

MEMORANDUM & ARTICLES OF ASSOCIATION  
of  
CENTRAL BUSINESS CENTRES P.L.C.

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**CENTRAL BUSINESS CENTRES P.L.C.**

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**1. NAME**

The name of the Company is **CENTRAL BUSINESS CENTRES P.L.C.**

**2. STATUS**

The Company is a public limited liability company and the provisions of the Companies Act, Cap. 386 shall be applicable accordingly.

**3. REGISTERED OFFICE AND ELECTRONIC MAIL ADDRESS**

The registered office of the Company shall be at **Cortis Group, Cortis Buildings, Mdina Road, Zebbug ZBG 4211, Malta** or at any other address in Malta which may be determined from time to time by the Board of Directors.

The email address for the Company is: [info@centralbusinesscentres.com](mailto:info@centralbusinesscentres.com)

**4. TERM**

The Company is established for an indefinite period.

**5. OBJECTS**

The objects of the Company are:

- a) To carry on the business of property that includes, but is not limited to, the acquisition, development, sale, letting, dealing and project management, in the residential, office/business, retail, tourism, leisure/recreational and any other sector identified as beneficial to and in the best interests of the Company;
- b) to carry on the business of a finance and investment company and in particular but without prejudice to the generality of the foregoing the financing or re-financing of the funding requirements of the business of its subsidiaries and/or associated companies;
- c) to acquire and hold, buy and/or sell equity securities, membership interests, rights, stocks, bonds, debentures or securities of or in any company, partnership or body of persons (whether such equity securities, interests or other securities be fully paid or not) where the so doing may seem desirable in the interests of the Company, and in such manner as may from time to time be determined, solely in the name of, for and on behalf of the Company;
- d) to promote any other company or companies for the purpose of its or their acquiring all or any property and rights and undertaking any business of this Company and to pay all the expenses of and incidental to such promotion;

- e) to carry on any other trade or business whatsoever which can be advantageously carried on by the Company in conjunction with or ancillary to any of the above business of the Company; and
- f) to do all other things which are incidental or conducive to the attainment of the above objects or of any of them.

In attaining its objects, the Company shall have the following powers:-

- a) to issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public;
- b) to appoint agents of the Company in any part of the world;
- c) to enter into partnerships, conduct any joint venture, or enter into any arrangement for sharing profits, enter into any union of interests, reciprocal concession, or co-operation with any person or company carrying on, or engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in, and to take, or otherwise acquire, and hold, Equity Securities or stock in, or securities of, any such company, and to subsidise or otherwise assist any such person or company;
- d) to amalgamate with any other company whose objects are similar to those of this Company, whether by sale or purchase (for fully or partly paid up Equity Securities or otherwise) of the undertaking, subject to the liabilities, of this or any such other company as aforesaid, with or without winding up, or by sale or purchase (for fully or partly paid Equity Securities or otherwise) of all of, or a controlling interest in, the Equity Securities or stock of this or any such other company as aforesaid, or by partnership, or by any arrangement of the nature of partnership, or in any other manner;
- e) to employ any number of workers for the purposes for which the Company is established and to remunerate any person, firm or company rendering services to this Company, whether by cash payment or by the allotment to him or them of Equity Securities or securities of the Company, credited as paid up in full or in part or otherwise;
- f) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments;
- g) to guarantee the payment of moneys whether due by the Company or by any third party, or to guarantee the performance of any contract or obligation which the Company or any subsidiary of the Company or any associated company of the Company may be interested, even by hypothecation of the Company's property present and future;
- h) to purchase, take on lease, exchange, lease or acquire movable or immovable property by any title including emphyteusis and sub-emphyteusis for the purposes of its business, and to sell, lease or otherwise dispose of the whole or any part of the property, assets or undertaking of the Company;
- i) to acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on, or proposing to carry on, any of the businesses which this Company is authorised to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest, amalgamate with, or enter into any arrangement for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance, with any such person, firm or company, and to give or accept, as consideration for any of the aforesaid acts or

things or property acquired, any Equity Securities, debentures, debenture stock or securities that may be agreed on, and to hold and retain, or sell, mortgage and deal with, any Equity Securities, debentures, debenture stock or securities so received;

- j) to lend and advance money, or give credit to such persons, on such terms as the Company's directors may consider expedient to the Company, only where necessary and in relation to the business of the Company; and
- k) 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.

Nothing in the foregoing shall be construed as empowering or enabling the company to carry out any activity or service which requires a notification, licence or other authorisation under any law in force in Malta without such notification, 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.

## 6. CAPITAL

### Authorized

The Authorized Share Capital of the Company is five hundred thousand Euro (€500,000) divided into five hundred thousand (500,000) Ordinary shares of one Euro (€1.00) each.

### Issued

The Issued Share Capital of the Company is two hundred fifty thousand Euro (€250,000) divided into two hundred fifty thousand (250,000) Ordinary shares of one Euro (€1.00) each, each subscribed to and 100% paid up as stipulated hereunder:

Subscriber	Number of Ordinary Shares
CLAUDIA BORG ID no.: 28575M Address: NO. 183, ARTEMIS, TRIQ TUMAS CHETCUTI, ATTARD Malta	20,833 Ordinary Shares
ADRIANA CUTAJAR ID no.: 18686M Address: 'CLAVERDON COURT', BLOCK E PENTHOUSE 9, TRIQ IL- KAMPANELLA, ATTARD Malta	20,833 Ordinary Shares
ALEXIA CAMILLERI CORTIS ID no.: 26983M Address: NO. 1A DAHLET IL-GIBJUN, NAXXAR Malta	20,833 Ordinary Shares
PETRA MAY ATTARD CORTIS ID no.: 290085M Address: 28, GENESIS, TRIQ IN-NEWL, ZABBAR Malta	13,890 Ordinary Shares
EMAN CORTIS ID no.: 68891M	13,890 Ordinary Shares

Address: NO. 52, EVERGREEN, TRIQ IL-KOSBOR, ZEBBUG Malta	
ERIC CORTIS ID no.: 114276M Address: AMBER, TRIQ GUZE ABELA, ZEBBUG Malta	10,416 Ordinary Shares
ANGELICA VELLA ID no.: 125082M Address: NO. 79, WOODCOCK, TRIQ SERAFIN TANTI, ZEBBUG Malta	10,416 Ordinary Shares
NATALIE BORG CORTIS ID no.: 536371M Address: 20, TRIQ IL-KARMNU, SQAQ NRU.1, LUQA Malta	10,417 Ordinary Shares
MARIA ANNA BONELLO ID no.: 300387M Address: OLD TRAFFORD, TRIQ EWGENJU BORG, ZEBBUG Malta	10,416 Ordinary Shares
DANIELA CORTIS MICALLEF ID no.: 600681M Address: VENERE, TRIQ MIKIELANG SAPIANO ZEBBUG Malta	10,417 Ordinary Shares
JOELLE CORTIS ID no.: 164187M Address: NO. 138, CHERRY BLOSSOM, TRIQ IL-WIED, IKLIN Malta	13,890 Ordinary Shares
CRYSTIELLE FARRUGIA CORTIS ID no.: 137286M Address: NO. 19, HARRUBA, TRIQ VILHENA, ZEBBUG Malta	20,833 Ordinary Shares
TIZIANA CORTIS ID no.: 287189M Address: SOLIEL, FL 2, TRIQ IL FERROVIJA, SANTA VENERA, Malta	20,833 Ordinary Shares
ALESSANDRO CORTIS ID no.: Address: MEDEA, TRIQ SANTA MARIJA, ZEBBUG Malta	10,416 Ordinary Shares
MARVIC CORTIS ID no.: 189291M Address: DESSERT ROSE, DUN BARTHOLOMEW ATTARD STREET, ZEBBUG Malta	10,417 Ordinary Shares
OLIVIA CAMILLERI CORTIS ID no.: 402875M Address: 29, IL-SOGNO, TRIQ IR-RADDIENA, ZEBBUG Malta	10,417 Ordinary Shares
JEANELLE BONELLO CORTIS ID no.: 571589M Address: NO. 54, AVRILEA, TRIQ DUN GWANN THEUMA, ATTARD Malta	20,833 Ordinary Shares

**Total**

**250,000 Ordinary Shares**

All the Ordinary Shares in the Company shall rank *pari passu* in all respects. Each Ordinary Share shall be entitled to one (1) vote at General Meetings. In respect of shares held subject to usufruct, the names of the bare owner and the usufructuary shall be entered in the Register. The usufructuary shall for all intents and purposes be deemed vis-a-vis the Company to be the registered holder of the shares so held and shall be entitled to all the rights and advantages conferred by membership of the Company, including the right to receive dividends, to attend and vote at Meetings of the Company and the right to appoint and remove directors but shall not have the right to dispose of the shares so held without the consent of the bare owner.

The Company is authorized to acquire other than by subscription any of its fully paid-up shares, subject to all relevant provisions under the Act.

All the Ordinary Shares in the Company are subject to the usufruct of the following usufructuaries:

Anthony Cortis  
Maltese Identity Card No. 298048M  
Franton  
Triq Mikielang Sapiano  
Zebbug, Malta

Francis Cortis  
Maltese Identity Card No. 436449M  
'Aphrodite', Triq Santa Marija, Zebbug,  
Malta

Philip Cortis  
Maltese Identity Card No. 140151M  
"Medea"  
Triq Santa Marija Zebbug  
Malta

Joseph Cortis  
Maltese Identity Card No. 712056M  
No 52, Evergreen  
Triq il-Kosbor, Zebbug, Malta

Raymond Cortis  
Maltese Identity Card No 88858M  
Adromeda  
Triq Valletta Attard, Malta

Paul Cortis  
Maltese Identity Card No 611359M  
Elcortia,  
Triq il-Kosbor Zebbug Malta

## 7. LIABILITY

The members' liability is limited to the amount, if any, unpaid on the shares respectively held by each of them.

## 8. BOARD OF DIRECTORS

The affairs of the Company shall be managed by a Board of Directors composed of at least three (3) Directors and shall not exceed seven (7) Directors.

The directors of the company are:

**JOSEPH CORTIS**

ID No.: 712056M  
52, EVERGREEN TRIQ IL- KOSBOR  
ZEBBUG ZBG 1741 Malta

**JOSEPH MARY FORMOSA**

ID No.: 362849M  
27, PANORAMA, BATTERY STREET,  
SANTA VENERA SVR1430 Malta

**BARBARA HELGA ELLUL**

ID No.: 492113L  
11, PENTHOUSE PRIMROSE  
TRIQ IR- RAHEB KURRADU NAXXAR Malta

**PETRA MAY ATTARD CORTIS**

ID No.: 290085M  
28, GENESIS,  
TRIQ IN-NEWL, ZABBAR Malta

**ADRIANA CUTAJAR**

ID No.: 18686M  
'CLAVERDON COURT', BLOCK E PENTHOUSE 9,  
TRIQ IL- KAMPANELLA, ATTARD Malta

**CRYSTIELLE FARRUGIA CORTIS**

ID No.: 137286M  
NO. 19, HARRUBA,  
TRIQ VILHENA, ZEBBUG Malta

The Directors shall appoint one of their number to be the Chairperson of the Company who, notwithstanding anything contained in this Memorandum and Articles of Association, shall be the Chairperson of the Company.

The present Chairperson of the Company is.

**Joseph Cortis**

Maltese Identity Card No 712056M  
52, Evergreen  
Triq Il-Kosbor Zebbug, Malta

## 9. LEGAL AND JUDICIAL REPRESENTATION

- 9.1 The legal representation of the Company is vested in the Chairperson of the Company.
- 9.2 The judicial representation of the Company is vested in the Chairperson of the Company, provided that no proceedings may be instituted by the Company without the prior sanction of the Board of Directors nothing herein contained shall prevent the Board of Directors from ratifying any judicial action taken in anticipation of its approval.
- 9.3 Notwithstanding the provisions of clauses 9.1 and 9.2 above and in addition thereto, the 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 judicial and/or legal 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 such attorney as the Directors may deem fit, and may also authorise any such attorney to delegate all or any of his powers, authorities and discretions vested in him.

## 10. COMPANY SECRETARY

The Company Secretary is

**Katia Cachia**

Maltese ID Card Number 246889M

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Sqaq Sampusa

Birkirkara

Malta

[SIGNATURE PAGE TO FOLLOW]

CERTIFIED TRUE COPY



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Katia Cachia  
Company Secretary

ARTICLES OF ASSOCIATION  
OF  
CENTRAL BUSINESS CENTRES P.L.C.

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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:
- (a) "**Act**" and the "**CA**" mean the Companies Act, Cap. 386 of the Laws of Malta.
  - (b) "**Articles**" means the Company's Articles of Association as currently applicable or as may from time to time be in force.
  - (c) "**Capital Markets Rules**" means the capital markets rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time.
  - (d) "**Company**" means this company; and the "**Company**" includes any commercial partnership.
  - (e) "**Debt Securities**" means debentures, including debenture stock, loan stock, bonds and other instruments creating or otherwise acknowledging indebtedness of the Company, but excluding such instruments that are issued as debt securities but that afford the holder thereof an option or right to convert such instruments into share capital of the Company.
  - (f) "**Directors**" means the Directors of the Company.
  - (g) "**Equity Securities**" or "**Share/s**" means shares in the Company of whatever class and other securities of the Company affording the holder thereof a right to subscribe for, or to convert the securities into, shares in the Company.
  - (h) "**Exchange**" means the Malta Stock Exchange as established by Chapter 345 of the Laws of Malta.
  - (i) "**Financial Markets Act**" means the Financial Markets Act, Cap. 345 of the Laws of Malta.
  - (j) "**Malta**" has the same meaning as assigned to it by Section 124 of the Constitution of Malta.
  - (k) "**Member**" means a shareholder in the Company, and excludes preference shareholders and debt security holders, if any.
  - (l) "**MFSA**" means the Malta Financial Services Authority established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta) in its capacity as the competent authority in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA.

- (m) "**Office**" means the registered office of the Company.
- (n) "**Official List**" means the list prepared and published by the Exchange as its official list in accordance with the MSE Bye-Laws.
- (o) "**Person**" shall have the meaning assigned to it by the Interpretation Act, Cap. 249 of the Laws of Malta.
- (p) "**Record date**" means the day falling thirty (30) days immediately preceding the date set for the general meeting to which it relates.
- (q) "**Subsidiary Company**" means a company which is a subsidiary of the Company within the meaning of the CA.

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

### SHARE CAPITAL AND RIGHTS

- 3.1. Without prejudice to any special rights previously conferred on the holders of any of the existing shares or class thereof, any shares in the Company may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors may from time to time determine, as hereinafter provided, as long as any such issue of Shares falls within the authorised share capital of the Company.
- 3.2. Subject to the provisions of the Act and any relevant resolution of the Company, all Shares from time to time unissued shall be at the disposal of the 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.
- 3.3. The Directors may, if they deem fit, cause any of the Shares or Debt Securities of the Company, irrespective of the class, whether issued or to be issued pursuant to these Articles, to be quoted and listed on the Exchange.
- 3.4. Subject to the provisions of the Act any preference shares may, with the sanction of an ordinary resolution, 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.
- 3.5. The rights attached to any class of Equity Securities as is currently in existence, or other classes of Equity Securities that may be created in the future, may (unless otherwise provided by the terms of issue of those Equity Securities), whether or not the Company is being wound up, be varied with the consent of the shareholders in general meeting and with the consent in writing of the holders of three-fourths of the issued Shares of that class and any other class affected thereby, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Equity Securities of that class and any other class affected thereby. To every such separate general meeting the provisions of the Articles relating to general meetings shall apply.
- 3.6. Unless otherwise provided in the terms and conditions of issue thereof, all securities in the Company shall be freely transferable.

- 3.7. The Company may exercise the power of paying commissions or of making discounts or allowances provided it complies with the requirements of the Act. Such commissions may be satisfied by the payment of cash or the allotment of Shares, whether partly or fully paid up, or a combination of both.
- 3.8. In respect of a share held jointly by several persons the joint holders may nominate one of them as their representative and his name will be entered in the register of members. Such person shall for all intents and purposes be deemed, vis-a-vis the Company, to be the registered holder of the shares so held. In the absence of such nomination, and until such nomination is made the person first named on the register in respect of such shares shall for all intents and purposes be deemed to be the registered holder of the same.
- 3.9. In respect of a Debt Security held jointly by several persons the joint holders may nominate one of them as their representative and his name will be entered in the register of Debt Securities. Such person shall for all intents and purposes be deemed, vis-a-vis the Company, to be the registered holder of the Debt Security so held. In the absence of such nomination, and until such nomination is made the person first named on the register in respect of such Debt Security shall for all intents and purposes be deemed to be the registered holder of the same.
- 3.10. Subject to the provisions of this Article and unless the Members in General Meeting approve otherwise by means of an ordinary resolution, on a fresh issue of Equity Securities of each class, such shares shall be offered in the first place to the members holding Shares of that class, as closely as possible in the same proportion as the number of shares of that class already held by them respectively. The offer shall be made by notice in writing specifying the number of Equity Securities offered and their value and stating a time, being not less than twenty-eight (28) days within which the offer, if not accepted, shall be deemed to have been declined.
- 3.11. Any Equity Securities not taken up by a Member to whom they were initially offered shall then be offered as aforesaid to the other Members of that class who shall have taken up their whole offer and, if the request for Equity Securities from such other Members shall exceed the number of Equity Securities on offer and not taken up, they shall be allotted as closely as possible in proportion to the number of Equity Securities held by them respectively prior to the said fresh issue of Equity Securities. Any remaining Equity Securities shall then be offered as aforesaid to the Members of the other class of Equity Securities as closely as possible in proportion to the number of Shares held by them respectively. If the request for Equity Securities from such Members shall exceed the number of Shares on offer and not taken up, they shall be allotted as closely as possible in proportion to the number of Equity Securities held by them respectively prior to the said fresh issue of Equity Securities. Any remaining Equity Securities may then be deleted or bought by the company.
- 3.12. Whenever there are preference shares in Issue, the holders thereof shall have the same rights as Members in receiving notices, reports, financial statements and in attending General Meetings.
- 3.13. Without prejudice to any rights that may be granted to persons holding preference shares in the relative terms of issue, such persons shall not, as holders of preference shares, have the right to attend and vote at General Meetings except on a resolution:
  - (a) for the purpose of reducing the capital of the Company; or
  - (b) for the purpose of winding up of the Company; or

- (c) for the purpose of any proposal submitted to the meeting which directly affects their rights and privileges; or
  - (d) for the purpose of effecting the dividend on preference shares when the dividend on their shares is in arrears for more than six (6) months.
- 3.14. Unless otherwise provided in the terms of issue of preference shares, on any resolution where, in terms of the provisions of Article 3.13 preference shareholders are entitled to vote, each preference share shall entitle its holder to one vote.
- 3.15. The Company may, subject to such restrictions, limitations and conditions contained in the Act, acquire its own Shares.
- 3.16. The Company is authorised to acquire its own shares in accordance with Sections 106 and 107 of the Act.
- 3.17. The Company shall not issue Equity Securities in such a way that would dilute a substantial interest without prior approval of the shareholders in general meeting.
- 3.18. No Director shall be eligible to participate in the issue or allotment of Equity Securities offered to the employees of the Company without prior approval of the shareholders in general meeting.
- 3.19. The Company shall ensure that all facilities and information necessary for holders of securities admitted to listing to exercise the rights are available in Malta, while preserving data integrity and authenticity; where it is set up or registered in any other recognized jurisdiction, it shall ensure that an equivalent regime shall apply allowing for holders of admitted securities to exercise their rights.

## **CERTIFICATES**

- 4.1. For listed Debt Securities or listed Equity Securities of the Company, the holder thereof shall be entitled to receive from the Central Securities Depository of the Exchange a document evidencing his registration as a Member or the holder of Debt Securities of the Company in the number of Equity Securities or Debt Securities held, or such other evidence as may from time to time be prescribed by or under any applicable rules or regulations.

## **CALLS ON EQUITY SECURITIES**

- 5.1. The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their Equity Securities and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time/s and place for payment) pay to the Company at such time/s and place so specified, the amount called on his Equity Securities. A call may be made payable by instalments.
- 5.2. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be required to be paid by instalments.
- 5.3. The joint holders of Equity Securities shall be jointly and severally liable for the payment of calls thereon.

- 5.4. If a sum called in respect of an Equity Security is not paid before or on the date appointed for the payment thereof, the person from whom the sum called is still due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding the maximum rate allowed by law, as the Directors may from time to time determine. The Directors shall however be at liberty to waive, whether in whole or in part, the payment of such interest.
- 5.5. Any sum which by the terms of issue of Equity Security becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Equity Securities or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment, all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 5.6. The Directors may not differentiate between the holders of Equity Security of a class in respect of which a call or calls are, or are to be, made as to the amount of calls to be paid and the times of payment.
- 5.7. The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any Equity Securities held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such annual rate, not exceeding the maximum rate allowed by law, as may be agreed upon between the Directors and the Member paying such sum in advance.
- 5.8. The entitlement to receive any dividend and/or the right to exercise any privilege as a Member including the right to vote at general meetings, shall be suspended until the said Member shall have paid all calls for the time being due and payable on every Equity Security held by him, together with interests and expenses, if any.

#### **TRANSFER AND TRANSMISSION OF SHARES/EQUITY SECURITIES**

- 6.1 Notwithstanding the provisions hereinafter, any listed Equity Securities and listed Debt Securities shall be freely transferable but shall be subject to the rules and regulations of the relevant Exchange from time to time.
- 6.2 An Equity Security other than listed Equity Security may be transferred by an instrument in writing and by following the procedure set out in articles 6.1-6.9 hereof. The instrument of transfer of any such Equity Security 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 Equity Security until the name of the transferee is entered in the register of Members in respect thereof. In no case may a part of an Equity Security constitute the object of a transfer.
- 6.3 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.
- 6.4 Subject to that stated in Article 6.5 hereof, if any Member (hereinafter referred to as the "Transferring Member") wishes to transfer his Equity Securities or any of them, he shall inform the Directors by a notice in writing (hereinafter referred to as the "Transfer Notice") specifying the number of Equity Securities to be transferred;

The Transferring Member may, in giving the Transfer Notice, indicate that he is only prepared to sell the Equity Securities mentioned in the Transfer Notice on condition that the buyer shall simultaneously with the conclusion of the transfer, release the Transferring Member or cause him to be released, from all or any obligations and/or guarantees and/or securities which the Transferring Member may have entered into or made in any way in the interest of the Company, in particular, but without prejudice to the generality of the foregoing, in connection with the financing of the Company where the Company is the principal debtor and the Transferring Member a surety in respect thereof. In the event that such condition is imposed by the Member desiring to sell his Equity Securities, the

Transfer Notice shall detail the same and shall indicate that the Members entitled to pre-emption rights in respect of the Equity Securities therein mentioned will need to assume the obligations and/or guarantees and/or securities contemporaneously with the transfer, and if they fail so to do their pre-emption rights in respect of such offer shall be deemed to have lapsed.

The Transferring Member shall not be entitled to revoke a Transfer Notice without the consent in writing of the Directors.

6.5 The receipt by the Directors of a Transfer Notice shall constitute an authority to them to offer for sale the Equity Securities specified therein at a fair valuation to be ascertained, as outlined in paragraph (a) below, to the persons mentioned in paragraph (b) below and with the possibility of staggering the payment for the transfer of the Equity Securities as outlined in paragraph (c) below:

(a) The auditors of the Company shall base the valuation of the Equity Securities on the end of audited accounts and on the interim unaudited accounts, as applicable, and 70% of the value so determined shall be deemed to constitute a fair valuation and shall be binding and final and not subject to appeal.

(b) Unless the proposed transfer of Equity Securities is approved in writing by all the Members of the Company, Equity Securities may only be transferred to the persons specified below:

(i) To the Transferring Member's brothers and/or sisters;

(ii) To the descendants in the direct line of the first subscribers to the issued share capital of the Company at the time of its incorporation;

(iii) To any other Member of the Company;

(iv) If within three (3) months of receipt of the Transfer Notice, the Board of Directors is unable to find the purchasers for all of the Equity Securities amongst the persons in the manner established in this Article, the Board shall notify the Company and the Company shall acquire the said Equity Securities and is hereby authorised to acquire the Equity Securities in terms of the Companies Act.

(c) where the transfer of Equity Securities is made in accordance with article 6.5 (b)(iv), the payment for the Transfer of the Equity Securities may, at the option of the Company, be staggered with equal monthly payments over a period of not less than ten (10) years from the date of the Transfer.

6.6 When a fair value of the Equity Securities and subject to the conditions as may have been imposed by the Transferring Member has been determined the Directors shall, within thirty (30) days from receipt of the Transfer Notice, by notice in writing inform the Transferring Member and shall cause a notice to be sent to every other Member holding Equity

Securities in the Company of the same category as those included in the Transfer Notice, stating the number and the fair value and subject to the condition as may have been imposed by the Transferring Member, inviting them to state, in writing within thirty (30) days, what number of Equity Securities, if any, they are willing to purchase.

- 6.7 On the expiration of the thirty (30) days referred to in article 6.6, the Board of Directors shall allocate the said Equity Securities to Members willing to purchase, provided that if the Member desiring to sell shall have imposed the conditions mentioned in clause 19.1 hereof, the Directors shall only allocate Equity Securities to those Members who shall have complied in full with such conditions within the aforesaid thirty days; and provided further that in the event that a Member or Members shall have indicated a willingness to acquire Equity Securities but shall fail to comply with the said condition, such Member or Members shall, upon the lapse of the aforesaid thirty days, be deemed to have waived their pre-emption rights in respect of such offer. If the requests for Equity Securities exceed the number for sale, the Directors shall apportion the Equity Securities to the Members who hold Equity Securities in the class of Equity Securities being sold in proportion to the purchasing Member's existing Equity Securities of the same class. Where no Members within the same class are willing to purchase then the Directors shall allocate the said Equity Securities amongst Members holding other classes of Equity Securities in proportion to the purchasing Members' existing holding of Equity Securities in other classes.
- 6.8 The Transferring Member shall complete and execute transfer instruments of the said Equity Securities in accordance with the allocation by the Directors and shall surrender to the Company any certificates issued with respect to the Equity Securities.
- 6.9 Equity Securities which are not listed are not freely transmitted "causa mortis", whether by will or by operation of law, except to the following persons:
- (a) In favour of any other Member;
  - (b) In favour of the brothers and/or sisters of the deceased;
  - (c) In favour of any descendant or ascendant in the direct line of the deceased Member;
  - (d) Where the deceased is a spouse of a Member, and the Equity Securities formed part of the Community of Acquests between the spouses, in favour of any descendant in the direct line of the Member whose spouse has died.
- In the case of the death of a Member, where his Equity Securities devolve upon his successors by will or by operation of law as the case may be, nothing herein contained shall release the person or persons to whom the Equity Securities shall devolve from any liability in respect of any Equity Security held by him or them or to which he or they are entitled.
- 6.10 Where the Equity Securities are subject to usufruct the provisions of article 6.9 shall only apply if both Usufructuary and Bare Owner are beneficiaries from the relative transmission with the terms of the said article.
- 6.11 Where Equity Securities, which can be freely transmitted in terms of this article 6.11 are subject to usufruct the right to attend and vote at General Meetings and the right to receive notice for meetings shall vest only in the Usufructuary.
- 6.12 Transmissions of Equity Securities "causa mortis" not falling under articles 6.9 to 6.11 shall be regulated, mutatis mutandis, in the manner set out in articles 6.1 to 6.8 hereof as if the Equity Securities, which cannot be freely transmitted, were Equity Securities which cannot be freely transferred.

Where the transmission of Equity Securities results in a Transfer as outlined in the immediately preceding paragraph hereof, payment for the Transfer of the Equity Securities may, at the option of the Transferee, be staggered with equal monthly payments over a period of not less than ten (10) years from the date of the Transfer.

- 6.13 Any person becoming entitled to a listed Equity Security in consequence of the death of a Member shall, upon producing such evidence of his entitlement as the Exchange may from time to time require, have the right to be registered himself as the holder of the Equity Security.
- 6.14 Any person becoming entitled to an Equity Security other than a listed Equity Security in consequence of the death of a Member 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 Equity Security or to make such transfer thereof as the deceased Member would himself have been entitled to make.
- 6.15 In the case of Equity Securities other than listed Equity Securities, if a person becoming so entitled shall elect to be registered as a Member, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall evidence his election by executing to that person a transfer of the Equity Securities. All the provisions relating to the transfer of Equity Securities in the Articles shall be applicable to such transfer. PROVIDED that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Equity Securities, and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payments of all dividends, bonuses or other moneys payable in respect of the Equity Securities until the requirements of the notice have been complied with.
- 6.16 Any person becoming / is entitled to an Equity Security by way of inheritance or any other way, who is a minor and who do not have a direct descendant to manage on his behalf, the Equity Security shall pass on to the Board of Directors until the person comes of age, eighteen.
- 6.17 Any person becoming / is entitled to an Equity Security by way of inheritance or any other way, who is incapable of managing the Equity Security to benefit the company and who do not have a direct descendant to manage on his behalf, the Equity Security shall pass on to the Board of Directors to manage on his behalf.
- 6.18 Subject to the provisions of articles 6.9 to 6.11 and to the proviso to article 6.15, a person becoming entitled to an Equity Security 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 Equity Security, except that he shall not before being registered as a Member in respect of the Equity Security be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

#### **FORFEITURE OF SHARES**

- 7.1. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any call or part thereof remains unpaid, require payment of so much of the call or instalment as is unpaid, together with any interests which may have accrued, by means of a notice which shall also name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before, the time appointed, the Shares in respect of which the call was made will be liable to forfeiture.

- 7.2. If the requirements of such notice as aforesaid are not complied with, any Equity Security in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. The Member shall however retain the right to all dividends declared before the call was made and which have not been paid, as well as the right to dividends declared after the call but before the date of forfeiture in which latter case however, his right shall only extend proportionately up to the amount actually paid by him. This shall be without prejudice to any subtraction, from such dividend/s due to him, of all sums of money payable by him to the Company on account of calls or otherwise in relation to Shares of the Company as provided in the Articles.
- 7.3. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and the Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer in favour of the person to whom the Share is sold or disposed of who shall thereupon be registered as a holder of the Share. At any time before a sale or disposal, the forfeiture may be cancelled on such terms as the Directors may deem fit.

Provided that while forfeited Shares remain with, or under the control of, the Company they shall be subject to the provisions of section 109 of the Act.

- 7.4. A person who shall have forfeited Shares shall cease to be a Member in respect of the forfeited Equity Securities, but shall, notwithstanding, remain liable to pay to the Company all the moneys which, at the date of the forfeiture were due and payable by him to the Company in respect of the Shares. His liability shall however cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.

#### **CONVERSION OF SHARES INTO STOCK**

- 8.1. The Company may, by ordinary resolution, convert any paid-up shares into stock and re-convert any stock into paid-up shares of any denomination, provided that in the case of securities admitted to the Official List, it shall comply with the Bye-Laws of the Exchange and the Financial Markets Act and the Capital Market Rules in making any conversion and re-conversion.
- 8.2. The holders of stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations, as and subject to which the Shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances permit and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.
- 8.3. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the Shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets upon a winding up) shall be conferred by any amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
- 8.4. Such of the Articles as are applicable to paid up Shares shall apply to stock, and the terms Share and Member therein shall include "stock" and "stockholder".

## **PLEDGING OF EQUITY SECURITIES AND DEBT SECURITIES**

- 9.1. Subject to the provisions of the Act and unless otherwise provided in the applicable terms of issue, any Equity Securities and/or Debt Securities of the Company may be pledged by the registered holder thereof in favour of any person as security for any obligation.
- 9.2. Equity Securities and Debt Securities of the Company which are not listed may not be pledged by the holder in favour of any person as security for any obligation.

## **REGISTER OF MEMBERS**

- 10.1 Unless otherwise provided form any law, rule or regulation, the register of Members for any securities admitted to the Official List shall be kept at the Exchange and/or the Office of the Company.
- 10.2 Any register referred to above shall be available for inspection in terms of law.

## **GENERAL MEETINGS**

- 11.1 Subject to the provisions of the Act the annual general meetings of the Company shall be held at such time and place as the Directors shall appoint.
- 11.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 11.3 The Company shall hold a general meeting to obtain the consent of its members prior to entering into any agreement which is not considered to fall within the ordinary course of business and which exceeds the class test threshold referred to in the Capital Markets Rules.
- 11.4 The Directors may convene an extraordinary general meeting whenever they think fit. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum for a meeting of the Directors, any Director, or any two Members of the Company holding at least thirty per cent (30%) of the Shares conferring a right to attend and vote at general meetings of the Company, may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors.

A general meeting of the Company shall be called by fourteen (14) days' notice in writing at the least. 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 be given, and shall specify the place, the day and the hour of the meeting, and in case of extraordinary business, the general nature of that business, and shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business. Notice of general meetings shall be given in the manner hereinafter mentioned, to such persons as are, under the regulations of the Company, entitled to receive such notice from the Company.

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that is specified in this Article, be deemed to have been duly called if it is so agreed by all the members entitled to attend and vote thereat.

- 11.5 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.

- 11.6 All business shall be deemed special that is transacted at an extraordinary general meeting, and also that 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.
- 11.7 No business shall be transacted at any general meeting unless a quorum of Members is present, in person or by proxy, at the time when the meeting proceeds to business; save as herein otherwise provided Members holding in the aggregate not less than two (2) members holding in the aggregate more than 50% of the nominal value of the issued Shares entitled to attend and vote at the meeting, shall constitute a quorum.
- 11.8 If within half an hour from the time appointed for the commencement of the meeting, a quorum is not present, the meeting, howsoever called, shall 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 and if at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, the Member or Members present shall constitute a quorum.
- 11.9 The Chairperson of the board of Directors shall preside as Chairperson at every general meeting of the Company or, if there is no such Chairperson, 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 of their number to be Chairperson of the meeting.
- 11.10 At the commencement of any general meeting, whether annual or extraordinary, the Chairperson may set the procedure which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the Members.
- 11.11 If at any meeting no Director is willing to act as Chairperson or if no Director is present within thirty (30) minutes after the time appointed for the commencement of the meeting, the Members shall choose one of their number to be Chairperson of the meeting.
- 11.12 The Chairperson 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.
- 11.13 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:
- i. the Chairperson of the meeting; or
  - ii. by at least two (2) Members present in person or by proxy; or
  - iii. any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting power of all Members having the right to vote at the meeting; or
  - iv. a Member or Members 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 of the total sum paid up on all the Shares conferring that right.

Unless a poll be so demanded, a declaration by the Chairperson that a resolution has on a show of hands been earned or carried unanimously, or by a particular majority, or lost together with all 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 Member or Members holding in the aggregate at least the required majority as aforesaid.

The demand for a poll may be withdrawn.

- 11.14 Except as provided in Article 11.13 if a poll is duly demanded it shall be taken in such a manner as the Chairperson directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 11.15 In the case of equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting shall have a second or casting vote.
- 11.16 A poll demanded on the election of the Chairperson 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 Chairperson 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.
- 11.17 Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every Member present in person shall have one vote, and on a poll every Member shall have one vote for each Share carrying voting rights of which he is the holder.
- 11.18 No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of Shares have been paid.
- 11.19 No objection shall be raised to the qualification 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 Chairperson of the meeting, whose decision shall be final and conclusive.
- 11.20 The instrument appointed a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarial certified copy of that power or authority, shall be in writing and shall be deposited at the Office of the Company or at the designated place of the meeting before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- 11.21 A Proxy needs to be a member of the Company.
- 11.22 In no case may a member appoint more than one (1) proxy.

- 11.23 A form of instrument of proxy shall be in the following form or in such form as near thereto as circumstances permit:

*"I/we \_\_\_\_\_ of \_\_\_\_\_ being a Member/Members of the above-named company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at an annual/extraordinary general meeting of the company, to be held on the \_\_\_\_ day of the \_\_\_\_\_ 20\_\_ and any adjustment thereof.*

*This form is in favour of/against the resolutions\**

*Unless otherwise instructed the proxy will vote as he sees fit.*

*\*Delete whichever is applicable".*

- 11.24 The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll. provided that the appointed proxy attends the meeting or any adjournment thereof.
- 11.25 Where a Member specifies in the proxy how his proxy is to vote, the proxy form itself shall constitute the vote, provided that the appointed proxy attends the meeting or adjournment thereof.
- 11.26 A form of instrument of proxy shall be in such form as will allow a Member appointing a proxy to indicate how he would like his proxy to vote in relation to each resolution.
- 11.27 The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 11.28 Where a Member specifies in the proxy form how his proxy is to vote, the proxy form itself shall constitute the vote.
- 11.29 An extraordinary resolution shall be a resolution which complies with Section 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 Member or Members having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent in nominal value of the Shares represented and entitled to vote at the meeting and at least fifty one per cent 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 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 Member or Members having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent in nominal value of the Shares represented and entitled to vote at the meeting and at least sixty-five percent in nominal value of the issued share capital 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.

Provided further that, notwithstanding anything contained in this Article 11.29 or elsewhere in these Articles, any sale, transfer, assignment, disposal or other alienation by the Company of any immovable property or any material part thereof owned by the Company shall require the unanimous prior approval of the Members having the right to vote on such resolution. For the avoidance of doubt, the alternative voting thresholds and procedures applicable to Extraordinary Resolutions under this Article, including any provisions relating to a second meeting, reduced quorum requirements or reduced voting majorities, shall not apply to any such resolution concerning the disposal of the Company's property.

- 11.30 It shall be permissible for a person to participate at any general meeting by means of a telephone / video link provided the other members agree. The Chairperson, in such cases, shall sign on behalf of the person participating remotely and shall declare the fact that all members have agreed to such participation. Any member participating in a meeting in this manner is deemed to be present in person at such meeting and will be counted when reckoning a quorum.

## DIRECTORS

- 12.1. The administration and management of the Company shall be conducted by the Directors.
- 12.2. Directors of the Company shall be individuals.
- 12.3. At the first meeting of the Directors following an annual general meeting the Directors shall appoint one of their number to be Chairperson.
- 12.4. The Directors of the Company shall be appointed/ removed by ordinary resolution of the Members in a general meeting of the Company. The Company may by ordinary resolution taken at the time of his appointment or at any later date determine the period for which a director shall hold office.
- 12.5. 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 absents himself from the meetings of the Directors for a continuous period of three (3) calendar months without leave of absence from the Directors and the Directors pass a resolution that he has, by reason of such absence, vacated office; or
  - (c) if he violates the declaration of secrecy required of him under the Articles and the Directors pass a resolution that he has so violated the declaration of secrecy; or
  - (d) if he is prohibited by or under any law from being a Director; or
  - (e) if he is removed from office pursuant to the Articles or the Act; or
  - (f) should he become of unsound mind, be convicted of any crime punishable with imprisonment or is convicted of any crime involving public trust or is declared bankrupt during his term of office and the Directors pass a resolution that he has, for any such reason as applicable, vacated office.

A resolution of the Directors declaring a Director to have vacated office as aforesaid, in sub- clauses (b) and (c), shall be conclusive as to the fact and the grounds of vacation stated in the resolution.

- 12.6. Any vacancy among the Directors may be filled by the co-option of another person to fill such vacancy.

Such co-option shall be made by the Board of Directors. Any vacancy among the Directors filled as aforesaid, shall be valid until the conclusion of the next annual general meeting, when an election to appoint a Director to the vacated post shall be held and the said co-opted Director will be eligible for re-election.

- 12.7. In the event that at any one 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 months from the date upon which the number of Directors has fallen below the minimum, convene a general meeting for the sole purpose of appointing/electing the Directors.

- 12.8. The 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, and may also authorize any such attorney to delegate all or any of his powers, authorities, and discretions vested in him.

- 12.9. The 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 Directors may deem fit. In appointing such committees and/or working groups the Directors may give specific or general terms of reference as they deem fit to enable that committee or working group attain the aims for which it has been duly constituted.

- 12.10. The aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Company in general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact.

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or other committee appointed under Article 12.10, or general meetings of the Company or in connection with the business of the Company.

- 12.11. 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 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 Directors may from time to time determine.

- 12.12. A Director shall not be required to have a shareholding qualification, but this notwithstanding, a Director who is not a Member shall be entitled to attend and speak at

general meetings of the Company; however, except as provided for in the Articles, he shall not be entitled to vote.

- 12.13. Subject to the applicable provisions of the Articles, the 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.

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

- 12.14. The Directors shall exercise their powers subject to the Articles and the Act in force from time to time and to such regulations, not inconsistent with the aforesaid, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

- 12.15. The Directors shall be obliged to disclose their interest in a contract, arrangement or proposal with the Company in accordance with section 145 of the Act.

- 12.16. A Director shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which he/she has a material interest, whether direct or indirect. The conflicted director shall absent himself/herself from that part of any meeting during which any such contract or arrangement in which he/she has an interest is being discussed by the Board.

- 12.17. No remuneration shall be payable to the Directors, including Directors holding an executive office, unless and to the extent approved by the Company in general meetings which shall be held in Malta. The Directors shall, however, be entitled to a reimbursement of all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or general meetings of the Company or in connection with the business of the Company.

- 12.18. The borrowing powers of the Company shall be unlimited and shall be exercised by the Board of Directors of the Company.

- 12.19. The Directors shall cause minutes to be kept in books provided for the purpose:

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
- (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.

- 12.20. A Director shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which he has a material interest, whether direct or indirect.

- 12.21. The Directors of the Company shall be appointed by means of an ordinary resolution of the shareholders of the Company in general meeting. An election of Directors shall take place

every year at the Company's annual general meeting. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The Company shall give twenty-one (21) days' notice in writing at the least to the shareholders to submit names for the election of Directors. Notice to the Company proposing a person for election as a Director, as well as the latter's acceptance to be nominated as Director, shall be given to the Company not less than fourteen (14) days prior to the date of the meeting appointed for such election.

## **PROCEEDINGS OF DIRECTORS**

- 13.1 The Directors shall meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairperson shall have a second or casting vote. The Chairperson may at any time summon a meeting of the Directors. The Secretary shall, on the written requisition of not less than two (2) Directors, summon a meeting of the Directors.
- 13.2. No business shall be transacted at any meeting of the Directors unless a quorum of Directors is present, in person or through alternates, at the time when the meeting proceeds to business; save as herein otherwise provided, the quorum shall be such whole number of directors as exceeds 50% (fifty percent) of the number of Directors appointed on the Board of the Company at that time.
- 13.3. If within half an hour from the time appointed for the commencement of the meeting, a quorum is not present, the meeting, howsoever called, shall stand adjourned. No business shall be transacted by the Board unless a quorum is present.
- 13.4. 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 one (1) week. Notice of meetings of Directors to any Director for the time being absent from Malta shall be given at his address in Malta (or last known address) and at his address abroad (provided that such Director has duly informed the Company of such latter address.) Such notice 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; (ii) a meeting is called by the Chairperson as a matter of urgency, provided that the Chairperson shall have noted the urgency of the meeting in the notice and the general nature of the urgent business to be discussed. A Director may give his consent to the waiver of notice in (i) by way of fax, telex, or other means of readable communication.
- 13.5. No notice is required for meetings held at times and places in Malta specified in a schedule previously adopted by resolution of the Board of Directors. Board meetings shall be held in Malta.
- 13.6. If at any time the Chairperson is not present within thirty minutes after the time appointed for a meeting of the Directors, the Directors may choose one of their number to chair the meeting.
- 13.7. The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period, not exceeding such Director's term of office as a Director, 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. The appointment of a

Managing Director shall be automatically terminated if he ceases for any cause to be a Director.

- 13.8. The Directors may entrust to and confer upon a Managing Director 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.
- 13.9. The board of Directors shall have 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.
- 13.10. 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 Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.
- 13.11. A Director or Member entitled to attend and participate at any general meeting or at a meeting of the Board of Directors held in Malta, may so participate by means of a telephone, video-conference link or any other electronic means and shall be deemed to be present at such meeting provided the other Members or Directors agree to such participation by telephone, video-conference link or any other electronic means and furthermore provided that all Members or Directors participating in the meeting are able to hear each other clearly. Directors will attend meetings in Malta in person but in the event that this is not practical attendance will take place by other means as aforesaid. In such cases, the Chairperson of the meeting shall sign on behalf of the person participating by telephone or video-conference link or any other electronic means and shall record the fact that all persons present at the meeting in Malta have agreed to such means.

#### **AUDIT COMMITTEE**

- 14.1. The Company shall appoint an audit committee composed entirely of Directors and having three (3) members, one of whom shall be appointed to chair the audit committee. The majority of such members, including the Chairperson shall be non-executive directors, and the committee, shall be tasked, in the manner of the terms and references accorded by the Board, to monitor certain activities of the Company in the manner and to the extent required by the Capital Markets Rules. Furthermore, the Company shall:
  - i. Submit the terms of reference to the MFSA and/or the Exchange for review;
  - ii. Give notice to the MFSA of any intended changes to the composition of the membership of the audit committee, together with reasons thereof;
  - iii. Continue to satisfy its obligations in terms of the Capital Markets Rules until the audit committee is duly composed again;
  - iv. Ensure that another audit committee member is appointed within three (3) months in accordance with the requirements of the Capital Market Rules.

#### **SECRETARY**

- 15.1. 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 Directors. The secretary shall be responsible for keeping:
  - i. the minute book of general meetings of the Company;

- ii. the minute book of meetings of the board of Directors;
  - iii. the register of Members;
  - iv. the register of Debt Securities; and
  - v. such other registers and records as the secretary may be required to keep by the board of Directors.
- 15.2. The secretary shall apply his best endeavor's to:
- i. ensure that proper notices are given of all meetings; and
  - ii. ensure that all returns and other documents of the Company are prepared and delivered in accordance with the requirements of the Act.
- 15.3 The Company Secretary shall hold office until such time as he or she resigns or is removed from office by the directors or the shareholders.

### **DIVIDENDS & RESERVES**

- 16.1. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
- 16.2. The Directors may from time to time pay to the Members such Interim dividends as appear to the Directors to be justified by the profits of the Company.
- 16.3. No dividend shall be paid otherwise than out of the profits of the Company available for distribution.
- 16.4. Without prejudice to the relevant provisions of the Act, the Directors may, before 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 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 Directors may from time to time think fit. The Directors may also, without placing the same to reserve, carry forward any profits which they think prudent not to divide.
- 16.5. Subject to any rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but no amount paid or credited as paid on the Shares in advance of calls shall be treated for the purpose of this regulation as paid on the Shares. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Share during any portion or portions of the period in respect of which the dividend is paid; but of any Share is issued on terms providing that it shall rank for dividend as from a particular date, such Share shall rank for dividend accordingly.
- 16.6. The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
- 16.7. Any dividend or other moneys payable in respect of a Shares may be paid by direct credit transfer into such bank account as the Member designates in writing to the Company or, in the case of a Share held jointly by more than one person, to the bank account of the person named in the register of Members;

Provided that where the bank account of a Member is not known, the dividend is to be kept by the Company for remittance by the Company when the Member entitled to such dividend provides the Company with the bank account details;

Provided further that, in the case of a Shares held by joint holders, any one of such holders may give an effective and valid receipt for all dividends and payments on account of dividends and payments in respect of such Shares. Every such bank transfer shall be made payable to the person to whom it is sent and instructions to the bank to effect the transfer shall be a good discharge to the Company. Every such transfer shall be sent at the risk of the person or persons entitled to the money represented thereby.

- 16.8. No dividend shall bear interest against the Company.
- 16.9. Any amount paid up in advance of calls on any Shares may carry interest but will not entitle the holder of the Shares to participate in respect of such amount in any dividend.

## ACCOUNTS

- 17.1. The Directors shall from time to time determine whether and to what extent, 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 Members not being Directors. No Member (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 Directors.
- 17.2. The Directors shall cause a printed copy of the profit and loss account and balance sheet, together with any Directors' and auditors' report attached thereto to be delivered or sent by post or by email or published on the company's website so giving access to every Member and/or stockholder or holder of securities in the Company and other persons entitled to receive notices of general meetings, at least fourteen (14) days prior to the general meeting.

## CAPITALISATION OF PROFITS

- 18.1. Without prejudice to the relevant provisions of the Act, the Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any Shares held by such Members respectively or paying up in full unissued Shares or Debt Securities of the Company to be allotted, distributed and credited as fully paid up to and amongst such Members in the proportion aforesaid, and the Directors shall give effect to such resolution;

Provided that for the purposes of this Article a share premium account and a capital redemption reserve fund may only be applied in the paying up of Shares to be issued to Members as fully paid up Shares;

Provided further that the Directors may in giving effect to such resolution make such provision by payment in cash or otherwise as they deem fit.

## NOTICE

- 19.1. A notice may be given by the Company to any Member either personally or by sending it by post to his registered address in Malta, or if he has no such registered address in Malta, to the address, if any, supplied by him to the Company to receive notice thereat. 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 seven (7) days 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.
- 19.2. Notice by email, of every general meeting shall be given in the manner hereinbefore authorized to:
  - i. every registered Member of the Company;
  - ii. to each Director of the Company; and
  - iii. the auditor/s for the time being of the Company.
- 19.3. No other person shall be entitled to receive notices of general meetings.
- 19.4. 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.
- 19.5. A notice may be given to the joint holders of Shares by giving the notice to the holder of such Equity Security first named in the register of Members.
- 19.6. Any notice required to be given by the Company to the Members or any of them, and not expressly provided for by the Articles, shall be sufficiently given if given by advertisement.
- 19.7. Any notice required to be or which may be given by advertisement need be advertised not more than once in one daily English language newspaper.
- 19.8. 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 Members entitled to receive notice.
- 19.9. The signature to any notice to be given by the Company may be written or printed

## SECRECY

- 20.1. Without prejudice to the provisions of the Professional Secrecy Act, Cap. 377, 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 authorized to disclose particulars thereof by the 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 the Articles; and every Director, secretary, auditor or employee shall sign an undertaking to the above effect in such form as the Directors may from time to time prescribe.

#### **WINDING-UP**

- 21.1. All holders of ordinary shares shall rank "*pari passu*" upon any distribution of assets in a Winding up. The holders of preference shares of the Company shall at all times rank prior to the holders of ordinary shares upon any distribution of assets in a winding up. As between the holders of different issues of preference shares they shall rank in accordance with the relative terms.
- 21.2. Unless the Members in general meeting approve otherwise, upon the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator. Any amount which the Directors propose to pay to a liquidator shall be notified to all Members at least seven (7) days prior to the meeting at which it is to be considered.

#### **INDEMNITY**

- 22.1. Every Director, Managing Director, agent or secretary, and in general each 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.
- 22.2. For the above purposes the Company may take up an insurance policy with a reputable insurance company.

#### **GENERAL**

- 23.1. All the above Articles are subject to the overriding provisions of the Act and Financial Markets Act and Exchange Bye-Laws, as applicable, except in so far as any provision 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.
- 23.2. In the event that the Company's securities are admitted / listed on the Exchange, no deletion, amendment or addition to any of these Articles, which have previously been authorized by the MSE / MFSA, shall have effect unless prior written approval has been sought and obtained from the MSE / MFSA for such deletion, amendment or addition.

[SIGNATURE PAGE TO FOLLOW]

CERTIFIED TRUE COPY



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**Katia Cachia**  
Company Secretary