~~wholly for cash~~ Shares up to an aggregate nominal amount equal to the Prescribed Amount (as hereinafter defined). In the exercise by the Board of Directors of the authorisation and power granted to them in terms of this Article 5.1, the provisions of Article 8.1 shall not apply.
- 5.2 Unless the Shareholders approved in a general meeting, or as otherwise permitted under the Listing Capital Markets Rules, no Director shall participate in an issue of Shares made solely to employees pursuant to terms of an employee share scheme which the Company may apply from time to time.
- 5.3 For the purposes of this Article:  
**"Prescribed Period"** means in the first instance the period expiring five years after the date of the adoption of the Articles and shall include any other period (not exceeding five years on any occasion) for which the authority conferred by this Article 5 is renewed or extended by ordinary resolution stating the Prescribed Amount for such period;  
**"Prescribed Amount"** shall, for the first Prescribed Period, be the amount of authorised share capital less the amount of the issued share capital of the Company at that time and for any other Prescribed Period, shall be the amount stated in the relevant ordinary resolution.
- 5.4 The Shareholders may if they so deem fit, cause any of the Shares or Debt Securities of the Company, irrespective of their class, whether issued or to be issued pursuant to these Articles, to be listed.
- 5.5 All listed Shares or Debt Securities shall be issued in dematerialized form and all listed Shares or Debt Securities of the Company shall be freely transferable.
- 6.1 Subject to the provisions of the Act any preference shares may, with the sanction of an ordinary resolution of the Shareholders, be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company, before the issue, may by ordinary resolution determine.

- 6.2 Unless the Shareholders in general meeting approve otherwise, the Board of Directors may determine, in issuing and allotting preference shares in the Company, that the holders thereof shall have the same rights as Shareholders solely in relation to receiving notices, reports, financial statements and in attending general meetings.

Without prejudice to any rights that may be granted to holders of preference shares in the relative terms of issue, holders of preference shares shall not, in such capacity, have the right to attend and vote at General Meeting except on a proposed resolution for the purpose of:

- 6.2.1 reducing the issued share capital of the Company; or
  - 6.2.2 winding-up of the Company; or
  - 6.2.3 any proposal submitted to the meeting which directly affects their rights and privileges; or
  - 6.2.4 effecting the payment of the dividend payable on the preference shares where such dividend has fallen in arrears by more than (6) months.
- 7.1 The rights attached to any class of Shares as is currently in existence, or other classes of Shares that may be created in the future, may (unless otherwise provided by the terms of issue of those Shares), whether or not the Company is being wound up, be varied with the consent in writing of the holders of seventy-five per cent (75%) of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings shall apply.
- 7.2 The Board of Directors may exercise the power of paying commissions or of making discounts or allowances provided it complies with the requirements of the Act. Such commission/s may be satisfied by the payment of cash or the allotment of Shares, whether partly or fully paid up, or a combination of both.
- 8.1 Subject to the provisions of this Article and unless the Shareholders in general meeting approve otherwise, the Company, in issuing and allotting new Shares for a consideration in cash:
- a) shall not allot any of them on any terms to any person unless an offer has first been made to each existing Shareholder to allot to him at least on the same terms, a proportion of the new Shares which is as nearly as practicable equal to the proportion in nominal value held by him of the aggregate Shares in issue in the Company immediately prior to the new issue of Shares; and
  - b) shall not allot any of them to any person, unless the Shareholders in general meeting otherwise determine, upon the expiration of any offer made to existing Shareholders in terms of Article 8.1(a). Any such Shares not subscribed for by the existing Shareholders pursuant to Article 8.1(a) may be offered for subscription to the general public under the same or other conditions which however cannot be more favourable to the public than an offer made under 8.1(a).

- 8.2 Article 8.1 shall not apply to a particular allotment of Shares if these are, or are to be, wholly paid up otherwise than in cash, or partly paid up otherwise than in cash to the extent of the non-cash component of the consideration.
- 8.3 The Company shall not issue or allot any Shares such that such issue or allotment would dilute a substantial interest in the Company without prior approval of the Shareholders in general meeting.
9. The Company may, subject to such restrictions, limitations and conditions contained in the Act, to acquire its own shares.

#### **Due Diligence Register**

- 10.1 The Board of Directors of the Company shall keep a Due Diligence Register, by share categories of the Shareholders, of registered shares and general proxies, indicating the name (corporate name), address (seat), the number of Shares held of such Shareholders or Shareholders' proxies and indicating the series, number and par value of such Shares, as well as the date of registration. The Board of Directors is entitled to commission a third person to keep the Due Diligence Register.
- 10.2 The Board of Directors shall refuse the registration of any Shareholder into the Due Diligence Register, if such Shareholder fails to comply fully with the due diligence and / or know your client (KYC) procedures and requirements of the Company at the time.
- 10.3 Any Shareholder may request from the Board of Directors an extract of the Due Diligence Register limitedly in respect of the information which concerns such Shareholder.
- 10.4 Each Shareholder- registered on the Register of Shareholders at the relevant cut-off date prior to the forthcoming general meeting - shall declare whether such Shareholder, or such Shareholder and any other Shareholder/s belonging to the same shareholding group as specified in Article 10.5 below, holds at least 5% of the Company's Shares at any point in time. In case of failure to comply with this Article 10.4, the voting rights of such Shareholder shall be suspended until such time as such non-compliance persists.
- 10.5 For the purposes of registration in the Due Diligence Register, any Shareholder shall, upon the request of the Board of Directors, immediately identify the ultimate beneficial owner/s with respect to the Shares owned by such Shareholder, and provide the necessary "know your client" (KYC) information requested by the Board of Directors or as defined by Company's KYC procedures at the time. In case a Shareholder fails to comply with the above request or in case there is a reasonable ground to assume that a Shareholder has made a false representation to the Board of Directors, the Shareholder's voting rights attaching to the Shares in question shall be suspended and the Shareholder shall be prevented from exercising such voting rights until full compliance with the said requirements is reached. Compliance with the provisions of this Article does not affect other reporting and announcing obligations of the Shareholders under any other laws and regulations, as may be applicable.

- 10.6 In respect of Shares or a Debt Security held jointly by several Persons, the joint holders may nominate one of them as their representative and his/her name will be entered in the Register of Shareholders or in the register of Debt Securities as may be applicable. Such person shall for all intents and purposes be deemed vis-a-vis the Company, to be the registered holder of the Shares or Debt Securities, as may be applicable, so held. In the absence of such nomination, and until such nomination is made, the Person first named on the Register of Shareholders or the register of Register of Debt Securities, as may be applicable, in respect of such Shares or Debt Securities, shall for all intents and purposes be deemed to be the registered holder of the same.
- 10.7 Unless instructed otherwise by the Shareholder and the usufructuary acting jointly, in respect of Shares held subject to usufruct, the names of the Shareholder and the usufructuary shall be entered in the Register of Shareholders. The usufructuary shall, for all intents and purposes, be deemed vis-a-vis the Company to be the registered holder of the Shares so held, and shall be entitled to all the rights and advantages conferred by Shareholding of the Company, including the right to receive dividends and to attend and vote at meeting of the Company, but shall not have the right to dispose of the Shares so held without the consent of the Shareholder. If there is more than one usufructuary, the provisions of Article 10.6 shall apply.

#### **Share Certificates**

- 11.1 With the exception of listed Shares and listed Debt Securities of the Company every person whose name is entered as a Shareholder in the Register of Shareholders shall be entitled to receive free of payment, within two (2) months after allotment or lodgment of a transfer duly stamped, or within such other period as the terms and conditions of issue may provide, a certificate for all his Shares in a particular class, or several certificates, each for one (1) or more Shares, for no consideration unless otherwise determined by the Directors from time to time. Provided that in the event of a Shareholder transferring part of the Shares represented by the same share certificate in his name, a new certificate in respect of the balance thereof shall be issued in his name without payment. In the event of joint holders, the Company shall not be bound to issue more than one (1) certificate, and delivery of one (1) certificate for a Share to any one (1) of the several joint holders thereof shall be sufficient delivery to all. Every certificate shall be signed by the Company Secretary, for the purpose and shall specify and denote the number of Shares and class, if any, to which it relates and the nominal value thereof.
- 11.2 The provisions of Article 11.1 shall *mutatis mutandis* apply to certificates required to be issued by the Act or other applicable law in connection with other securities, including Debt Securities, issued by the Company.
12. In the event that any certificate shall be worn out, defaced, destroyed or lost, it may be renewed on such evidence being produced and such indemnity (if any) being given as the Directors shall require, and in the case of wearing out, or defacement, or change of address of the Shareholder, on delivery of the old share certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, if at all by the Directors, and in any case upon the payment of €10 or such other sum as the



Directors shall from time to time determine. In case of destruction or loss, the Person to whom such renewed certificate is given shall also bear and pay to the Company all expenses incidental to the investigation by the Company of the evidence of such destruction or loss and to such indemnity.

### **Transfer and Transmission of Shares**

- 13.1 All transfers of listed Shares shall be subject to the rules and regulations of the relevant Exchange.
- 13.2 A Share other than a listed Share may be transferred by an instrument in writing. The instrument of transfer of any such Share shall be executed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the Register of Shareholders in respect thereof. In no case may a part of a Share constitute the object of a transfer.
14. The registration of transfers may be suspended at such times and for such periods as the Board of Directors may from time to time determine, provided that:
- a) in the case of listed Shares, the suspension and duration thereof shall be subject to the provisions of the [Listing-Capital Markets](#) Rules regulating the suspension of trading;
  - b) and provided further that in the case of listed Shares, the registration of transfers may not be suspended at any time between the Record Date and the general meeting to which the record date applies; and
  - c) in the case of Shares other than listed Shares, such registration shall not be suspended for more than thirty (30) days in any one (1) calendar year.
- 15.1 In the case of the death of a Shareholder, his Shares shall devolve upon his successors by will or by operation of law as the case may be, but nothing herein contained shall release the person or persons to whom the Shares shall devolve from any liability in respect of any Shares held by him or them or to which he or they are entitled.
- 15.2 Any person becoming entitled to a listed Share in consequence of the death of a Shareholder shall, upon producing such evidence of his entitlement as the relevant Exchange may from time to time require, have the right to be registered himself as the holder of the Shares.
- 15.3 Any person becoming entitled to a Share, other than a listed Share, in consequence of the death of a Shareholder shall, upon producing such evidence of his entitlement as the Directors may from time to time require, have the right to be registered himself as the holder of the Share or to make such transfer thereof as the deceased Shareholder would himself have been entitled to make.
- 15.4 A Person becoming entitled to a Share by reason of the death of the holder thereof shall

be entitled to the same dividends and other rights and advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not before being registered as a Shareholder in respect of the Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

### **Pledging, Lending of listed Shares or listed Debt Securities**

- 16.1. Subject to the provisions of the Act and unless otherwise provided in the applicable terms of issue, any listed Shares and/or listed Debt Securities of the Company may be pledged, by the registered holder thereof in favour of any person as security for any obligation.
- 16.2. Subject to the provisions of the Act and unless otherwise provided in the applicable terms of issue, any listed Shares and/or listed Debt Securities of the Company may be lent by the registered holder thereof to any Person. In such case the Board of Directors must be informed in writing not later than 8 working days from the date of such agreement, providing details of the Person borrowing any listed Shares and/or listed Debt Securities of the Company and of the terms of such loan.

### **Register of Shareholders**

- 17.1 Unless otherwise provided for in any law, rule or regulation, the Register of Shareholders for listed Shares or any other register for listed Shares and/or listed Debt Securities shall be kept at the CSD.
- 17.2 The Register of Shareholders for Shares other than listed Shares and any other register to which Article 17.1 does not apply shall be kept at the office of the Company Secretary.
18. Any register referred to in Articles 17.1 and 17.2 shall be available for inspection as set out in terms of law.

### **General Meetings**

19. The general meeting is the supreme body of the Company consisting of all the Shareholders present.
- 20.1 The annual general meetings of the Company shall be held at such time and place in Malta as the Board of Directors shall determine.
- 20.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
21. Without prejudice to the provisions of Article 22 below, the Board of Directors may convene an extraordinary general meeting whenever they think fit.
- 22.1 The Board of Directors shall, on the requisition of any Shareholder in the Company holding at least ten per cent (10%) of the Shares conferring a right to attend and vote at

general meetings of the Company, convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board of Directors.

22.2 A general meeting of the Company shall be deemed not to have been duly convened unless at least twenty-one (21) days' notice has been given in writing to all those persons entitled to receive such notice in terms of these Articles, the Act or the applicable [Listing Capital Markets](#) Rules. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it was given and shall specify the information prescribed by law or applicable [Listing Capital Markets](#) Rules. Any notice of the meeting called to consider extraordinary business shall be supplemented by a clarification regarding the scope of any proposed resolution in respect of such extraordinary business.

22.3 The notice period referred to in Article 22.24 shall be reduced to fourteen (14) days provided the following conditions are satisfied:

22.3.1 the general meeting in respect of which notice is given is not an annual general meeting;

22.3.2 the Company decides to offer the facility to holders of listed Shares to vote by electronic means accessible to all holders of listed Shares;

22.3.3 a resolution reducing the period of notice to not less than fourteen (14) days has been duly passed by a majority of not less than two-thirds (2/3) of the shares having voting rights or the issued share capital represented at the meeting. Such resolution shall be valid until the following annual general meeting.

23.1 Notice of every general meeting shall be given to:

- a) every registered Shareholder, except Shareholders who (having no registered address in Malta) have not supplied the Company with an address for the giving of notices to them; and
- b) the Directors;
- c) the Company Secretary; and
- d) the auditor or auditors for the time being of the Company; and
- e) any other person as the Board of Directors may deem fit.

Any notice of a general meeting shall be made and given in accordance with the provisions of Article 77 and 78 hereof.

- 23.2 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Person entitled to receive notice, shall not invalidate the proceedings of a meeting.
- 23.3 Without prejudice to Article 23.4 below, any Shareholder holding not less than five per cent {5%} in nominal value of all the Shares entitled to vote at the general meeting may:
- 23.3.1 request the Company to include items on the agenda of a general meeting, provided that each item is accompanied by a justification or a draft resolution proposed to be adopted at the general meeting; and
- 23.3.2 table draft resolutions for items included in the agenda of a general meeting.
- 23.4 The request to include items on the agenda or the tabling of draft resolutions referred to in Article 23.3 above shall be submitted to the Company in hard copy or in an electronic form at least forty six {46} days before the date set for the general meeting to which it relates and shall be authenticated by the Shareholder or Shareholders making it. The Company shall not be obliged to entertain any requests by Shareholders received after the lapse of the forty six {46} day time limit set out above.
- 23.5 Where the right referred to in Article 23.3 and Article 23.4 requires a modification of the agenda for the general meeting that has already been communicated to the Shareholders, the Company shall make available a revised agenda in the same manner as the previous agenda in advance of the applicable Record Date, or if no such Record Date applies, sufficiently in advance of the date of the general meeting so as to enable other Shareholders to appoint a proxy or, where applicable to vote by correspondence.
24. All business shall be deemed special that is transacted at an extraordinary general meeting, and also that which is transacted at an annual general meeting with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and the auditors, the election of Directors, the appointment of auditors and the fixing of the remuneration of Directors and the auditors.
- 25.1 Without prejudice to the provisions of the Act and the [Listing-Capital Markets](#) Rules, the general meeting shall have exclusive scope of authority and competence in the following matters:
1. Approval and modification of the Memorandum and Articles of Association;
  2. Alteration of rights attaching to classes of Shares or the transformation of classes of shares;
  3. Decisions with respect of the transformation of the Company and its dissolution and liquidation as well as changing the operational form of the Company;
  4. Decision on the election and dismissal of the members of the Board of Directors, ~~audit committee members~~ and/or auditors of the Company;
  5. The approval of the annual accounting reports in accordance with the relevant rules and regulations and decision on distribution of profits after taxation (dividends);
  6. Decision to pay final dividends, provided that no such amount of final dividend shall exceed the amount recommended by the Directors;

7. Save for the increase in the issued share capital by the Board of Directors as permitted in terms of these Articles, any increase in the authorised or issued share capital of the Company;
  8. Decision on the submission of any application for the discontinuation of listing of any listed Shares or Debt Securities of the Company;
  9. Save for the conditional increase of capital through convertible loan or bond agreements within the competence of the Board of Directors, decision on issuance bonds or convertible loans with right of subscription;
  10. Decision on the reduction of the authorised or issued share capital of the Company;
  11. Decision on any other matter proposed by the Board of Directors to be voted at the general meeting.
- 25.2 No business shall be transacted at any general meeting unless a quorum of Shareholders is present, in person or by proxy, at the time when the meeting proceeds to business; save as herein otherwise provided Shareholders holding in the aggregate not less than fifty per cent plus one (50% + 1) of the nominal value of the issued Shares entitled to attend and vote at the meeting, shall constitute a quorum.
- 25.3 A Person shall be entitled to participate in and vote at a general meeting if such person is entered as a holder of Shares on the Register of Shareholders on the Record Date and any change to any entry on the said register after the Record Date shall be disregarded in determining the right of any Person to attend and vote at the meeting.
- 25.4 The Board of Directors may establish systems to:
- 25.4.1 allow persons entitled to attend and vote at general meetings of the Company to do so by proxy in accordance with the relevant provisions of the [Listing-Capital Markets](#) Rules; and
  - 25.4.2 may allow for votes on a resolution on a poll to be cast in advance, as per the regulation and procedure set by the Board of Directors for such cases.
- 25.5 Should the Directors establish any system referred to in Article 25.4, any references in these Articles to attendance and voting at a general meeting shall apply *mutatis mutandis* to attendance and voting by electronic means or to the casting of votes in advance, as may be applicable.
- 25.6 The Board of Directors may require proof and may establish systems aimed at confirming the identity and the rights of a person to attend and cast votes at general meetings, provided that such proof shall be proportionate to the achievement of the aforesaid objectives.
26. If within one hour from the time appointed for the commencement of the meeting, a quorum is not present, the meeting, howsoever called, shall, if duly convened, stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine provided that the first meeting was duly convened in accordance with the Memorandum and Articles of Association of the Company, the adjourned meeting is held at least ten (10) days after the final convocation is issued and that no new item is put on the agenda of such adjourned meeting. If at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, the Shareholder or Shareholders present

shall constitute a quorum.

- 27.1 The Chairman of the ~~B~~board of Directors shall preside as Chairman at every general meeting of the Company or, if there is no such Chairman, or if he shall not be present within twenty (20) minutes from the time appointed for the commencement of the meeting, or is unwilling to act, the Directors present shall elect one (1) of their number to be Chairman of the meeting.
- 27.2 At the commencement of any general meeting, whether annual or extraordinary, the Chairman may set the procedure which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the Shareholders.
- 27.3 Every Shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to items on the agenda of a general meeting and to have such questions answered by the Board of Directors or such persons as the Board of Directors may delegate for that purpose subject to any reasonable measures that the Company may take to ensure the identification of the Member. The Company may provide one overall answer to questions having the same content.
- 27.4 No answer is required to be given by the Company where:
- 27.4.1 to give an answer would interfere unduly with the preparation for the meeting, involve the disclosure of confidential information or cause prejudice to the business interests of the Company;
  - 27.4.2 the answer has already been given on the Company's website in the form of an answer to a question;
  - 27.4.3 it is not in the interests of good order of the meeting that the question be answered; or
  - 27.4.4 the Company is unable to provide an immediate reply, provided that such reply is subsequently posted on the website of the Company.

~~The Chairman of the Board of Directors shall preside as Chairman at every general meeting of the Company or, if there is no such Chairman, or if he shall not be present within thirty (30) minutes from the time appointed for the commencement of the meeting, or is unwilling to act, the Directors present shall elect one (1) of their number to be Chairman of the meeting.~~

28. If at any meeting no Director is willing to act as Chairman or if no Director is present within one (1) hour after the time appointed for the commencement of the meeting, the Company Secretary shall chair the meeting. In case none of the above are present, then ~~the members present shall choose one of their number to be Chairman of the meeting, the Shareholder present holding the largest percentage in nominal value of the Shares in the Company shall be Chairman of the meeting.~~
29. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unattended or unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjourned meeting or of the business to be

transacted at an adjourned meeting.

30. At any general meeting a resolution put to the vote shall be determined and decided by a show of hands, unless a poll is demanded before or on the declaration of the result of a show of hands by:
- a) the Chairman of the meeting; or
  - b) by at least five (5) Shareholders present in person or by proxy; or
  - c) any Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth (1/10) of the total voting power of all Shareholders having the right to vote at that meeting; or
  - d) a Shareholder or Shareholders present in person or by proxy holding Shares conferring a right to vote at the meeting, being Shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all the Shares conferring that right.

Unless a poll be so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, together with an entry to that effect in the minute book, shall be conclusive evidence of the fact without need for the proof of the number or proportion of the votes recorded in favour of or against such resolution.

PROVIDED that where a resolution requires a particular majority in value, the resolution shall not be deemed to have been passed on a show of hands by the required majority unless there be present at that meeting, whether in person or by proxy, a Shareholder or Shareholders holding in the aggregate at least the required majority as aforesaid, save for the cases excluded by the Articles.

The demand for a poll may be withdrawn.

- 31.1 Except as provided in Article 33 if a poll is duly demanded it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 31.2 Where a poll is taken at a general meeting and a request is made by a Shareholder for a full account of the poll, the Company shall publish the following information on its website by not later than fifteen (15) days after the day of the general meeting at which the voting result is obtained:
- 31.2.1 the date of the meeting;
  - 31.2.2 the text of the resolution or, as the case may be, a description of the subject matter of the poll;
  - 31.2.3 the number of Shares for which votes have been validly cast;
  - 31.2.4 the proportion of the Company's issued share capital at close of business on the day before the meeting represented by these votes;
  - 31.2.5 the total number of votes validly cast; and
  - 31.2.6 the number of votes cast in favour of and against each resolution and, if counted, the number of abstentions.

- 31.3 Where voting on a particular item or resolution is conducted by show of hands and a Shareholder requests a full account of the voting at a general meeting, it shall be sufficient for the Chairman of the Meeting to publish in the manner referred to in Article 31.2 a statement indicating:
- 31.3.1 the total number of Shareholders entitled to vote present at the meeting;
  - 31.3.2 that upon a show of hands at the meeting it appeared that the resolution had been either carried or rejected.
- 31.4 Where no Shareholder requests a full account of the voting at a general meeting, it shall be sufficient for the Chairman of the meeting to establish the voting results only to the extent necessary to ensure that the required majority is reached for each resolution.
32. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting shall not have a second or casting vote.
33. A poll demanded on the election of the Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. No notice need be given of a poll not taken immediately.
34. Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every Shareholder present in person or by proxy shall have one (1) vote, and on a poll every Shareholder present in person or by proxy shall have one (1) vote for each Share carrying voting rights of which he is the holder or for which he holds a valid proxy as the case may be.
35. No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
- 36.1 Every person entered into the Register of Shareholders shall, subject to the provisions of Article 36.4, be entitled to appoint one (1) person to act as proxy holder to attend and vote at a general meeting instead of him. The proxy holder shall enjoy the same rights to participate in the general meeting as those to which the Shareholder thus represented would be entitled.
- 36.2 A proxy shall be appointed by written notification submitted to the Company in accordance with Article 36.4 below.
- 36.3 A Shareholder shall be entitled to:
- 36.3.1 appoint a proxy by electronic means to an address specified by the Company;
  - 36.3.2 have the electronic notification of such appointment accepted by the Company; and
  - 36.3.3 have at least one effective method of notification of a proxy by electronic means offered to the Shareholder by the Company.



- 36.4 A hard copy of the instrument appointing a proxy including the proxy appointed by electronic means shall be deposited at or submitted to the Office of the Company or at any other one place in Malta as is specified for that purpose in the notice convening the meeting not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, at which the Person named in the instrument proposes to vote, or in the case of a poll, not less than forty eight (48) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 36.5. Article 36.1, Article 36.2, Article 36.3 and Article 36.4 shall likewise apply to the revocation of the appointment of a proxy.
- 36.5.1 The above proxy appointing procedures are subject to complying with the relevant rules and regulations issues by the Board of Directors.
- 36.6 Any person acting as a proxy holder may hold a proxy from more than one (1) Shareholder. Where a person whose details are entered into the Register of Shareholders is holding shares for and on behalf of third parties, such Shareholder shall be entitled to grant a proxy to each of his clients or to any third party designated by a client. The said Shareholder shall be entitled to cast votes attaching to some of the shares differently from the others. Accordingly, proxy forms shall be designed by the Company to allow such split voting, and when casting such votes the actual number of shares represented shall be accounted for, accordingly.
- 36.7 A proxy holder appointed in terms of Article 36.1 shall not transfer his proxy to another Person. Where, however, the proxy holder is a legal person, it may exercise the powers conferred upon it through a duly appointed corporate representative.
- 36.8 A proxy shall vote in accordance with any instructions given by the appointing Shareholder. There is no obligation on the Company to verify whether proxies vote or have voted in accordance with any such instructions and any vote is not invalidated where any such instructions were not followed.
37. A form of instrument of proxy shall be in such form as may be determined by the Board of Directors in accordance with the applicable [Listing Capital Markets](#) Rules. The proxy form shall be designed in a way which would allow a Shareholder appointing a proxy to indicate how he would like his proxy to vote in relation to each resolution.
- 38.1 The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 38.2 Where a Shareholder specifies in the proxy form how his proxy is to vote, the proxy form itself shall constitute the vote, provided that the appointed proxy attends the meeting of any adjournment thereof.
- 39.1 An extraordinary resolution shall be a resolution which complies with article 135 of the Act, namely a resolution which:
- (i) has been taken at a general meeting of which notice specifying the intention to propose the text of the resolution as an extraordinary resolution and the principal purpose thereof has been duly given; and

- (ii) has been passed by a Shareholder or Shareholders having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the Shares represented and entitled to vote at the meeting and at least fifty-one per cent (51%) in nominal value of all the Shares entitled to vote at the meeting:

Provided that, if one of the aforesaid majorities is obtained but not both, another meeting shall be convened within thirty (30) days in accordance with the provisions for the calling of meetings to take a fresh vote on the proposed resolution. At the second meeting the resolution may be passed by a Shareholder or Shareholders having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the Shares represented and entitled to vote at the meeting. However, if more than half in nominal value of all the Shares having the right to vote at the meeting is represented at that meeting, a simple majority in nominal value of such Shares so represented shall suffice.

- 39.2 Subject to the provisions of the Act, a resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Assent given by a scanned copy of the signed resolution, forwarded via email to the Company's official email address, individually by the Shareholders shall be sufficient for the purposes of this Article.

#### **Board of Directors**

- 40.1 The administration and management of the Company shall be conducted by the Board of Directors. The Board of Directors may, by way of resolution, delegate any of its executive functions relating to the Company to members of the Company's management.
- 41 All Directors of the Company shall be individuals.
- 42.1 At the first meeting of the Board of Directors following an annual general meeting, the Directors shall appoint any one (1) of the ~~executive~~ Directors to be Chairman of the Board of Directors. The Board of Directors may remove the Chairman of the Board at any time. In the event that the Chairman of the Board of Directors no longer occupies the post of Director, he / she shall also cease to occupy the post of Chairman of the Board.
- 42.2 The Board of Directors shall adopt its decisions by simple majority of the votes.
- 42.3 The Board of Directors may invite external experts and establish sub-committees for specific tasks or actions, if necessary, as it deems fit.
- 42.4 An election of Directors shall take place every year. All Directors shall retire from office each year, but shall be eligible for re-election or re-appointment.
- 42.5 Any one or more members of the Board of Directors may also occupy the position of Chief Executive Officer of the Company, and may also occupy the position of members of the board of directors of subsidiaries or affiliate companies of the Company ~~having the same or a similar activity~~.

## Nomination and Appointment of Directors

43. The Directors of the Company shall be appointed by the Shareholders in accordance with the provisions of these Articles. The procedure for the appointment of Directors shall be as follows.

44.1 The Company shall grant a period of at least 14 days to any one or more Shareholders holding in aggregate 10% or more of the Shares of the Company to nominate one candidate for appointment as a director of the Company for every 10% of Shares held in the Company. All such nominations, including the candidate's acceptance to be nominated as director, shall on pain of disqualification be made on the form to be prescribed by the Board of Directors from time to time, and shall reach the Office not later than 14 days after delivery of the said notice (the "**Submission Date**"):

PROVIDED THAT the Submission Date shall not be less than 14 days prior to the date of the meeting appointed for such election.

44.2 Nominations may be received by the Board of Directors of the Company by hand or by regular postal services. The Board of Directors of the Company may from time to time establish policies and rules to regulate the receipt, consideration and approval of nominations.

44.3 All nominations made in accordance with this Article 44 and approved by the Board of Directors or any relevant committee established for this purpose from time to time shall be put forward to the general meeting for a vote, at which all Shareholders shall be entitled to vote, as per the relevant provisions of these Articles.

44.4 In the event that the number of approved nominations made to Shareholders pursuant to Article 44.1 is equal to or less than the number of vacancies on the Board of Directors, no election shall take place and all the candidates approved by the Board of Directors shall take office as Directors.

44.5 Where the number of approved nominations is more than the number of vacancies remaining on the Board of Directors then an election shall take place in accordance with the provisions of Article 45 *et seq.*

45.1 Whenever in terms of these Articles an election is necessary amongst candidates nominated for appointment as Directors, such election shall be conducted in the manner prescribed by these Articles or in such manner as close as practicably possible thereto as the Board of Directors may consider equitable in the circumstances.

45.2 At the general meeting at which the election of Directors is to take place, the Chairman shall propose the name of each candidate proposed for election. The Shareholders shall take a separate vote for each candidate at the general meeting. The Shareholders shall first be asked to vote by a show of hands. A resolution shall be considered carried if it receives the assent of more than fifty per cent (50%) of the Shareholders present and voting at the meeting.

45.3. Upon all votes for the appointment of a Director being taken, in the event that the

number of approved candidates exceeds the number of vacancies, then in such case, a poll shall be taken and the candidates with the most votes shall be those appointed as [Directors](#) to full the full complement of the Board.

46. Any Director may be removed at any time at a general meeting pursuant to the provisions of article 140 of the Act.

47.1 Without prejudice to the provisions of the Act, the office of a Director shall *ipso facto* be vacated:

- a) if, by notice in writing to the Company, he resigns from the office of Director; or
- b) if he violates in a proven way the declaration of secrecy required of him under the Articles and the Board of Directors pass a resolution that he has so violated the declaration of secrecy; or
- c) if he is prohibited by or under any law from being a Director;
- d) if he is removed from office pursuant to the Articles or the Act.

47.2 A person shall also immediately no longer be qualified to act, or to continue to act, as a director, if he becomes of unsound mind, or is convicted of any crime punishable by imprisonment, or is declared bankrupt during his term of office.

Without prejudice to the *ipso facto* vacation of the office of a Director on the happening of the events referred to in Article 47.1 and 47.2, a resolution of the Board of Directors declaring such to have taken place, shall be evidence as to the fact and the grounds of vacation stated in the resolution.

48.1 Subject to the provisions of Article 44 and 45, any vacancy among the elected Directors may be filled by a decision of the Shareholders of the Company in general meeting by electing a person thereof from amongst previously approved candidates, according to the procedures and rules from time to ~~time~~ set by the Board of Directors.

48.2 Subject to the provisions of these Articles, any vacancy among the elected Directors filled as aforesaid, shall be valid until the conclusion of the next annual general meeting, wherein such person shall be eligible for re-election.

48.3 In the event that at any time and for any reason the number of Directors falls below the minimum number established by the Memorandum of Association of the Company, then, notwithstanding the provisions regulating the quorum for meetings of the Directors, the remaining Directors may continue to act notwithstanding any vacancy in their body, provided they shall, with all convenient speed, and under no circumstances later than three (3) months from the date upon which the number of Directors has fallen below the minimum, convene a general meeting for the ~~sole~~ purpose of [inter alia](#) appointing/electing the required Director/s.

49. The Board of Directors shall have the power to transact all business of whatever nature not expressly reserved by the Memorandum of Association of the Company or by the Articles to be exercised by the Company in general meeting or by any provision contained in any law from the time being in force.

The Board of Directors is exclusively competent in the following matters and shall not be

permitted to delegate its authority in respect of any of the following:

- a) Drawing its own bye-laws;
- b) Approval of the Company's regulations and operational structure, assigning and regulating the decision-making competencies with the parameters set in these Articles;
- c) Defining the main business objective of the Company and approval of the Company's business strategy;
- d) Approval of the Company's annual, mid- and long term business plans;
- e) Approval of the commencement of any new business activity;
- f) Submission of the business reports (parent company and aggregated financial reports) prepared in accordance with the applicable accounting standards and proposal to the general meeting for approval of the accounts and utilization of the profits (dividends);
- g) Appointment of the CEO and exercising the employee rights over the CEO;
- h) Performing the obligations of regular and extraordinary disclosures as imposed by law and the [Listing-Capital Markets](#) Rules;
- i) Commissioning a third person to keep the Due Diligence Register;
- j) Approval of Shareholders' access to company information, documents and files;
- k) Decision on the increase of the Company's share capital pursuant to the authorization provided by the shareholders at the general meeting and the rules of the Articles;
- l) Decision on acquisition or disposal of treasury shares (own shares) based on an authorization granted by the general meeting or provisions by the relevant laws. Decision on the approval of the interim reports, balance sheet and payment of interim dividends upon authorization granted in the Articles;
- m) Decision on the approval of the interim financial reports;
- n) Decision on the amendment of the name, company seat and business address, scope of activities (except the main activity) and related amendments to the Articles.

The Board of Directors has the residual power to carry out any business not expressly reserved to the general meeting.

- 50.1 Subject to the applicable provisions of the Articles, the Board of Directors may exercise all the powers of the Company to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue Shares and Debt Securities on such terms, in such manner and for such consideration as they think fit, whether outright or as security for any debt, liability or obligation of the Company or of any third party. Any such actions need to be in line with the decisions of the general meeting.

Provided that the Shareholders in general meeting may, from time to time, restrict and limit the aforesaid powers of the Board of Directors, in such manner as they may deem appropriate.

- 50.2 The Board of Directors shall exercise their powers subject to the Articles and the Act in force from time to time, and subject to such regulations, not inconsistent with the aforesaid, as may be prescribed by the Company in general meeting provided that no regulation made by the Company in general meeting shall invalidate any prior act of the Board of Directors which would have been valid if that regulation had not been made.
51. The maximum annual remuneration of the Directors in any one financial year, and any increase therein, shall be established pursuant to a resolution passed at a general meeting of the Company where notice of the proposed aggregate remuneration has been given in the notice convening the meeting.
52. The Directors may be reimbursed for any justified and necessary travelling, hotel and other expenses incurred by them in relation to attending Board of Directors meetings, or in connection with the business of the Company.

#### **Conflict of Interest of the Directors**

- 53.1 A Director who in any way, whether directly or indirectly, has an interest in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Company, shall declare the nature of his interest at a meeting of the Directors pursuant to the provisions of the Act.
- 53.2 A Director shall not vote at a meeting of Directors in respect of any contract or arrangement or any other proposal in which he has, either directly or indirectly, a personal material interest. For avoidance of doubt in case a Director is also a shareholder of the Company, matters related to such shareholding or arising from such shareholding are not subject to this paragraph.
- 53.3 The Board of Directors shall cause minutes to be kept in files provided for the purpose:
- a) of all appointments of officers made by the Board of Directors;
  - b) of the names of the Directors present at each meeting of the Directors and of any committee of Directors; and
  - c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.
- 53.4 Minutes of the Board of Directors meeting shall be kept by the minute keeper elected by the Board of Directors at the meeting. Minutes shall be signed by the Chairman, the minute keeper and one other board member, as a witness.

#### **Convening and Proceedings of Board of Directors' Meetings**

54. The Chairman may at any time summon a meeting of the Board of Directors.
55. The Board of Directors shall hold meetings at their own discretion. The Chairman of the

Board of Directors at his discretion shall determine the place, date, hour and agenda of each meeting. The Chairman may also call a Board of Directors meeting by electronic means and request discussion and voting by email, videoconference or teleconference.

56. The Chairman of the Board of Directors shall be obliged to convene and summon a Board of Directors meeting in reasonable time, if the meeting is requested in writing by the CEO, or by not less than two (2) Directors. The Chairman shall at his own discretion determine the place, date, hour and agenda of the meeting. Participants shall be invited at least eight (8) days prior to such planned meeting.
57. Meetings of the Board of Directors shall be chaired by the Chairman of the Board. In case the Chairman does not want or is unable to chair the meeting or is not present within thirty (30) minutes after the time appointed for a meeting of the Directors, the Board of Directors may elect another Director to be the chairman of the meeting.
58. A meeting of the Board of Directors shall be quorate if more than 50% of its members are present, in person or by video- or teleconference (or other modern digital solutions which might be in ordinary use at that moment in time) or a combination of all.
59. Questions arising at any meeting shall be decided by a simple majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.
60. In the event that the number of members present at the meeting in person or by way of video or telecommunication means does not allow for quorum, the Board of Directors shall be reconvened within seventy two 48-(72) hours.
61. Notice of every meeting of the Board of Directors shall be given to all Directors of the Company and, save as hereinafter provided, shall in no case be of less than eight days.
62. Notice of meetings of the Board of Directors to the Directors shall be sent primarily via email. Such notice period shall not be required if: (i) it is waived by a decision of all Directors entitled to receive notice of and vote at a meeting of the Directors; and (ii) a meeting is called by the Chairman as a matter of urgency, provided that the Chairman shall have noted the urgency of the meeting in the notice and the general nature of the urgent business to be discussed.
- 63.1 A Director may give his written consent to the waiver of notice by way of email to the Chairman of the Board.
- 63.2 A resolution in writing signed by all the Directors for the time being entitled to receive notice of and to attend and vote at a meeting of the Board of Directors shall be valid and effectual as if it had been passed at a meeting of the Board of Directors duly convened and held.
64. Any resolution as is mentioned in Article 63 may consist of several documents in the like form each signed by one (1) or more of the Directors, as defined and regulated in the bylaws of the Board of Directors. Based on the outcome of the vote, the Chairman of the Board declares the final decision of the Board of Directors.

#### **Chief Executive Officer**

- 65.1 Without prejudice to the provisions of Article 67.1, the Directors may from time to time

appoint one or more persons to hold the office of Chief Executive Officer (CEO) for such period and on such terms and conditions as they deem fit, and subject to any agreement entered into in any particular case, may revoke such appointment.

- 65.2 The Directors may entrust to and confer upon a CEO any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- 65.3 The CEO may have an employment relationship with the Company. The Board of Directors shall enter into the employment contract with the CEO on behalf of the Company. Such contract shall be executed by two Directors.
- 65.4 The CEO shall be responsible for the Company's operative management and direction in accordance with the Articles, the resolutions adopted by the general meeting and the Board of Directors.

#### **Attorneys of the Company**

66. The Board of Directors shall have the power to appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in them) and for such periods and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may deem fit.

#### **Advisory Bodies, Committees and Working Groups**

- 67.1 The Board of Directors may delegate any such powers, authorities and discretions to committees or working groups, composed of persons of their body or other persons appointed by them, to deal with any matter which the Board of Directors may deem fit.
- In appointing such committees and/or working groups the Board of Directors may give specific or general terms of reference as they deem fit to enable that committee or working group to attain the aims for which it has been duly constituted.
- 67.2 If any Director, being willing, shall be called upon to sit on any committee or working group of the Company or to perform other services related to the operations of the Company but which fall outside the scope of the ordinary duties of a Director, the Company may remunerate, as determined by the Board of Directors, such Director, in addition to or in substitution of his remuneration as Director. The Directors of the Company may hold such other office with the Company apart from the office of Director, and be remunerated therefore, as the Board of Directors may from time to time determine.

#### **Secretary of the Company**

68. Without prejudice to the provisions of the Act regulating the appointment and functions of the Secretary of the Company, the appointment or replacement of the Secretary and the conditions of holding office shall be determined by the Board of Directors. The



Secretary shall be responsible for keeping:

- the Due Diligence Register;
- the minute book of general meetings of the Company; the register of Debt Securities; and
- such other registers and records as the Secretary may be required to keep by decision of the Board of Directors or the Chairman.

The Secretary shall apply his best endeavours to:

- ensure that proper notices are given of all meetings; and
- ensure that all returns and other documents of the Company are prepared and delivered in accordance with the requirements of the Act.

### **Dividends & Reserves**

- 69.1 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board of Directors.
- 69.2 The Board of Directors may from time to time decide to pay to the Shareholders such interim dividends as appear to the Board of Directors to be justified by the profits of the Company.
- 69.3 No dividend shall be paid otherwise than out of the profits of the Company available for distribution.
70. Without prejudice to the relevant provisions of the Act, the Board of Directors may, prior to recommending any dividend, set aside out of the profits of the Company available for distribution any such sum as they think proper as a reserve or reserves which shall, at the discretion of the Board of Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board of Directors may from time to time think fit. The Board of Directors may also, without placing the same to reserve, carry forward any profits which they think prudent not to divide.
71. Dividends are only payable to Shareholders who are duly registered in the Due Diligence Register and fully comply with the information requirements set by the Board of Directors, regarding the Due Diligence Register, and any capital or other payables, contributions or dues have been fully paid up by such Shareholder; provided that any amount paid up in advance of calls on any Share may carry interest but will not entitle the holder of the Share to participate in respect of such amount in any dividend.
72. The Board of Directors may deduct from any dividend payable to any Shareholder all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the Company.
73. The Company shall pay any dividend or other moneys payable in respect of Shares by electronic wire transfer directly to a bank account, held or designated by the Person

entitled to receive such payment or to make such designation. Where Shares are held jointly by more than one Person, the first named joint Shareholder appearing on the Register of Shareholders shall be deemed to be the Person entitled to receive the payment and to, if applicable, designate a bank account for payment.

74. Where the Company is not duly notified in writing of a designated bank account for the payment of any dividend or other moneys payable in respect of Shares, it shall be entitled to retain any payment of any dividend or other moneys payable in respect of Shares until it is duly notified with a designated bank account where any such dividend or other moneys payable in respect of Shares are to be transferred. No interest applies on dividends or moneys payable under this paragraph.
- 75.1 In the case of Shares held by joint holders, payments discharged to any one (1) of such holders shall be considered an effective and valid receipt for all dividends or other moneys payable in respect of Shares and payments on account of dividends or other moneys payable in respect of Shares.
- 75.2 Every such payment shall be effected at the risk of the Person entitled to the dividend or other moneys payable in respect of Shares and shall be deemed a good discharge to the Company. The Company is not responsible for amounts lost or delayed in the course of making the payment as aforesaid.
76. No dividend other moneys payable in respect of Shares shall bear interest against the Company.

#### **Accounts**

- 77.1 The Board of Directors shall from time to time determine whether and to what extent, <sup>7</sup> time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors. No Shareholder (not being a Director) shall have any right of inspecting any account, or book or document except as conferred by law or authorised by the Board of Directors.
- 77.2 The Board of Directors shall cause a copy of the profit and loss account and balance sheet (including annexes thereto as required in terms of the Act) which are to be laid before the Company in general meeting, together with a copy of the Auditors' report and Directors' report {hereinafter all of the aforesaid to be collectively referred to as the "**Annual Accounts**") to be sent to every Shareholder of the Company and other Persons entitled to receive notices of general meetings, at least twenty one {21} days prior to the Annual General Meeting.

PROVIDED that, the Company shall not be required to send a printed copy of the Annual Accounts: (i) to those Shareholders of the Company who have been duly given notice of the general meeting at which the Annual Accounts are to be laid, where the Company has made available to such Shareholders an electronic copy of such Annual Accounts on its website or otherwise, and has notified such Shareholders accordingly; or (ii) to holders of debentures who are not entitled to receive notices of general meetings of the Company. Notwithstanding the aforesaid, the Company shall provide a printed copy of such Annual Accounts to any of its Shareholders if so requested in writing, unless applicable regulations permits otherwise.

## Notices

- 78.1 A notice may be given by the Company to any Shareholder by sending it by pre-paid mail to his last known address. Where a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying and mailing a letter containing the notice, and to have been effected at the expiration of twenty-four (24) hours after the letter containing the same is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
- 78.2 A notice may be given to the joint holders of Shares by giving the notice to the holder of such Shares first named in the Register of Shareholders.
- 78.3 Notwithstanding the provisions of Article 78.1 and Article 78.2, the Company may publish any notice required to be sent either on its website or on the website of the relevant Exchange, provided that after having sent a notice by mail at the address specified in 78.1 requesting the consent from the holder of listed Shares to the publication of the notices on such website, the holder of the listed Shares has given his consent to receive notice by such means (the "**Consenting Shareholder**"). From the date of receipt of such consent by the Company any notices required to be sent to the Consenting Shareholder may be sent by publishing the same on the said websites without the need of sending notices by pre-paid mail.
- 79.1 Any notice required to be or which may be given by advertisement needs to be advertised in not more than once in two (2) daily local newspapers, in English language.
- 79.2 If postal services in Malta shall be curtailed or suspended so that the Company is unable to give effective notice by post of a general meeting, notice may be given by advertisement as provided in the preceding paragraph and shall be deemed to have been given on the day of publication therein mentioned. In such event the Company shall as soon as practicable (and, if able to do so, prior to the date of the general meeting) send notice by post to all the Shareholders entitled to receive notice.
- 79.3 The signature to any notice be given by the Company may be written or printed.

## Secrecy

80. Without prejudice to the provisions of the Professional Secrecy Act, 1994, every Director, secretary, auditor and employee of the Company shall observe strict secrecy with regard to all dealings, transactions and other matters of a confidential nature of and concerning the Company and with regard to all transactions of the Company with its customers, the state of their accounts and matters relating thereto, except when required or authorised to disclose particulars thereof by the Board of Directors, the person to whom such matters relate, or by law and except in so far as may be necessary in order to comply with any of the provisions of these Articles; and every Director, secretary, auditor or employee shall sign a declaration to the above effect in such form as the Board of Directors may from time to time prescribe.

### **Winding-Up**

81. All holders of ordinary shares shall rank *pari passu* upon any distribution of assets in a winding up. If the Company is voluntarily wound-up, no commission or fees shall be paid to a liquidator unless it shall have been approved by shareholders. The amount of such payment shall be notified to all Shareholders at least seven (7) days prior to the meeting at which it is to be considered

### **Indemnity**

82. Every Director, employee or secretary, the CEO, and in general any officer of the Company, shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings related to the Company's business or affairs, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted.

### **General**

83. All the above Articles are subject to the overriding provisions of the Act and, in the event that any of the Company's Shares or Debt Securities are listed, the [Listing-Capital Markets Rules](#), except in so far as any provisions contained in any one of these laws permits otherwise; and the generality of any of the above provisions shall, in its interpretation, be restricted as is necessary to be read in conformity with any and all of the provisions of any of these laws.
84. In the event that any of the Company's Shares or Debt Securities are listed, no deletion, amendment or addition to any of the Articles shall have effect unless prior written approval has been sought and obtained from the [Listing Authority MFSA](#) for such deletion, amendment or addition.
85. The Company and these Articles are regulated by the Laws of Malta. Any legal disputes arising out of these Articles or related to its interpretation shall be under the exclusive jurisdiction of the Courts of Malta.