

# **BANK OF VALLETTA P.L.C.**

## **MEMORANDUM AND ARTICLES OF ASSOCIATION**

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Agreement made this 20<sup>th</sup> day of March 1974.

Between Mr. Albert Agius Ferrante L.P., appearing on behalf of the Government of Malta, of the one part; and Mr. John Mizzi appearing on behalf of the Malta Development Corporation, of Development House, Floriana, of the other part:

Whereby the said parties form and constitute between them a limited liability Company whereof the Memorandum and Articles of Association are the following:

## **MEMORANDUM OF ASSOCIATION**

### **1. NAME**

The name of the Company shall be Bank of Valletta p.l.c.

### **2. REGISTERED OFFICE**

The Registered Office of the Company shall be at 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta or at such place as the Board of Directors may from time to time determine.

### **3. ELECTRONIC MAIL ADDRESS**

The electronic mail address of the Company is: [bovocs@bov.com](mailto:bovocs@bov.com) or such other address as the Company's Board of Directors may from time to time determine.

### **4. OBJECTS**

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

- 4.1.1 to assume the business of the National Bank of Malta Limited and Tagliaferro Bank Limited including all their assets and liabilities.
- 4.1.2 to carry on the business of banking (in all its aspects), in all or any of its branches and departments in Malta and other parts of the world including, without limitation the transaction of all financial, monetary, investment and other businesses usually or commonly carried on by banks whether in Malta or internationally and to do all acts usual to be done in the prosecution of such business; to carry on financial, monetary and investment business and operations of all kinds whether in Malta or in any other part of the world and whether related to national or international business including offshore business and in particular and without prejudice to the generality of the foregoing:
  - 4.1.2.1 to receive money on current deposit or other account, to obtain the use and control of money and securities and to employ and use them;
  - 4.1.2.2 to deposit, advance and lend money, securities and other property of every kind with or without security and generally to give credit of any nature with or without security and to make or negotiate loans and advances of every kind in any currency on any terms whatsoever including (without limitation) arrangements for and participating in currency exchanges;

- 4.1.2.3 to receive money in account current, with or without interest, and accept and cash cheques made out to order or to bearer whether drawn locally or abroad;
- 4.1.2.4 to issue, grant, negotiate and deal in any way with or in letters of credit, circular notes, bills, drafts, promissory notes and all other forms of credits, securities and instruments of every kind;
- 4.1.2.5 to effect and enter into any guarantee, bond, recognisance or contract of indemnity or surety and counter guarantee loans and other obligations including (without limitation) to provide security for and become liable for or in respect of the performance of any contract or duty by any person;
- 4.1.2.6 to finance or assist in the financing of the acquisition, sale, hire or lease of property, goods, articles or commodities of all and every kind whether by way of personal loans, instalment finance, deferred payment or otherwise;
- 4.1.2.7 to draw, make, execute, issue, accept, endorse, discount, buy, sell and deal in promissory notes, bills of exchange, bills of lading, debentures, securities, and other investment instruments whether negotiable or otherwise;
- 4.1.2.8 to sponsor and underwrite any issue or conversion of shares and securities;
- 4.1.2.9 to purchase, substitute for, acquire, hold, receive in deposit or otherwise deal in stocks, shares, bonds, debentures or other securities and collect their relative coupons;
- 4.1.2.10 to receive on deposit or for safe custody or otherwise packages, valuables, documents, securities, money;
- 4.1.2.11 to purchase, acquire or otherwise hold and deal in immovable property or any right thereon within such limits and under such terms and conditions as may be allowed by law from time to time;
- 4.1.2.12 to buy, sell, deal in foreign exchange, precious metals, bullion and specie;
- 4.1.2.13 to collect and transmit money and securities and to act as agent for the receipt of money or of documents and for delivery of documents;
- 4.1.2.14 to act as agent, administrator or attorney to administer, manage or wind up estates, receiving or collecting principals, interests, rents, debts, debentures or other securities or demands of any nature;
- 4.1.2.15 to accept and execute the office of liquidator, judicial advisor or mandatory and exercise such rights as are vested in or may be given to such persons;
- 4.1.2.16 to take over in settlement of debts all or any part of the business, property rights and liabilities of any person, firm partnership of company and to dispose of such business, property or rights as may be deemed appropriate;
- 4.1.2.17 to establish or promote or concur in establishing or promoting any company whose objects shall include the carrying on of any business which the Company is authorised to carry on or which shall be in any manner calculated to advance, directly or indirectly, the objects or interest of the Company;

- 4.1.2.18 to carry on investment services business in all its aspects including, without limitation, acting as Manager and custodian of collective investment schemes, securities and investment instruments, arranging deals in investment instruments, investment management and advice and such other investment services as the Company may consider appropriate;
- 4.1.2.19 to act as a tied insurance intermediary in terms of the Insurance Intermediaries Act (Cap.487);
- 4.1.2.20 to act as registrars and transfer agents for any company or person to keep for any company or person any register relating to any funds or any securities to maintain any other records and accounts for any company or person and to undertake any other duties for any company or person whether in relation to the registration of transfers or the issue and deposit of certificates or other documents of or evidencing title or any other matter whatsoever;
- 4.1.2.21 to issue and transact all kinds of business in respect of bankers' card, credit and debit cards and any other types of cards issued by the Company or by any other company and person and generally to transact business in relation to all kinds of bankers' payment systems;
- 4.1.2.22 to borrow or raise money in such manner as the Company shall think fit and in particular (but without limitation) by the issue of debentures, debenture stock or any other investment instrument and to give security, if any, for the repayment of such money by hypothecation, charge or lien upon all or any of the property or assets both present and future of the Company;
- 4.1.2.23 to sell, lease, develop dispose, turn into account, exchange, grant rights over, or otherwise deal with the undertaking of the Company or any part of it or all or any part of the property of the Company for such consideration as the Company may think fit;
- 4.1.2.24 to amalgamate, or enter into partnership or profit sharing arrangement with any person, firm, partnership, corporation, company, whether Maltese or international engaged in, or about to engage in business which the Company is authorised to engage in or otherwise be carried on in conjunction herewith to the Company's benefit;
- 4.1.2.25 to invest and deal with the monies of the Company, in such manner and in such property and instruments as the Company may from time to time determine;
- 4.1.2.26 to procure the Company to be registered or recognised in any country or state abroad and to obtain any provisional order or enactment or other legislature or executive act of any state or other authority for enabling the Company to carry any of its objects into effect;
- 4.1.2.27 to distribute among the members in specie any property or assets of the Company or any proceeds of sale or disposal of any property or assets of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction for the time being required by law;
- 4.1.2.28 to co-ordinate, finance, assist, subsidise and manage all or any part of the businesses and operations of any and all companies in which the Company is interested whether as a shareholder or otherwise and whether directly or indirectly and generally to carry on the business of a holding company in all its aspects;

- 4.1.2.29 to seek for and secure and to utilise and develop any openings for the employment of capital and, if thought fit, to engage and employ specialists to investigate, explore and examine whether specifically or generally the prospects, character, situation, conditions and circumstances of any businesses undertakings and concerns and any concessions, rights, properties or assets of any nature whatsoever;
- 4.1.2.30 to take or concur in taking all such steps and proceedings including (but without limitation) the undertaking of any obligation monetary or otherwise as may seem best calculated to uphold and support the credit of the Company or to obtain, maintain, restore or justify public confidence in the Company or to avert or minimise financial disturbances which might detrimentally affect the Company;
- 4.1.2.31 to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest, whether direct or indirect, or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of or any other body, whether or not incorporated ("body"), owned by or in which an interest is owned by the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company or subsidiary undertaking or body are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported execution of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking, body or pension fund; and to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability;
- 4.1.2.32 to support and subscribe to any national or international charitable or public object or any institution for the benefit of the Company or its employees and to make pension provision for the Company's employees and their dependants;

4.2 In the interpretation of the Objects clause of the memorandum the powers conferred on the Company shall not be restricted by reference to any other paragraph and in the event of any ambiguity this clause shall be construed so as to widen and not restrict the powers of the Company.

## **5. CAPITAL**

5.1 The authorised share capital of the Company is €1,000,000,000 divided into 1,000,000,000 shares of €1.00 each.

- 5.2 The issued and fully paid up capital is €583,849,270<sup>1 2 3 4 5 6 7 8 9 10 11 12 13</sup> divided into 583,849,270 ordinary shares of a nominal value of €1.00 each.
- 5.3 No person may at any time, whether directly or indirectly and in any manner whatsoever:
- 5.3.1 acquire such number of shares in the Company as would in aggregate be in excess of five per cent (5%) of the issued share capital of the Company; or
- 5.3.2 with the exception of existing large shareholders, hold such number of shares in the Company as would in aggregate be in excess of five per cent (5%) of the issued share capital of the Company.
- 5.4 The provisions of clause 4.3 shall not apply in the following cases:
- 5.4.1 where an underwriter or sub-underwriter becomes a large shareholder by virtue of an underwriting or sub-underwriting arrangement;
- 5.4.2 where a Member is already a large shareholder; and consequent to an election to exercise, in whole or in part, as may be applicable, a scrip dividend option declared by the Company such large shareholder shall further increase its shareholding in the Company, provided that following such increase such large shareholder shall not acquire any further shares in the Company, except as allowed by virtue of the exceptions under this clause 4.4, or unless his aggregate holding of shares in the Company falls below five per cent (5%) of the issued share capital of the Company, in which case any acquisition of shares thereafter shall be subject to the provisions of clause 4.3;

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<sup>1</sup> Bonus Issue of 22,500,451 fully paid up shares of a nominal value of €0.75 each allotted on the 15<sup>th</sup> January 2008 increasing the issued and fully paid up capital by €16,875,338 (Lm7,244,583) to €100,000,000 (Lm42,930,000).

<sup>2</sup> Bonus Issue of 26,666,667 fully paid up shares of a nominal value of €1.00 each allotted on the 15<sup>th</sup> January 2009 increasing the issued and fully paid up capital by €26,666,667 to €160,000,000.

<sup>3</sup> Bonus Issue of 40,000,000 fully paid up shares of a nominal value of €1.00 each allotted on the 15<sup>th</sup> January 2010 increased the issued and fully paid up capital by €40,000,000 to €200,000,000.

<sup>4</sup> Bonus Issue of 40,000,000 fully paid up shares of a nominal value of €1.00 each allotted on the 12 January 2011 increased the issued and fully paid up capital by €40,000,000 to €240,000,000.

<sup>5</sup> Bonus Issue of 30,000,000 fully paid up shares of a nominal value of €1.00 each allotted on the 12 January 2012 increased the issued and fully paid up capital by €30,000,000 to €270,000,000.

<sup>6</sup> Bonus Issue of 30,000,000 fully paid up shares of a nominal value of €1.00 each allotted on the 17 January 2013 increased the issued and fully paid up capital by €30,000,000 to €300,000,000.

<sup>7</sup> Bonus Issue of 30,000,000 fully paid up shares of a nominal value of €1.00 each allotted on the 17 January 2014 increased the issued and fully paid up capital by €30,000,000 to €330,000,000.

<sup>8</sup> Bonus Issue of 30,000,000 fully paid up shares of a nominal value of €1.00 each allotted on the 16 January 2015 increased the issued and fully paid up capital by €30,000,000 to €360,000,000.

<sup>9</sup> Bonus Issue of 30,000,000 fully paid up shares of a nominal value of €1.00 each allotted on the 15 January 2016 increased the issued and fully paid up capital by €30,000,000 to €390,000,000.

<sup>10</sup> Bonus Issue of 30,000,000 fully paid up shares of a nominal value of €1.00 each allotted on the 16 January 2017 increased the issued and fully paid up capital by €30,000,000 to €420,000,000.

<sup>11</sup> Listing on 22 December 2017 of 105,000,000 fully paid up shares of a nominal value of €1 each, following Rights Issue, increased the issued and fully paid up capital by €105,000,000 to €525,000,000.

<sup>12</sup> Following the admission to the Official List of 5,772,064 Bank of Valletta p.l.c. fully paid ordinary shares of a nominal value of €1.00 each subsequent to the Scrip Dividend Election for the 2017 Final Dividend, the issued and paid up capital of Bank of Valletta p.l.c. increased to 530,772,064 ordinary shares of a nominal value of €1.00 each fully paid up, with effect on 18 May 2018.

<sup>13</sup> Bonus Issue of 53,077,206 fully paid up shares of a nominal value of €1.00 each allotted on the 11 June 2019 increased the issued and fully paid up capital by €53,077,206 to €583,849,270.



- 5.4.3 to the Company, where the Company purchases any of its own shares in accordance with the Act;
- 5.4.4 to any shareholder whose holding of shares in the Company shall come to exceed five per cent (5%) of the issued share capital of the Company solely as a result of either (i) the cancellation of shares and the subsequent reduction of share capital of the Company; or (ii) the exercise by a shareholder of its rights to subscribe for its proportionate share of a rights issue made by the Company. Provided that any shareholder, whose holding shall exceed five per cent (5%) as a result of either (i) the cancellation of shares; or (ii) the subscription of the proportionate share of a rights issue by the Company, shall not acquire any further shares in the Company for so long as the number of shares held by such shareholder shall exceed five percent (5%) of the issued share capital of the Company;
- 5.4.5 to any shareholder whose holding of shares in the Company shall come to exceed five per cent (5%) of the issued share capital of the Company solely as a result of the shareholder electing to exercise, in whole or in part, as may be applicable, a scrip dividend option declared by the Company. Provided that any shareholder, whose holding shall exceed five percent (5%) as a result of the exercise of his right to subscribe for such scrip dividend, shall not acquire any further shares in the Company, except in accordance with the exceptions in this clause 4.4 for so long as the number of shares held by them shall exceed five percent (5%) of the issued share capital of the Company.
- 5.5 The provisions of clause 4.3 shall not apply in cases where a large shareholder, being a bank, credit institution, financial institution, insurance company or licensed collective investment scheme or licensed retirement fund wishes to offer for sale, or otherwise dispose of, such number of shares in excess of five per cent (5%) of the issued share capital of the Company; PROVIDED that only Persons being themselves banks, credit institutions, financial institutions, insurance companies or licensed collective investment schemes or licensed retirement funds shall, subject to obtaining the necessary authorisations from the competent authorities in terms of law in Malta, be entitled to acquire (and hold) any of such shares on offer by a large shareholder as aforesaid, notwithstanding that such acquisition may cause the Person so acquiring any of such shares to become a large shareholder.
- 5.6 For the purposes of this clause 4 the following terms shall have the following meanings:
- 5.6.1 "large shareholder" means any shareholder holding in aggregate five percent (5%) or more of the issued share capital of the Company;
- 5.6.2 "bank" or "credit Institution" shall have the same meaning assigned to those terms by the Banking Act (Cap.371) of the laws of Malta, as that Act may be replaced, amended or renumbered, or an entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction;
- 5.6.3 "financial institution" shall have the same meaning assigned to that term by the Financial Institutions Act (Cap.376 of the Laws of Malta), as that Act may be replaced, amended or renumbered, or an entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction;
- 5.6.4 "insurance company" shall have the same meaning as the term authorised insurance undertaking in the Insurance Business Act (Cap.403 of the Laws of Malta) as that Act may be replaced, amended or renumbered, or an entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction;

- 5.6.5 “licensed collective investment scheme” shall mean a collective Investment scheme (as defined by the Investment Services Act (Cap.370 of the Laws of Malta)) having a collective investment scheme licence as that term is defined by the Investment Services Act (Cap.370 of the Laws of Malta), as that Act may be replaced, amended or renumbered, or a fund or entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction; and
- 5.6.6 “licensed retirement fund” shall mean a retirement fund (as defined by the Retirement Pensions Act (Cap. 514 of the Laws of Malta) having a retirement fund licence as set out in the Retirement Pensions Act (Cap. 514 of the Laws of Malta), as that Act may be replaced, amended or renumbered, or a fund or entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction.

## 6. PUBLIC COMPANY

- 6.1. The Company is a public company and the liability of its Members is limited.

## 7. DIRECTORS

- 7.1 The number of Directors shall not be less than seven (7) and not more than twelve (12), provided that in the cases of co-option contemplated in article 27A, the maximum number of directors shall be fourteen (14). The Directors shall be appointed in the manner provided in the Articles of Association.
- 7.2 The Directors of the Company are:

<b>Name &amp; Address</b>	<b>ID Card / Passport</b>	<b>Position</b>
<b>Gordon Cordina</b> Hal Sagħtrija, BLK A, FL 11 Triq Skapuċċina Iż-Żebbuġ (Għawdex) ZBB 1451	93272M	Non-Executive Director and Chairman
<b>Stephen k/a Steve Agius</b> 15, Triq San Leonardu Hal Kirkop, KKP 1211	89271M	Non-Executive Director
<b>Kevin J. Borg</b> Faro 5 Triq il-Ward Madliena, Swieqi, SWQ 1121	519971M	Non-Executive Director
<b>Miguel Borg</b> 9, Mikha'El Triq Emmanuel Grech Paola, PLA 1580	215781M	Executive Director

<b>Diane Bugeja</b> Apt 10, The Olives Triq Forrest, St Julian's, STJ 2036	177386M	Non-Executive Director
<b>Elizabeth Camilleri</b> 217, Goldhurst Terrace London NW6 3EP United Kingdom	0400770M	Non-Executive Director
<b>James Grech</b> Xel-HA Triq il-Ħawt Ħaż-Żabbar, ZBR 3213	500274M	Non-Executive Director
<b>Ricky David Hunkin</b> Giuseppina Trejjet Il-Gamiema Kappara, San Gwann	513258713 (British Passport)	Executive Director
<b>Alfred Lupi</b> No 15, Villa Badawi Daħlet il-Fawna Madiena Hill Madiena, SWQ 1021	188852M	Non-Executive Director
<b>Anita Mangion</b> Ġawhret l-Għolja Tal-Fawwara Il-Fawwara L/o Siggiewi, SGW 3902	73882M	Non-Executive Director
<b>Alfred Mifsud</b> 43, Chickachr Triq Birbal Hal Balzan BZN 9017	800051M	Non-Executive Director
<b>Antonio Piras</b> Vial Monte Nero 7 Milano 20135 Italy	YA9574480 Italian Passport	Non-Executive Director
<b>Godfrey Swain</b> 15, Triq il-Wileg San Lawrenz (Gozo), Malta SLZ 1121	12560M	Non-Executive Directors

7.3 The Company Secretary is:

**Dr Ruth Spiteri Longhurst**  
29, The Crib, Triq L-Isfargel  
F'Attard, ATD 1523

408476M

## **8. REPRESENTATION**

- 8.1 Legal and judicial representation of the Company shall be vested in the Chairman or, without prejudice to the powers of the Chairman, in any person or persons deputed and authorised for this purpose by the Board of Directors.
- 8.2 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 authorise any such attorney to delegate all or any of his powers, authorities, and discretions vested in him.

## ARTICLES OF ASSOCIATION

### 1. PRELIMINARY

The following articles 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.

### 2. INTERPRETATION

2.1. In these Articles unless there is something in the subject or context inconsistent therewith the terms shall have the meanings assigned to them hereunder:

<b>Term</b>	<b>Meaning</b>
<b>Act</b>	means the Companies Act (Chapter 386 of the Laws of Malta);
<b>Approved Candidates</b>	means a candidate who is declared by the Nominations and Remuneration Committee as fit and proper to occupy the office of Director and whose nomination is an Approved Nomination;
<b>Approved Nominations</b>	means nominations of individuals for candidates to be appointed as Directors which have been duly approved by the Nominations and Remuneration Committee in accordance with these articles as meeting the requirements of applicable law, regulation and the Company's policies for the appointment of such individual to the office of Director;
<b>Articles</b>	means these Articles of Association as currently applicable or as may from time to time be in force;
<b>Capital Markets Rules</b>	means the capital markets rules issued by the MFSA, as may be amended from time to time;
<b>Company</b>	means this company; and the word "company" includes any commercial partnership;
<b>Debt Securities</b>	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;
<b>Directors</b>	means the Executive Directors and the Non-Executive Directors of the Company from time to time;
<b>Equity Securities</b>	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;
<b>Exchange</b>	means the Malta Stock Exchange p.l.c. as the regulated market in terms of the Financial Markets Act (Chapter 345 of the Laws of Malta);

<b>Executive Director</b>	means the executive officers of the Company appointed to the office of director pursuant to the provisions of article 24;
<b>Listed Shares</b>	means shares of the Company admitted to listing and trading on the Exchange or other market that allows trading in shares on which the shares of the Company may from time to time be admitted to trading;
<b>Malta</b>	has the same meaning as assigned to it by Section 124 of the Constitution of Malta;
<b>MFSA</b>	means the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
<b>Nominations and Remuneration Committee</b>	means the committee consisting of Directors as provided in Article 27 of these articles of association;
<b>Non-Executive Director</b>	means the persons appointed to the office of director of the Company pursuant to the provisions of article 25 or article 27A as may be applicable;
<b>Office</b>	means the registered Office of the Company;
<b>Person</b>	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;
<b>Qualifying Shareholder</b>	means a Shareholder holding a Qualifying Shareholding;
<b>Qualifying Shareholding</b>	means the holding of ten per cent (10%) of the nominal value of the issued share capital of the Company having voting rights;
<b>Record Date</b>	shall be the date falling thirty (30) days immediately preceding the date set for the general meeting to which it relates and on which 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;</li> <li>iii) appoint directors or vote at the election of Directors pursuant to the provision of these Articles,</li> </ul> in all cases, if such person is entered as a Member on the register of Members 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 to attend and vote at the meeting.

**Shareholder or Member** means a member of the Company whose name is registered in the register.

**Statuses** Means the Act and every other statute, regulation or other law for the time being in force insofar as the same applies to the Company.

2.2. Words importing the masculine gender only shall include the feminine gender and vice versa.

2.3. Unless otherwise defined, words and expressions used in these Articles shall bear the same meanings assigned to them by the Act.

### 3. 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 share 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 Company may, by ordinary resolution, from time to time determine.

3.2. Notwithstanding the provisions of sub-Article 3.1 above, the Company may, pursuant to and in accordance with the Act, by ordinary resolution generally and unconditionally authorise the Directors, during the prescribed period (as defined hereunder) to exercise all the powers of the Company to issue and allot Equity Securities under such terms and conditions including (but not limited to) with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, up to the prescribed amount (as hereinafter defined).

PROVIDED that such an authorisation shall be valid for a period of five (5) years renewable for further periods of five (5) years each.

3.3. The said authority and the said power shall allow the Directors before the expiry of a prescribed period to make an offer or agreement which would or might require the allotment of Equity Securities after such expiry and the Directors may, notwithstanding such expiry, allot Equity Securities in pursuance of such offer or agreement.

3.4. For the purposes of Article 3.3:

3.4.1. "prescribed period"<sup>14</sup> means in the first instance the period expiring five years after the date of the adoption of this Article and shall include any other period (not exceeding five years on any occasion) for which the authority conferred by sub-Article 3.2 above is renewed or extended by ordinary resolution which may also state the prescribed amount for such period;

3.4.2. "prescribed amount"<sup>15</sup> for the prescribed period shall be the difference between the authorised share capital and the issued share capital of the Company or if the resolution provides for it, the amount stated in the relevant ordinary resolution.

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<sup>14</sup> "Prescribed period" renewed for five years by resolution approved during AGM held on 2 June 2022 expiring on 1 June 2027

<sup>15</sup> "Prescribed amount" established as €580 million by resolution approved during EGM held on 27 July 2017

- 3.5. The Directors may, if they so deem fit, cause any of the Equity Securities or Debt Securities of the Company, irrespective of their class, whether issued or to be issued pursuant to these Articles, to be quoted and listed on the Exchange.

#### **4. CLASSES OF SHARES**

- 4.1. If at any time the share capital is divided into different classes of shares, the change of any shares from one class into another or the variation of the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class which is to be changed or the rights attached to which are to be varied, according to the case) may, whether or not the Company is being wound up, be made with the consent in writing of the holders of three-fourths of the issued shares of that class, and the holders of three-fourths of the issued shares of any other class affected thereby. Such change or variation may also be made with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of that class and of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of any other class affected thereby. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply.

- 4.2. All shares in the Company shall be freely transferable.

#### **5. VOTING RIGHTS ATTACHING TO SHARES**

Unless otherwise provided for in the terms of issue or in these articles, on a poll, each share of the Company shall carry the right to one vote at any general meeting, irrespective of the class of such share. Any such right to vote may be exercised personally or by proxy.

#### **6. PAYMENT OF COMMISSIONS OR DISCOUNTS**

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 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.

#### **7. REGISTER OF MEMBERS**

- 7.1. In respect of a share held jointly by several Persons the name of only one shall be entered in the register of Members. Such Person shall be nominated by the joint holders and shall for all intents and purposes be deemed, vis-a-vis the Company, to be the registered holder of the share so held.
- 7.2. No Person shall be recognised by the Company as holding any Equity Security or Debt Security upon any trust or nominee relationship, and the Company shall not be bound by or require to recognise, even when having notice thereof, any equitable, contingent, future or particular representative interest in any Equity Security or Debt Security or any right whatsoever in respect of any Equity Security or Debt Security other than an absolute right to the entirety thereof in the registered holder except as may be required by the Statutes or by an order of a competent court.
- 7.3. In respect of shares held subject to usufruct, the names of the bare owner and the usufructuary shall be entered in the register of Members. 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 and to attend and vote at meetings of the Company, but shall not have the right to dispose of the shares so held without the consent of the bare owner. If there is more than one usufructuary, the provisions of Article 7.1 shall apply mutatis mutandis.



## **8. ISSUE OF NEW SHARES**

- 8.1 Subject to the provisions of this Article and unless the shareholders in general meeting approve otherwise, the Company shall not allot any Equity Securities to any Person unless an offer has first been made to each existing Member to allot to each such Member a proportion of those new Equity Securities which is as nearly as practicably equal to the proportion in nominal value of the Equity Securities held by him/her of the aggregate nominal value of Equity Securities of the Company in issue at the time of the offer. Such offer shall be made to all existing Members on the same terms. Any such Equity Securities not subscribed to by the existing Members in terms of their pre-emptive right may be offered for subscription to other Person/s or the general public under the same terms or under different terms which however cannot be more favourable than the terms of the offer made to existing Members.
- 8.2 Article 8.1 shall not apply to a particular allotment of Equity Securities if these are, or are to be, wholly or partly, paid up otherwise than in cash.
- 8.3 A Member, shall have the right to assign in favour of third parties the right competent to him to accept an offer made to him pursuant to the provisions of Article 8.1. Any assignee of such a right shall for the purposes of this Article be considered as an existing Member in accepting an offer made in terms of Article 8.1.
- 8.4 The Company shall not issue or allot any new Equity Securities which may have the effect of transferring or diluting a substantial or controlling interest in the Company, unless the Members in general meeting approve otherwise.
- 8.5 No Director shall be eligible to participate in the issue or allotment of new Equity Securities or Debt Securities offered to the employees of the Company without the prior approval of the Members in general meeting.

## **9. PREFERENCE SHARES**

- 9.1 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 extraordinary resolution determine.
- 9.2 Whenever there are preference shares in issue, the holders thereof, shall have the same rights as holders of ordinary shares in receiving notices, reports, balance sheets and in attending general meetings.
- 9.3 Without prejudice to any rights that may be granted to preference shareholders in the relative terms of issue, preference shareholders shall have the right to attend and vote at general meetings convened:
- 9.3.1 for the purpose of reducing the capital of the Company; or
  - 9.3.2 for the purpose of winding up of the Company; or
  - 9.3.3 for the purpose of any proposal submitted to the meeting which directly affects their rights and privileges; or

- 9.3.4 for the purpose of affecting the dividend on preference shares when the dividend on their shares is in arrears for more than six (6) months.

## **10. ACQUISITION OF OWN SHARES**

The Company may, subject to such restrictions, limitations and conditions contained in the Statutes, acquire and hold any of its own shares.

## **11. SHARE CERTIFICATES**

- 11.1 With the exception of Listed Shares of the Company every Person whose name is entered as a Member in the register of Members shall be entitled to receive free of payment, within two months after allotment or lodgement 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 or more shares upon payment of €11.65 (eleven euro and sixty five cents) for every certificate after the first or such lesser sum as the Directors shall from time to time determine.

PROVIDED that in the event of a Member 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 certificate, and delivery of one certificate for a share to any one of the several joint holders thereof shall be sufficient delivery to all. Every certificate shall be signed by the secretary or some other Person nominated by the Directors for the purpose and shall specify and denote the number of shares to which it relates and the nominal value thereof.

- 11.2 In the event that any share 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 €11.65 (eleven euro and sixty five cents). 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.
- 11.3 For Listed Shares 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 of the Company in the number of shares held, or such other evidence as the Bye-Laws of the Exchange or the Capital Markets Rules may from time to time determine.
- 11.4 Subject to the provisions of the Act the Company may issue warrants to bearer with respect to any of its fully paid up shares in such form and in such manner and with such provisions as to the payment of dividends for the shares required by such warrants as the Directors may from time to time determine.

## **12. CALLS ON SHARES**

- 12.1. The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their shares 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 shares. A call may be revoked or postponed as the Directors may determine.

- 12.2. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be required to be paid by instalments.
- 12.3. The joint holders of a share shall be jointly and severally liable for the payment of calls on their shares.
- 12.4. If a sum called in respect of a share 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 may however be at liberty to waive, whether in whole or in part, the payment of such interest.
- 12.5. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these 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 these 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.
- 12.6. The Directors may not, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
- 12.7. The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any of the monies 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 Members paying such sum in advance.
- 12.8. 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 share held by him, together with interests and expense, if any.

### **13. TRANSFER AND TRANSMISSION OF SHARES**

- 13.1. All transfers of Listed Shares shall be subject to the rules, regulations and Bye-Laws established by the Exchange from time to time.
- 13.2. Subject to the preceding Article 13.1, any unlisted shares may be transferred by an instrument in writing. The instrument of transfer of any 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 Members in respect thereof. In no case may a part of a share constitute the object of a transfer.
- 13.3. The registration of transfers of unlisted shares 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 one calendar year.
- 13.4. In the case of the death of a Member, 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, whether sole or joint, from any liability in respect of any share solely or jointly held by him.

- 13.5. Any Person becoming entitled to a Listed Share in consequence of the death of a Member shall, upon producing such evidence of his title as the Exchange 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 Member would have himself been entitled.
- 13.6. Any Person becoming entitled to an unlisted share in consequence of the death of a Member shall, upon producing such evidence of his title 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 Member would have himself been entitled.
- 13.7. In the case of unlisted shares, if a Person so becoming entitled shall elect to be registered himself, 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 testify his election by executing to that Person a transfer of the share. All the provisions relating to the transfer of shares in these Articles shall be applicable to such transfer.
- 13.8. A Person becoming entitled to a share by reason of the death of the holder 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 Member 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;

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 share, and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payments of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

## **14. FORFEITURE OF SHARES**

- 14.1 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.
- 14.2 If the requirements of such notice as aforesaid are not complied with, any share 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 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 these Articles.
- 14.3 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 held subject to the provisions of Section 109 of the Act.

14.4 A Person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all the monies 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 monies in respect of the shares.

14.5 The Directors may accept the surrender of any share which they are entitled to cause to be forfeited in terms of these Articles. The same consequences shall flow from the surrender of such share as if the Directors had passed a resolution for the forfeiture thereof in terms of Article 14.2. In particular, any share so surrendered may be sold or disposed of as a forfeited share.

## **15. CONVERSION OF SHARES INTO STOCK**

15.1 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 Listed Shares it shall comply with the Bye-Laws of the Exchange and the Capital Markets Rules in making any such conversion or reconversion.

15.2 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.

15.3 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.

15.4 Such of the regulations of the Company as are applicable to paid up shares shall apply to stock, and the words "share" and "Member" therein shall include "stock" and "stockholder".

## **16. PLEDGING OF SHARES**

Subject to the provisions of the Act and to the terms of issue, any Equity Securities and/or Debt Securities of the Company may be pledged by the holder thereof in favour of any Person as security for any obligation. PROVIDED that any terms of issue of Equity Securities and/or Debt Securities may provide that the securities issued pursuant thereto may not be the subject of a pledge.

## **17. REGISTER OF MEMBERS**

- 17.1 The register of Members for Listed Shares of the Company or any other register for listed Equity Securities and/or listed Debt Securities shall be kept at the Central Securities Depository of the Exchange at the official address of the Exchange.
- 17.2 The Register of Members for unlisted shares of the Company or any other register for unlisted Equity Securities and/or unlisted Debt Securities shall be kept at the Registered Office of the Company.

## **18. GENERAL MEETINGS**

- 18.1 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.
- 18.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 18.3 The Directors may convene an extraordinary general meeting whenever they think fit. Extraordinary general meetings may also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by the Act. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum, any Director, or any two Members 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.
- 18.4 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 Members entitled to receive such notice. 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. The notice shall contain the information required by the Capital Markets Rules and/or any other applicable law in force from time to time and in case of extraordinary business, the general nature of the business, and shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business.
- 18.5 Notwithstanding the provisions of Article 18.4, a general meeting of the Company may be called by shorter notice than that stipulated in Article 18.4 as may be permitted by the Capital Markets Rules and/or any other applicable law in force from time to time.
- 18.6 Notice of every general meeting shall be given by pre-paid mail to:
- 18.6.1 every Member registered on the Record Date at their last known residential address, except those Members who, having no residential address in Malta, have not supplied the Company with an address in Malta for the giving of notices to them, and
  - 18.6.2 the Directors, and
  - 18.6.3 the auditor or auditors for the time being of the Company.
- 18.7 No other Person shall be entitled to receive notice of general meetings.
- 18.8 Notwithstanding the provisions of Article 18.6, the Company may publish the notice convening a general meeting either on its website or on the website of the Exchange on which its shares are listed, provided that having sent notice by mail at the last known address of each Member requesting his or her consent to the publication of notices convening the general meetings of the Company on the website indicated in the notice, Members give their consent to receive notice by such means. Members that do not give their consent shall remain entitled to receive notices of general meetings of the Company by mail at their last known residential address.

- 18.9 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.
- 18.10 Without prejudice to sub-Article 18.11 below, any Member or Members holding not less than five per cent (5%) in nominal value of all the shares entitled to vote at the general meeting may:
- 18.10.1. 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
- 18.10.2. table draft resolutions for items included in the agenda of a general meeting.
- 18.11 The request to include items on the agenda or the tabling of draft resolutions referred to in Article 18.10 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 Member or Members making it. The Company shall not be obliged to entertain any requests by Members received after the lapse of the forty six (46) day time limit set out above.
- 18.12 Where the right referred to Article 18.11 requires a modification of the agenda for the general meeting that has already been communicated to the Members, 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 Members to appoint a proxy or, where applicable to vote by correspondence.
- 18.13 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 remuneration of the Directors and the Auditors.
- 18.14 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 fifty (50) Members, entitled to attend and vote at the meeting, shall constitute a quorum.
- 18.15 If within half an hour from the time appointed for the commencement of the meeting, a quorum is not present, the adjourned meeting may be convened by a shorter notice period than that required by Article 18.4 provided that:
- 18.15.1 the first meeting was duly convened in accordance with Article 18.4;
- 18.15.2 no new item is put on the agenda; and
- 18.15.3 the adjourned meeting is held at least ten (10) days after the final convocation is issued. If at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, the Members present shall constitute a quorum.
- 18.16 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 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 chairman of the meeting.

- 18.17 If at any meeting no Director is willing to act as chairman 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 chairman of the meeting.
- 18.18 At the commencement of any general meeting, whether annual or extraordinary, the chairman may lay down to the meeting the procedure which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the meeting.
- 18.19 Every Member 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 Directors or such persons as the 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.
- 18.20 No answer is required to be given by the Company where:
- 18.20.1 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;
  - 18.20.2 the answer has already been given on the Company's website in the form of an answer to a question;
  - 18.20.3 it is not in the interests of good order of the meeting that the question be answered; or
  - 18.20.4 the Company is unable to provide an immediate reply, provided that such reply is subsequently posted on the website of the Company.
- 18.21 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.
- 18.22 If during the meeting an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special or extraordinary resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon during the meeting. This Article shall be without prejudice to the provisions of Articles 18.10, 18.11 and 18.12.

## **19. VOTING AT GENERAL MEETINGS**

- 19.1 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:
- 19.1.1 the chairman; or



- 19.1.2 by at least three (3) Members present in person or by proxy; or
  - 19.1.3 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 that meeting; or
  - 19.1.4 a Member or Members present in person or by proxy holding shares in the Company 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.
- 19.2 Unless a poll is demanded in accordance with the provisions of article 19.1 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 and an entry to that effect is made in the minute book, it 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 number of Members holding in the aggregate the required majority as aforesaid.
- 19.3 The demand for a poll may be withdrawn.
- 19.4 The Company may provide that on a vote on a resolution on a poll taken at a meeting, the votes may include votes cast in advance.
- 19.5 Where a poll is taken at a general meeting and a request is made by a Member 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:
- 19.5.1 the date of the meeting;
  - 19.5.2 the text of the resolution or, as the case may be, a description of the subject matter of the poll;
  - 19.5.3 the number of shares for which votes have been validly cast;
  - 19.5.4 the proportion of the Company's issued share capital at close of business on the day before the meeting represented by these votes;
  - 19.5.5 the total number of votes validly cast; and
  - 19.5.6 the number of votes cast in favour of and against each resolution and, if counted, the number of abstentions.
- 19.6 Where voting on a particular item or resolution is conducted by show of hands and a Member 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 19.4 a statement indicating:
- 19.6.1 the total number of Members entitled to vote present at the meeting;
  - 19.6.2 that upon a show of hands at the meeting it appeared that the resolution had been either carried or rejected.

- 19.7 Where no Member requests a full account of the voting at a general meeting, it shall be sufficient for the Company to establish the voting results only to the extent necessary to ensure that the required majority is reached for each resolution.
- 19.8 Except as provided in Article 19.10 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.
- 19.9 In the case of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a second or casting vote.
- 19.10 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.
- 19.11 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 or by proxy shall have one vote independently of the number of shares held or represented, and on a poll every Member shall have one vote for each share of which he is the holder, and a proxy shall have one vote for each share for which he holds a valid proxy.
- 19.12 Any Person acting as a proxy holder may hold a proxy from more than one Member without limitation as to the number of Members so represented. Where a Person acting as a proxy holder holds proxies from several Members, the proxy may cast votes for a certain Member differently from votes cast for another Member. Notwithstanding the provisions of Article 19.11, in the case of voting by a show of hands, a proxy who has been mandated by several Members and instructed to vote by some Members in favour of a resolution and by others against the same resolution, shall have one vote for and one vote against the resolution.
- 19.13 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 in the Company have been paid.
- 19.14 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.
- 19.15 Notwithstanding anything contained in these articles of association, the board of directors may, subject to satisfying all the requirements under applicable law, convene and hold general meetings of shareholders without the requirement that shareholders are physically present in one or more locations and to permit shareholders eligible to attend a general meeting to attend, participate and vote at a shareholders' meeting so convened from a remote location through electronic means. Any meeting so held shall be equivalent to and as valid as a general meeting held physically in one or more locations.

Where the directors convene a shareholders' meeting, they shall state in the notice convening the meeting whether the meeting shall be held physically or remotely, or whether the meeting shall be held physically but shall also allow members who elect to do so to attend and vote by poll remotely through electronic means.

Where a shareholders' meeting allows the attendance and voting at that meeting to be conducted remotely through electronic means all articles in these articles of association shall

be construed to ensure that they are given effect to in terms of attendance, participation and voting by electronic means, in the same manner as practicably possible as if the meetings were to be held physically in the same location. The directors may make such regulations, not inconsistent with these articles as they consider fit to regulate the conduct of remote meetings by electronic means and shall make such regulations available to shareholders on the notice convening the meeting to which they apply.

For the purpose of this article the term electronic means shall mean such means of electronic equipment for the processing (including digital compression), storage and transmission of data, employing wires, radio, optical technologies, or any other electromagnetic means.

## **20. PROXIES**

- 20.1 Without prejudice to Article 20.4 a member is entitled to appoint one person as a proxy holder to attend and vote at a general meeting in his or her stead. The proxy holder shall enjoy the same rights to speak and ask questions in the general meeting as those to which the Member represented would be entitled.
- 20.2 A proxy shall be appointed by written notification to the Company or by electronic means.
- 20.3 A Member shall be entitled to:
- 20.3.1. appoint a proxy by electronic means to an address specified by the Company;
  - 20.3.2. have the electronic notification of such appointment accepted by the Company; and
  - 20.3.3. have at least one effective method of notification of a proxy by electronic means offered to the Member by the Company.
- 20.4 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.
- 20.5 Articles 20.1, 20.2, 20.3 and 20.4 shall likewise apply to the revocation of the appointment of a proxy.
- 20.6 An instrument of proxy shall be in such form as would allow the Member appointing a proxy to indicate how he would like his proxy to vote in relation to each resolution.
- 20.7 Where a Person whose details are entered in the register of Members is holding the shares for and on behalf of third parties, such Member is entitled to grant a proxy to each of his or her clients or to any third party designated by a client. The said Member shall be entitled to cast votes attaching to some of the shares differently from others. Accordingly, proxy forms shall be designed by the Company to allow such split voting.
- 20.8 A proxy holder appointed in terms of Article 20.1 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.
- 20.9 A proxy shall vote in accordance with any instructions given by the appointing Member. 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.

20.10 Where a Member 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 or any adjournment thereof.

20.11 The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll.

## **21. EXTRAORDINARY RESOLUTIONS**

21.1 An extraordinary resolution shall be a resolution which complies with the Act, namely a resolution where:

21.1.1 it 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

21.1.2 it 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. 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.

## **22. ORDINARY RESOLUTIONS**

An ordinary resolution shall be passed by a Member or Members having the right to attend and vote holding in the aggregate more than fifty per cent in nominal value of the shares represented and entitled to vote at the meeting.

## **23. DIRECTORS – GENERAL PROVISIONS**

23.1. The administration and management of the Company shall be conducted by a Board of Directors, consisting of Executive and Non-Executive Directors as provided in the Memorandum of Association.

23.2. All Directors of the Company shall be individuals: PROVIDED that and without prejudice to the provisions of Article 28.5, the age limit for all Non-Executive Directors shall be seventy-five (75) years of age.

23.3. The Board of Directors shall consist of a maximum of three (3) Executive Directors and a maximum of nine (9) Non-Executive Directors. In the event of the co-option of additional Non-Executive Directors as set out in Article 27A, the maximum number of Non-Executive Directors shall be eleven (11).

- 23.4. Without prejudice to the provisions of Article 23.6 and Article 27A.5, once appointed to office in accordance with the provisions of these Articles, a Non-Executive Director shall hold office for a maximum period of three (3) years unless he resigns or is earlier removed or is due to retire by rotation in accordance with these Articles.
- 23.5. An Executive Director who is appointed to the office of director by virtue of occupying the post of Chief Executive Officer of the Company shall hold the office of Executive Director for such time as he occupies that office; whilst in the case that he is appointed by the Non-Executive Directors from amongst the most senior executive officers of the Company, until such time as the Non-Executive Directors remove or replace such director.
- 23.6. A Director whose term of office expires shall be eligible for re-appointment, provided that no person shall be entitled to occupy the office of Non-Executive Director of the Company for an aggregate period of more than 12 years in any period of 15 years.
- 23.7. 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, but except as provided for in these Articles he shall not be entitled to vote.
- 23.8. A Director who is in any way, whether directly or indirectly, interested 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.
- 23.9. A Director shall not vote at a meeting of Directors in respect of any transaction, contract, or arrangement in which he has a material interest, whether direct or indirect.
- 23.10. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premia for the purchase or provision of any such gratuity, pension or allowance.
- PROVIDED that a resolution to this effect has been approved by the shareholders in general meeting.
- 23.11. The Board of Directors shall have power to transact all business of whatever nature not expressly reserved by the Memorandum and Articles of Association of the Company to be exercised by the Company in general meeting or by any provision contained in these Articles.
- 23.12. A resolution in writing, signed by all the Directors for the time being entitled to receive notice of 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. Any such resolution may consist of several documents in the like form each signed by one or more of the Directors.

## **24. APPOINTMENT OF EXECUTIVE DIRECTORS**

- 24.1 The Chief Executive Officer of the Company shall upon his or her appointment to that executive office become an Executive Director on the Board of Directors and shall serve as Executive Director on the Board throughout his or her tenure of the position of Chief Executive Officer.
- 24.2 In addition to the appointment provided in article 24.1, the Non-Executive Directors:

- 24.2.1. shall also appoint one (1) other Executive Director to the Board from amongst the most senior executive positions of the Company as set out in Article 24.3, and
- 24.2.2. may appoint up to one (1) other Executive Director to the Board from amongst the most senior executive positions of the Company as set out in Article 24.3,

In either case the appointments made pursuant to the provisions of articles 24.2.1 and 24.2.2 shall require the approval of the Nominations and Remuneration Committee.

- 24.3. The executive officers referred to in Article 24.2 shall be selected by the Non-Executive Directors from amongst the chief officers of the Company or such senior executive positions within the Company, irrespective of the nomenclature with which such offices may be known from time to time, but the persons so appointed shall be the highest ranking executive officers within the Company accountable directly to the Board of Directors or accountable directly to the Chief Executive Officer.
- 24.4. An Executive Director appointed pursuant to Article 24.2 shall have a term of office of three (3) years and shall thereafter be eligible for re-appointment, and may not be removed from office by the Non-Executive Directors:
  - 24.4.1. unless his office as a senior executive has also been terminated; or
  - 24.4.2. without just cause being shown to the satisfaction of the Nomination and Remuneration Committee; Provided that it shall be deemed a sufficiently just cause to remove an Executive Director appointed in accordance with the provisions of article 24.2.2 during his tenure of office, if the Non-Executive Directors with the approval of the Committee are of the opinion that, in the then prevailing circumstances, the nature and extent of the skills and competence required on the Board can be better served by the appointment of another Executive Director eligible for such appointment under these articles, in which case the Non-Executive Directors may proceed, after the approval of the Nominations and Remuneration Committee, to terminate the original appointment and to appoint another senior officer with the appropriate skills and competence in his stead.
- 24.5. An Executive Director appointed pursuant to the provisions of articles 24.2.1 and 24.2.2 shall be entitled to be heard by the Nominations and Remuneration Committee before any recommendation is made by that Committee to the Board on the termination of that Executive Director's position as Executive Director.

## **25. APPOINTMENT OF THE NON-EXECUTIVE DIRECTORS**

- 25.1. The Non-Executive Directors of the Company shall be appointed (i) by letter addressed to the Company in the case an appointment by Shareholders having a Qualifying Shareholding, in accordance with the provisions of Article 25.3 below; and (ii) otherwise by the Shareholders in the annual general meeting of the Company in accordance with the provisions of these Articles.
- 25.2. No person who occupies a senior executive position in the Company and is eligible for appointment as a Director in accordance with the provisions of Article 24 shall be eligible for appointment to the office of Non-Executive Director.
- 25.3. Appointments by Qualifying Shareholders
  - 25.3.1. Subject to the provisions of this Article 25.3, a Qualifying Shareholder shall be entitled to appoint a Non-Executive Director for each Qualifying Shareholding and shall accordingly utilise its Qualifying Shareholding to make recommendations to the

chairman of the Nominations and Remuneration Committee of one person for each Qualifying Shareholding to the office of Non-Executive Director by letter addressed to the chairman of the Nominations and Remuneration Committee. Such a recommendation to the Chairman of the Nominations and Remuneration Committee shall be made not less than ninety (90) days prior to the date of the meeting appointed for the election of Directors pursuant to Article 26.

- 25.3.2. Such nominations shall be made in such form and shall contain such information as the Nominations and Remuneration Committee may from time to time determine.
- 25.3.3. The Nominations and Remuneration Committee shall communicate with and engage in active discussion with Qualifying Shareholders on the needs and requirements of the Board from time to time with a view to ensuring, as far as practicably possible, that nominations made by Qualifying Shareholders will address the requirements of the Board with respect to collective knowledge, skills and experience on the Board.
- 25.3.4. Any person recommended by a Qualifying Shareholder shall be subject to approval by the Nominations and Remuneration Committee as a fit and proper person and shall not be or become entitled to act or take office as a Director unless approved by the Nominations and Remuneration Committee; and the Nominations and Remuneration Committee shall be empowered to reject any recommendation made in accordance with these Articles if in its considered opinion that nomination does not satisfy the needs of the Board or if the person nominated is not, after due vetting in line with applicable processes and procedures, fit and proper to occupy the office of director.
- 25.3.5. Upon approval by the Nominations and Remuneration Committee of a nomination made by a Qualifying Shareholder, the person so nominated shall, subject to there being sufficient vacancies on the Board and subject to the provisions of Article 28, be appointed as Director for a term of three (3) years.
- 25.3.6. A Qualifying Shareholding may only be utilised for the purpose of making recommendations and appointments of Non-Executive Directors in accordance with the provisions of this Article 25.3. Accordingly, a Qualifying Shareholder shall not be entitled to use a Qualifying Shareholding or any part thereof
  - (i) to recommend other fit and proper persons for appointment as Non-Executive Directors in accordance with the provisions of Article 25.4; and
  - (ii) to participate in an election of Non-Executive Directors in accordance with the provisions of Article 26.
- 25.3.7. A Qualifying Shareholder shall not be entitled to recommend other fit and proper persons for appointment as Non-Executive Directors in accordance with the provisions of Article 25.4 nor to participate in an election of Non-Executive Directors in accordance with the provisions of Article 26, with any shares held in excess of the Qualifying Shareholding.

#### 25.4. Other Nominations and Appointments by Shareholders

- 25.4.1. Any Member or number of Members, excluding Qualifying Shareholders, who in the aggregate hold not less than €50,000 (fifty thousand Euros) in nominal value of shares having voting rights in the Company shall be entitled to recommend a fit and proper person for appointment as a Non-Executive Director of the Company to the Nominations and Remuneration Committee, but no person shall be or become

entitled to act or take office as a Director unless such person is duly approved by the Nominations and Remuneration Committee; and the Nominations and Remuneration Committee shall be empowered to reject any recommendation made in accordance with these Articles if in its considered opinion that nomination does not satisfy the needs of the Board or if the person nominated is not, after due vetting in line with applicable processes and procedures, fit and proper to occupy the office of director.

- 25.4.2. In addition to the nominations that may be made by Members pursuant to the provisions of Article 25.4.1, the Directors themselves or the Nominations and Remuneration Committee, may make recommendations and nominations of fit and proper persons to the shareholders for the appointment of Directors at the annual general meeting, if in the opinion of the Nominations and Remuneration Committee such person is required for the Board to have the appropriate level and mix of overall skills, knowledge and experience required for the Directors collectively to undertake their proper functions and duties in accordance with applicable law and regulation.
- 25.4.3. For the purpose of enabling Members to make recommendations in accordance with the provisions of Article 25.4.1, the Company shall grant a period of at least fourteen (14) days to Members to nominate candidates for appointment as Directors. Such notice may be given by the publication of an advertisement in at least two (2) daily newspapers. 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 Directors from time to time and shall reach the Office of the Company Secretary not later than fourteen (14) days after the publication of the said notice (the "Submission Date"). Provided that the Submission Date shall not be less than ninety (90) days prior to the date of the meeting appointed for such election. Nominations to be made by the Directors or the Nominations and Remuneration Committee shall also be made by not later than the date established for the closure of nominations to Members pursuant to this Article.
- 25.4.4. Nominations may be received by the Company by hand, by regular postal services or by electronic mail. In the event of receipt of documents by electronic mail the Company may from time to time establish policies and rules to better regulate the receipt of nominations.
- 25.4.5. All Approved Nominations made in accordance with the provisions of this Article 25.4 shall be proposed to the shareholders for election.
- 25.4.6. At an election of directors all Shareholders, holding Shares in the Company having voting rights, with the exception of Qualifying Shareholders, shall be entitled to vote.
- 25.4.7. Any Member whose shareholding in the Company falls below the Qualifying Shareholding on the Record Date, shall forfeit any right to appoint a Non-Executive Director or Non-Executive Directors, as the case may be, in terms of Article 25.3 above and shall be entitled to participate in the nominations process pursuant to Article 25.4 and in the election of Non-Executive Directors pursuant to Article 26.
- 25.4.8. In the event the number of Approved Nominations made to Shareholders pursuant to the provisions of this Article 25.4 is equal to or less than the number of vacancies on the Board of Directors, taking into account the appointments made pursuant to Article 25.3, no election shall take place and all the candidates approved by the Nominations and Remuneration Committee shall take office as directors.
- 25.4.9. Where the number of Approved Nominations is more than the number of vacancies remaining on the Board of Directors, after taking into account the appointments made



pursuant to Article 25.3, then an election shall take place in accordance with the provisions of Article 26.

## **26. ELECTION OF NON-EXECUTIVE DIRECTORS**

- 26.1. Whenever in terms of these Articles an election is necessary amongst Approved Candidates, such election shall be conducted in the manner prescribed by these Articles or in such manner as close as practicably possible thereto as the Directors may consider equitable in the circumstances.
- 26.2. The Nominations and Remuneration Committee shall submit to the Board for approval, a list of Approved Candidates in an order of preference by placing at the top of the list the Approved Candidate that in the opinion of the Committee would be the preferred candidate having the skills, knowledge and experience necessary in the Board. The remainder of the list shall be compiled in the same manner according to the order of preference determined by the Committee. In the event that the Committee does not express any preference as between certain candidates then the candidates falling in the same category of preference shall be listed by the Committee in alphabetical order and a note to that effect shall be made by the Committee. The Chairman and the Company Secretary shall sign the list for purposes of verification.
- 26.3. On the notice calling the annual general meeting at which an election of Directors is to take place there shall be proposed one resolution for the appointment of Non-Executive Directors consisting of a list of Approved Candidates in the order in which the names were placed in accordance with the provisions of Article 26.2 and with such notes, if any, contemplated in that Article.
- 26.4. The Directors shall further ensure that any Member may vote for Approved Candidates by proxy.
- 26.5. The election of Non-Executive Directors shall take place by way of a poll amongst Shareholders eligible to participate in an election of Non-Executive Directors according to the provisions of these Articles.
- 26.5.1 On a poll taken for the election of Non-Executive Directors, each Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way and may award to one or more Approved Candidates such number of votes as do not in aggregate exceed the total number of Shares held. The Approved Candidate or Candidates, as the case may be, obtaining the highest number of votes in the poll that would fill all vacancies on the Board for Non-Executive Directors, shall be appointed Directors.
- 26.6. Each Member shall be entitled, in the event of a poll, to use all or part only of his votes on a particular Approved Candidate. In the event of a poll, the ballot paper which shall be used by shareholders to cast their votes shall contain the list of candidates in the order in which the names were drawn in accordance with the provisions of Article 26.2.

## **27. THE NOMINATIONS AND REMUNERATION COMMITTEE**

- 27.1. The Board of Directors shall appoint a Nominations and Remuneration Committee (in this Article 27 referred to as the Committee) consisting of three Non-Executive Directors, at least two of whom shall be independent Non-Executive Directors.

- 27.2. The Committee shall be chaired by the Chairman. In the event that the Chairman is appointed pursuant to the provisions of Article 29.1 of these Articles none of the other two (2) members of the Committee shall be appointed from amongst the Directors appointed by the same Member appointing the Chairman.
- 27.3. The Members of the Committee, other than the Chairman, shall as far as practicably possible, be appointed from amongst Non-Executive Directors who have no direct personal interest in the election or appointment of directors. Accordingly, it shall be composed of members who:
- 27.3.1. either do not re-submit themselves for reappointment at the forthcoming election; and/or
  - 27.3.2. who are by virtue of the provisions of Article 28 on the Rotation of Directors to remain in office.
- 27.4. The Board of Directors shall, to the extent that they are not inconsistent with any provision of these Articles, set out the terms of reference of the Committee and shall keep the same under review from time to time.
- 27.5. The Committee shall have all such powers, authorities as may be necessary or desirable for the Committee to be able to undertake its role and function as set out in these Articles, and as may be set out in the terms of reference of the Committee from time to time, including the power to engage consultants to assist and advise it on the proper performance of its role and function in accordance with these Articles and applicable law.
- 27.6. The role and functions of the Committee shall be set out in the terms of reference but shall at all times include the function to determine:
- 27.6.1. the collective skills that may be required in the Board of Directors; and
  - 27.6.2. the individual attributes of Directors with the aim of determining from time to time the proper composition of the Board; to propose to the Board, candidates for the position of Director who in the opinion of the Committee have the right attributes, skills, level of integrity and experience and who the Committee considers are overall fit and proper to occupy the office of Director, including persons that are considered to be independent in terms of Article 27.7;
  - 27.6.3. to periodically assess the structure, size, composition and performance of the Board and make recommendations to the Board with regard to any changes that may become necessary from time to time;
  - 27.6.4. to properly seek for appointment to the Board persons who have the right level of skill, competence and experience that would endow the Board with the requisite collective knowledge and skill necessary for the proper functioning of the Company and its oversight by the Board of Directors;
  - 27.6.5. to properly consider issues related to succession planning of the Board; and
  - 27.6.6. to review the policy of the Board for selection and appointment of senior management.
- 27.7. For the purposes of this Article 27, and subject to any mandatory requirements under applicable law from time to time, a Director is considered to be independent when he is free from any business, family or other relationship, with the Company, its controlling Shareholder or the management of either, that creates a conflict of interest such as to jeopardise exercise

of his free judgement; and business relationship includes the situation of a significant supplier of goods or services (including financial, legal, advisory or consulting services), of an employee, of a significant customer, and of organisations that receive significant contributions from the Company or its group.

- 27.8. The Committee shall also have the function to approve any proposed appointments to the senior executive management of the Bank.
- 27.9. In the exercise of its functions the Committee shall ensure that appointments to the Board and the senior executive management are made on merit and against objective criteria.
- 27.10. The Committee shall furthermore ensure that persons whose candidacy is approved and recommended to Shareholders or the Board as the case may be, are in a position to dedicate sufficient time and resources to the office of director.
- 27.11. The Committee should strive to achieve consensus on the recommendations it makes to Shareholders, or in the case of senior executive management to the Board, however where such consensus cannot be achieved, decisions shall be made by a majority vote. In the event that a member or members of the Committee dissent(s) with the majority view on any particular matter, that member or member(s) (as the case may be) shall be entitled to make a dissenting report to the Board setting out the reasons as to why they dissent from the majority opinion expressed in the Committee's recommendations. In such circumstances the Board shall be empowered to reverse a majority decision of the Committee.
- 27.12. No member of the Committee shall be present while his nomination as a Director of the Company, or a matter which concerns that member in question, is discussed at a meeting of such Committee, and such member shall be substituted by another Director, including an Executive Director if there is no other Non-Executive Director able or willing to act.
- 27.13. The Committee shall periodically assess the skills, knowledge and experience of individual directors necessary for the Board to have the appropriate level of skill, competence and experience that would endow the Board with the requisite collective knowledge and skill necessary for the proper functioning of the Company and its oversight by the Board of Directors, and shall report and make its recommendations on this to the Board.
- 27.14. If in the opinion of the Committee, the then current complement of the Board provides the Board with the appropriate skills, knowledge and experience and that there would be no value for the Company to change the then current composition of the Board, the Committee may recommend to the Board of Directors that any retiring directors pursuant to the provisions of Article 28 ought to be re-appointed to their office.
- 27.15. In the event that the Committee formulates the opinion as provided in Article 27.14 it shall cause such opinion to be announced by the Company. In the event that notwithstanding such opinion being announced, shareholders still make recommendations to the Committee for the appointment of Non-Executive Directors pursuant to the provisions of Article 25.4, then the Committee shall be obliged to evaluate those nominations and, if any of those nominations are approved in accordance with the then applicable policies and procedures, the Committee shall place the names of such persons on the list of Approved Candidates and the rotation provisions in these Articles shall apply.
- 27.16. The Committee shall, without prejudice to its own role of identifying appropriate persons who are fit and proper to occupy the office of director of the Company, vet each candidate, nominated by shareholders in accordance with these Articles, to ensure that such person has the appropriate requisites in compliance with applicable law, rules, regulations and guidelines

issued by the Company's regulators from time to time. The Committee shall, from time to time, make recommendations to the Board for approval policies and procedures including the basis of vetting candidates to ensure that they meet the requirements above-mentioned, and such other requirements as the Nominations and Remuneration Committee may consider appropriate for the proper and effective oversight of the Company's business.

27.17. The Committee shall, when it considers it appropriate to do so, with a view to seek individual directors of the right calibre, skill and knowledge required at the Board, issue a request for persons with the right qualifications, skills, knowledge and experience to express their interest in acting as Non-Executive Directors on the Board. Any expressions of interest so received shall be evaluated by the Committee in accordance with the provisions of these Articles.

#### 27A Co-Option of Additional Non-Executive Directors

27A.1 In the event that (i) the appointment of an additional Non-Executive Director is required for compliance with regulatory requirements; or (ii) in the opinion of the Committee, the then current composition of the Board does not have the appropriate mix of collective skills, knowledge and experience, then notwithstanding that all nine (9) positions of Non-Executive Directors are duly occupied, the Committee shall, pursuant to its functions under the provisions of article 27.13, recommend to the Non-Executive Directors the co-option to the Board of Directors of up to an additional two (2) Non-Executive Directors.

27A.2 Upon a determination of the Committee as provided in article 27A.1 the Committee shall at the earliest available opportunity communicate such determination to the Board.

27A.3 Upon a notification to the Board as provided in article 27A.2, the Board shall consider the recommendations of the Committee and determine whether to proceed on those recommendations or not. In the event that it resolves to proceed with the recommendations of the Committee the Board may itself make recommendations to the Committee as to fit and proper individuals for co-option; and/or seek from the Committee recommendations for fit and proper individuals to be co-opted as Non-Executive Directors and whose co-option, in the opinion of the Committee would

(i) meet the regulatory requirements; and/or

(ii) provide the Board with a more appropriate mix of collective skills, knowledge and experience required for the better direction of the Company.

27A.4 The Committee, after taking into account any recommendations made by the Board in accordance with the provisions of article 27A.3 and its own recommendations to the Board, shall evaluate the individuals concerned in accordance with the process applicable for such assessment from time to time as provided in article 27.16 and shall make a final recommendation to the Board on the co-option of a maximum of two (2) candidates who, in the opinion of the Committee are most suitable for appointment in the light of the collective skills, knowledge and experience required in the Board or the regulatory requirements that need to be complied with.

27A.5 The co-option of a Non-Executive Director or Non-Executive Directors pursuant to the provisions of this Article 27A shall be made by a resolution passed by a majority vote of the Non-Executive Directors. Any Non-Executive Director co-opted in accordance with this Article 27A shall be co-opted for a fixed term of three (3) years and shall not be subject to the rules on rotation of Directors as set out in Article 28, but shall, unless he resigns or is otherwise removed, remain in office for the full term

of office. Subject to the provisions of Article 23.6 and the provisions of this Article 27A, such Non-Executive Director or Non-Executive Directors, having been co-opted pursuant to this Article 27A shall, however, be eligible for re-appointment for further terms of three (3) years each term.

## 28. ROTATION OF DIRECTORS

- 28.1. The provisions of this Article 28 shall not apply to Non-Executive Directors who have been co-opted to the Board in accordance with the provisions of Article 27A above. At the first annual general meeting of the Company following the adoption of this Article, all the Directors shall retire from office, and at that annual general meeting Non-Executive Directors shall, subject to the rotation provisions in this Article (including Article 28.4), be appointed or re-appointed as the case may be, for a period of three (3) years.
- 28.2. At the annual general meeting falling on the first (1st) anniversary of the general meeting referred to in Article 28.1, one-third of the Non-Executive Directors shall retire from office. In every subsequent year one third of the Non-Executive Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.
- 28.3. The Non-Executive Directors to retire first shall be those who have been in office longest since the date of their election or re-election (as the case may be) but as between persons who were elected or re-elected (as the case may be) on the same day or in the event that the duration in office cannot be properly determined those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 28.4. In the event that one or more of the Non-Executive Directors who have been in office longest and are due to retire by rotation in terms of Articles 28.2 and 28.3, would, as from the date of their appointment, election or re-election (as the case may be) up to then forthcoming general meeting at which an election and/or re-election of Directors is to take place, have occupied office for less than two calendar years (a "**Two-Year Term**"), said Non-Executive Director or Directors (as the case may be) shall not retire. There shall be no retirement by rotation of any Non-Executive Directors at the annual general meeting in any given year if all Non-Executive Directors due to retire by rotation in terms of Articles 28.2 and 28.3 have been in office for less than the Two-Year Term, and, if at the annual general meeting in any given year, from the Non-Executive Directors due to retire by rotation in terms of Articles 28.2 and 28.3: (a) one or more Non-Executive Directors have been in office for less than the Two-Year Term; and (b) one or more other Non-Executive Directors have been in office for a period exceeding said Two Year Term, it is only the Non-Executive Director(s) mentioned in (b) who shall retire by rotation in that year.
- 28.5. A retiring Director shall, subject to the provisions of Article 23.6, be eligible for re-election or reappointment:
- Provided that any Non-Executive Director who reaches seventy-five (75) years of age at any time during his/her term of office, such Non-Executive Director shall complete such term of office but shall not be eligible for re-appointment or re-election in accordance with this Article 28.5.
- 28.6. Subject to the provisions of Article 28.8, at the general meeting at which a Director retires in the manner aforesaid, the Company may fill the vacated office by electing a person thereto from amongst Approved Candidates.

- 28.7. These provisions on rotation shall, subject to the provisions of Article 27A.5 and Article 28.8, apply to all Non-Executive Directors whether appointed by a Qualifying Shareholder or otherwise, but shall not apply to the Executive Directors.
- 28.8. Where a Non-Executive Director appointed by a Qualifying Shareholder retires pursuant to the provisions of this Article 28, that Director may be substituted only by another Non-Executive Director nominated by the Qualifying Shareholder who had originally nominated the retiring Non-Executive Director, provided that (i) such new appointee has been duly approved by the Nominations and Remuneration Committee; and (ii) the Qualifying Shareholder still holds a Qualifying Shareholding at the time of the substitution or new appointment.
- 28.9. In the event that one or more Non-Executive Directors resign effective as of the date of a general meeting at which an election or re-election of Directors is to take place, the resigning Director(s) shall be excluded from the total number of Non-Executive Directors on the basis of which the number of Non-Executive Directors required to retire by rotation (one third or a number nearest to one third, calculated in accordance with Articles 28.2, 28.3 and 28.4) shall be calculated.

## **29. APPOINTMENT OF THE CHAIRMAN**

- 29.1. The Chairman shall be appointed from amongst the Non-Executive Directors:
- 29.1.1 by any one Member holding in aggregate more than fifty per cent (50%) of the issued share capital of the Company having voting rights; or
- 29.1.2 in the absence of any one Member qualified under 29.1.1, by that Member holding in aggregate the highest number of shares having voting rights in the Company not being less than twenty five per cent (25%) of the issued share capital having voting rights in the Company.
- 29.2. In the event that no one Member holds in aggregate the qualification above mentioned, then the Chairman shall be appointed by the Directors at their first meeting after the Annual General Meeting.

## **30. REMOVAL OF DIRECTORS AND VACATION OF OFFICE**

- 30.1. Any Director may be removed at any time by the ordinary resolution of the Members in accordance with the Act, or in accordance with any other applicable Law.
- 30.2. Without prejudice to anything contained in the Articles the office of a Director shall 'ipso facto' be vacated:
- 30.2.1 if, by notice in writing to the Company, he resigns from the office of Director; or
- 30.2.2 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
- 30.2.3 if he violates any of the undertakings made by such director to the company in the applicable contract of service, any form pursuant to which such director shall have submitted his application to become a director, or the declaration of secrecy required of him under these Articles and the Directors pass a resolution that he has so violated the declaration of secrecy; or

- 30.2.4 if he is prohibited by applicable law from being a Director; or
  - 30.2.5 if he is removed by ordinary resolution from office pursuant to, or otherwise ceases to be a Director by virtue of, the Act; or
  - 30.2.6 should he become of unsound mind, is convicted of any crime punishable with imprisonment, or is declared bankrupt during his term of office.
- 30.3. Any vacancy among the Directors, may be filled by:
- 30.3.1. Without prejudice to the provisions of Article 27A.5 above, the co-option of another person to the office of director, made by the board of Directors on the recommendation of the Nominations and Remuneration Committee; or
  - 30.3.2. in the event that the retiring Director is one appointed by a Qualifying Shareholder, by the appointment of another person nominated by such Qualifying Shareholder, subject to approval by the Nominations and Remuneration Committee.
- 30.4. Without prejudice to the provisions of Article 27A above, any vacancy among the Directors filled by virtue of a co-option as aforesaid, shall be valid until the next annual general meeting, when the director so appointed shall be one of the Non-Executive Directors subject to Rotation in accordance with the provisions of article 28.
- 30.5. 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, notwithstanding the provisions regulating the quorum, 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.

### **31. ALTERNATE DIRECTORS**

- 31.1. A Director may by letter addressed to the Chairman appoint an alternate Director to act instead of him at meetings of the Directors, and may at any time by letter addressed to the Chairman remove such alternate Director. An existing Director may be appointed as an alternate to another Director in which case his rights as alternate, including the right to vote, shall be additional to his rights as Director.
- 31.2. The alternate Director must be a serving Director.

### **32. COMMITTEES OF DIRECTORS**

- 32.1. 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. The Directors may fix the remuneration of members appointed to act on such committees and working groups.
- 32.2. Save for any executive or management committees that may be appointed by the board, a Committee appointed in accordance with the provisions of article 32.1 above shall be chaired

by a Non-Executive Director who satisfies the requirements of independence under article 27.7.



### **33. REMUNERATION OF DIRECTORS**

- 33.1. The aggregate emoluments of all Directors shall 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.
- 33.2. Any remuneration paid to any Director by virtue of his holding a permanent salaried office with the Company shall not be deemed to form part of such Director's emoluments, referred to in Article 33.1 above.
- 33.3. The Directors may, subject to such limits as the board may from time to time determine, 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 32.1 above, or general meetings of the Company or in connection with the business of the Company.
- 33.4. 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, Provided that any such payment falls within the limit of aggregate emoluments of Directors established by the general meeting pursuant to Article 33.1.

### **34. BORROWING POWERS**

- 34.1. The Directors may, subject to the provisions of these Articles and the Statutes, 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 bonds, debentures, debenture stock and other 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.
- 34.2. Notwithstanding the provisions of article 34.1, the Board shall not, without the previous sanction of an ordinary resolution of the Company, allow the borrowings of the Company in the aggregate amount to exceed an amount equal to twice the Adjusted Capital and Reserves.
- 34.3. For the purpose of the foregoing restriction in article 34.2:
- 34.3.1 the "Adjusted Capital and Reserves" means the aggregate from time to time of:
- 34.3.1.1 the amount paid up or credited as paid up on the issued share capital of the Company; and
- 34.3.1.2 'the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve, statutory reserve fund, capital reserve and any credit balance on profit and loss account) all as shown by the then latest audited balance sheet but after deducting therefrom any debit balance on profit and loss account (except to the extent that such deduction has already been made) and making adjustments to reflect any variation in the amount of such paid up share capital, share premium account or capital redemption reserve since the date of such audited balance sheet.

34.3.2 "Borrowings" shall be deemed to include not only borrowings but also the following except insofar as otherwise taken into account:

34.3.2.1 the principal amount of any debentures or borrowed monies, the beneficial interest wherein or the right to repayment whereof is not for the time being owned by a Member of the Company and the payment or repayment whereof is the subject of a guarantee or indemnity by, or is secured by any hypothec, charge or other security interest of any kind on any of the assets of the Company;

34.3.2.2 any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing; but shall be deemed not to include deposits of money from individuals, corporations or banks withdrawable or repayable on demand or after a fixed period or after notice received in the normal course of its banking business or any similar liabilities taken up as part of the Company's ordinary banking business.

34.4. When the aggregate amount of borrowings required to be taken into account for the purposes of this Article on any particular day is being ascertained, any of such monies denominated or repayable (or repayable at the option of any Person other than the Company) in a currency other than Euro shall be converted for the purpose of calculating the Euro equivalent at the rate of exchange prevailing on that day as quoted by the Central Bank of Malta (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business).

34.5. "Audited Balance Sheet" shall mean the latest audited balance sheet of the Company available at that date.

34.6. A certificate or report by the Auditors for the time being of the Company as to the amount of the Adjusted Capital and reserves or the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article.

34.7. Notwithstanding the foregoing no lender or other Person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this Article is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

34.8. The Directors shall exercise their powers subject to any of these Articles, to the provisions of the Statutes and Bye-Laws of the Exchange and to such regulations, not inconsistent with the aforesaid regulations and laws, 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.

## **35. PROCEEDINGS OF DIRECTORS**

35.1. The Directors shall meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. A majority of votes shall decide questions arising at any meeting. In case of an equality of votes the Chairman shall have an additional or casting vote.

35.2. The Chairman may, at any time, summon a meeting of the Directors.

- 35.3. The Secretary shall, on the written requisition of not less than four (4) Directors, summon a meeting of the Directors.
- 35.4. Any one or more of the Directors, may participate in a meeting of the Directors or any one or more of the members of a committee appointed by the Directors may participate in a meeting of such committee:
- 35.4.1 by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time; or
- 35.4.2 by a succession of telephone calls to Directors or members of a committee as the case maybe from the chairman of the meeting following disclosure to them of all material points.
- 35.4.3 Participating by such means shall constitute presence in person at a meeting. Such meeting shall be deemed to have occurred, in the case of 35.4.1, at the place where most of the Directors participating are present or, if there is no such place, where the chairman of the meeting is present and, in the case of 35.4.2, where the chairman of the meeting is present.
- 35.5. The quorum necessary for the transaction of business shall be such number of Directors as constitutes for the time being a majority of the members appointed on the board, present in person or by their alternate.
- 35.6. 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 three (3) days. 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 in writing of such latter address). The requirement of such notice may be waived by a decision of ALL Directors entitled to receive notice and vote at a meeting of the Directors. A Director may give his consent to such waiver of notice, by way of fax or other means of readable communication, including electronic mail.
- 35.7. If at any time the Chairman is not present within thirty minutes after the time appointed for the meeting, the Directors may choose one of their number to chair the meeting from among the Non-Executive Directors.

## **36. CHIEF EXECUTIVE OFFICER**

- 36.1. Subject to the provisions of article 27.8, the Non-Executive Directors shall appoint an individual to the post of Chief Executive Officer (CEO) who shall be responsible for the overall executive management of the Company. The CEO shall, on appointment, be the most senior executive officer of the Company. Such appointment shall be made as soon as possible whenever the post of CEO is vacant even if the appointment is made on an interim basis.
- 36.2. The Directors shall delegate and entrust to the CEO such powers and authorities for the executive management of the Company as may be necessary to ensure that the CEO is in a position to implement the business plans of the Company and the decisions of the Directors from time to time. The CEO shall be accountable to the Directors for the overall management and performance of the Company.
- 36.3. Without prejudice to the provisions of Articles 36.1 and 36.2, the Directors may confer upon the CEO or any other Executive 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 subject to such agreement as may be entered into between the Company and, the CEO or the Executive Director as the case may be.

### **37. SECRETARY**

- 37.1. The Directors shall cause minutes to be kept in books provided for the purpose:
- 37.1.1. of all appointments of officers made by the Directors;
  - 37.1.2. of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
  - 37.1.3. of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.
- 37.2. The minute book of general meeting of the Company shall be kept at the Registered Office of the Company.
- 37.3. Without prejudice to the provisions of the Act regulating the appointment and functions of the company secretary, the appointment or replacement of the company secretary, and the conditions for holding office shall be determined by the Directors.
- 37.4. The company secretary shall be responsible for keeping: the minute book of general meetings of the Company; the minute book of meetings of the board of Directors; the register of Members of unlisted Equity Securities and Debt Securities; and such other registers and records as the company secretary may be required to keep by the board of Directors.
- 37.5. The company secretary shall ensure that proper notices be given of all meetings; and ensure that all returns and other documents of the Company be delivered in accordance with the requirements of the Act.

### **38. DIVIDEND AND RESERVES**

- 38.1. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
- 38.2. 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.
- 38.3. No dividend shall be paid otherwise than out of the profits of the Company or out of reserves of the Company available for distribution.
- 38.4. Without prejudice to the relevant provisions of the Statutes, 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.

- 38.5. 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 share in advance of calls shall be treated for the purpose of this Article as paid on the shares. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if 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.
- 38.6. 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.
- 38.7. Any dividend or other monies payable in respect of a share will be paid by electronic means directly to the savings or current account held with any bank in Malta as designated by the holder or, in the case of a share held jointly by more than one Person, to the account designated by the Member nominated and named in the Register of Members. Should there be no such nomination, the dividend shall be paid into the account designated by the first named joint Member appearing on the Register of Members:
- Provided** that, where no account has been designated by the Member, the dividend is to be kept by the Company for collection by the Member entitled to such dividend or for payment by electronic means as aforesaid when the account is made known to the Company by the Member.
- Provided** that, in the case of a share 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 share. The payment of dividend to any account designated by one of the joint holders shall be deemed to be a good discharge to the Company.
- Provided** further that, nothing in this Article shall preclude the Company, on the recommendation of the Directors, from offering to pay dividends to its Members, wholly or partly, by any other means, including a scrip dividend to be paid either in cash or by the issue of paid up shares, at each Member's option, and in giving effect to such resolution, the Directors may settle the scrip dividend as they think expedient, and in particular, in relation to the paid up shares issued by way of such scrip dividend, the Directors may fix the attribution price thereof and make such provision for payment in cash or otherwise in the case of such shares becoming distributable in fractions.
- 38.8. Every such payment shall be effected at the risk of the Person entitled to the money represented thereby 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.
- 38.9. The payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee or nominee thereof and any dividend remaining unclaimed for a period of twelve (12) years from the date of declaration of such dividend may at the discretion of the Directors, be subject to forfeiture and reversion to the Company, Provided that the Directors shall not cause such forfeiture in circumstances, of which they have actual knowledge, where a claim is still possible at law, either by the shareholder or his/her successors in title.
- 38.10. No dividend shall bear interest against the Company.
- 38.11. 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.

## 39. ACCOUNTS

- 39.1. Without prejudice to the provisions of any applicable Law, no Member shall have any right of inspecting any account, or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.
- 39.2. A copy of every balance sheet and profit and loss account together with any Directors' and Auditors' report attached thereto which is to be laid before a general meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than twenty one (21) days before the date of the meeting be sent or provided electronically or made available in any other form as may be permitted by law, to every Member of the Company, to the Exchange and to every other Person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles.

**Provided** that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any Person of whose address the Company is not aware, but any Member or holder of a Debt Security to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application.

## 40. CAPITALISATION OF PROFITS

- 40.1. Without prejudice to the relevant provisions of applicable Law, 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 Equity Securities 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 a share premium account and a capital redemption reserve fund, for the purposes of this Article, may only be applied in the paying up of unissued shares to Members of the Company as fully paid bonus 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 for the case of shares or debentures becoming distributable in fractions.

## 41. NOTICE

- 41.1. Without prejudice to Article 18.8 and Article 18.9, 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 or in any other manner as may be allowed by law. 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.

- 41.2. A notice may be given to the joint holders of a share by giving the notice to the holder of such share named in the register of Members.
- 41.3. Any notice required to be given by the Company to the Members or any of them, and not expressly provided for by these Articles, shall be sufficiently given if given by advertisement.
- 41.4. Any notice required to be or which may be given by advertisement shall be advertised once only in two daily newspapers.
- 41.5. 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 of a general meeting 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 Members.
- 41.6. The signature to any notice to be given by the Company may be written or printed.

## **42. SECRECY**

- 42.1. Without prejudice to the provisions of the Banking Act (Chapter 371 of the Laws of Malta), the Professional Secrecy Act (Chapter 377 of the Laws of Malta) and the Statutes, every Director, secretary, auditor and employee of the Company shall observe strict secrecy and confidentiality 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 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, being a Person who is not named in Section 3 of the Professional Secrecy Act (Chapter 377 of the Laws of Malta), shall sign a declaration to the above effect in such form as the Directors may from time to time prescribe.

## **43. WINDING-UP**

- 43.1. All holders of ordinary shares shall rank pari passu upon any distribution of assets in a winding up.
- 43.2. 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.

## **44. INDEMNITY**

- 44.1. Every Director, Managing Director, agent or secretary, 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, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted.
- 44.2. For the above purpose the Company may take up an insurance policy with a reputable insurance company.

## 45. UNTRACED MEMBERS

- 45.1. The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a Person is entitled by transmission if and **provided** that
- 45.1.1. for a period of twelve (12) years no dividend or any money payable in respect of a share as set out in Article 38.7 have been claimed by the Member or by the Person entitled by transmission to the share or stock and no communication has been received by the Company from the Member or the Person entitled by transmission;
- Provided** that in any period of twelve (12) years at least three dividends whether interim or final on or in respect of the share or stock in question have become payable and no such dividend during that period has been claimed; and
- 45.1.2. the Company has at the expiration of the said period of twelve (12) years by advertisement in at least two daily newspapers given notice of its intention to sell such share or stock listed thereon;
- 45.1.3. the Company has not during the further period of three (3) months after the date of the advertisement and prior to the exercise of the power of sale received any communications from the Member or Person entitled by transmission; and
- 45.1.4. the Company has first given notice in writing to the Exchange of its intention to sell such shares or stock listed thereon.
- 45.2. To give effect to any such sale the Company may appoint any Person to execute as transferor an instrument of transfer of the said share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or Person entitled by transmission to such share or stock and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other Person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other Person in the books of the Company as a permanent creditor for such amount.
- 45.3. No interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Directors may from time to time think fit.

## 46. GENERAL

- 46.1. All the above Articles are subject to the overriding provisions of the Act, the Banking Act (Chapter 371 of the Laws of Malta), the Financial Markets Act (Chapter 345 of the Laws of Malta), the Capital Markets Rules, the Bye-Laws issued by the Exchange and the Statutes, 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.



- 46.2. No deletion, amendment or addition to any of these Articles which have previously been authorised by the MFSA shall be effected by the Company unless prior written approval has been sought and obtained from the MFSA for such deletion, amendment or addition.