

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**HORIZON FINANCE PLC**

1. **NAME**

The name of the Company is **HORIZON FINANCE PLC**.

2. **PUBLIC COMPANY**

The Company shall be a public limited liability company.

3. **REGISTERED OFFICE**

The registered office of the Company shall be situated at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, SLM 1607, Malta or at such other address as may be determined by the Board of Directors of the Company.

4. **OBJECTS**

The objects of the Company shall be the following:

- (a) To carry on the business of financing or re-financing of the funding requirements of the business, of any company forming part of the same group of companies of which the Company forms part and/or of any company that is controlled, directly or indirectly, by the same person or persons as the Company.
- (b) To act as a parent holding company and hold shares and other ownership interests in other companies, partnerships, joint ventures and enterprises;
- (c) To purchase or otherwise acquire, under any title whatsoever, to hold, manage and dispose of, by any title valid at law, movable or immovable property of whatever nature including any rights thereon;
- (d) To receive dividends, capital gains, interest, income derived from investments generally including income or gains realised upon their disposal, rents, royalties and similar income, whether arising in or outside Malta, and profits or gains attributable to a permanent establishment (including a branch) whether situated in or outside Malta;
- (e) to lend and advance money, give credit (on such terms as it may deem appropriate), grant or provide guarantees, hypothecs, privileges, charges, security interests or other security, exclusively to, or in favour of, companies or partnerships which form part of the same group

of companies and partnerships as the Company (that is to the ultimate parent company, subsidiary companies and to companies and partnerships which have more than or at least fifty per cent of their share capital owned directly or indirectly by the same parent or ultimate parent company or partnership as the Company);

- (f) To participate in the management of any corporate body or other entity;
- (g) To Float the Company's capital (being either equity or debt) on regulated markets, including but not limited to, Prospects (the market regulated as a Multilateral Trading Facility operated by the Malta Stock Exchange providing a venue for start-up and growth for small to medium sized enterprises); whereby "Float" means the process of seeking admission to the market either simultaneously with, or in the context of, an issue, offer for sale or placement of securities of such issuer of company to these markets;
- (h) To do all such other things as may be deemed conducive or ancillary to the attainment of the above objects or any one of them.

It is hereby expressly declared that the objects specified in each of the paragraphs of this Clause shall be regarded as independent objects and accordingly shall in no way be limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.

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

#### **4A. POWERS OF THE COMPANY**

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

- (a) To open, close and operate bank accounts for the Company in accordance with applicable laws and regulations;
- (b) To appoint agents of the Company in any part of the world;
- (c) To subcontract any work, engagements, contracts or instructions;
- (d) To apply for, register, purchase, or by other means acquire, hold, develop, exploit, protect and renew any patents, royalties, copyrights, grants, options, protections and concessions and any other exclusive and non-exclusive rights, and to grant licences or rights in respect thereof;
- (e) To enter into partnership or into any arrangements for sharing profits, co-operation, joint venture, reciprocal concession, or otherwise with any person or entity carrying on or engaged in, or about to engage in or carry on any business or transaction which this Company is authorised to carry on, so as directly or indirectly to benefit this Company;
- (f) To purchase or otherwise acquire and take over any business, property, goodwill, liabilities or undertaking within or related to the objects of the Company and which may be deemed

expedient, or to become interested in and to carry on, or dispose or remove, or put an end to the same or otherwise deal with any such business or undertaking;

- (g) To take over and carry on any contract entered into by any person as may be deemed necessary or desirable for carrying on the business of the Company or for the general conduct or management of its affairs and for the doing of such other things as may be deemed conducive to the attainment of the Company's objects;
- (h) To enter into any arrangements with any government or authority that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may consider conducive to the attainment of its objects, and to carry out, exercise, and comply with any such charter, decree, right, privilege and concession;
- (i) To provide management services and portfolio management to third parties and manage companies;
- (j) To invest or hold shares in any other company, partnership or business, and to participate in the management or activities thereof;
- (k) To invest or otherwise deal with unemployed monies in such manner and upon such terms as may be thought fit, and to vary investments;
- (l) To give loans, advances and credit facilities to third parties, only where necessary in relation to the Company's business;
- (m) To acquire and dispose of, by any title valid at law, movable or immovable property, whether for commercial or other purposes, and the consideration for any such acquisition or disposal can be by credit or in cash or in kind;
- (n) To subscribe for, issue, allot, purchase or otherwise acquire and hold, for the purpose of producing an income, any bonds, shares, stocks, debentures, securities or obligations of or in any other company or body (whether such shares are fully paid or not) where the so doing may be desirable in the interest of the Company;
- (o) To hold such property and to invest, lease, hire or in any other manner employ, improve, manage or develop any of its assets in such manner as may from time to time be decided upon by the Company;
- (p) To sell or otherwise dispose of the whole or any part of the undertaking of the Company for such consideration as it may think fit, and in particular for shares or debentures of any company purchasing the same;
- (q) To issue debentures and to borrow and raise money in such amounts and manner and upon such terms and to any limit as the Company shall think fit, subject to the terms of this Memorandum and Articles of Association, and when thought desirable to execute and issue any security of such kind, subject to such conditions, for such amounts, payable in such place and manner and to such persons as the Company shall deem fit, including the power to issue as primary security, or as collateral to any other security, debenture stock (perpetual or otherwise) mortgages, charges, hypothecation, pledge, lien or other security over the whole or any part of its assets present or future (including uncalled capital) as the Company shall deem fit;
- (r) To borrow or raise money in such way as the Company may think fit in particular by the issue

of preference shares or debentures, and to secure the repayment of any money borrowed or raised by hypothecation, charge or lien upon the whole or part of the Company's property or assets, whether present or future including its uncalled capital, and also by a similar hypothecation charge or lien to secure and guarantee a debt, liability or obligation of the company or of any third party;

- (s) To guarantee, even by hypothecating the Company's property, the payment of any monies, or the honouring of any debentures, debenture stock, bonds, mortgages, charges, obligations, interests, dividends and any other securities issued, granted or entered into, or the performance of any contracts or engagements entered into, by any associated company or any other entity or person, with or to any other company, entity or person, and to give indemnities and guarantees of any kind;
- (t) To sell on hire-purchase terms and to give credit on any products and services provided by the Company under any title or contract, and to draw, make, accept, endorse, discount, execute, issue and negotiate promissory notes, bills of exchange, bills of lading or other negotiable or transferable instruments;
- (u) To constitute and form any subsidiary or associate companies and to enter into any mergers, demergers or reconstructions for the furthering and the better attainment of the objects of the Company;
- (v) To pay all expenses incidental to the formation and registration of the Company as well as all expenses connected with the purchase of any properties, businesses, rights and others, which may be required for the purposes of the Company and for the fulfilment and putting into effect of any of its objects;
- (w) To distribute amongst the members any property of the Company including, but not limited to, property "*in specie*", whether by way of dividend, upon a return of capital or by any other means, but so that no such distribution shall amount to a reduction of capital of the Company except with the sanction (if any) for the time being required by law;
- (x) To do anything or to carry out such other transactions as may be conducive or incidental to the attainment of the above objects or any one of them.

## 5. LIMITED LIABILITY

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

## 6. CAPITAL

The authorised share capital is forty six thousand six hundred Euro (€46,600) divided into forty six thousand six hundred (46,600) Ordinary Shares of one Euro (€1.00) each.

The issued share capital of the Company is forty six thousand six hundred Euro (€46,600) divided into forty six thousand six hundred (46,600) Ordinary Shares of one Euro (€1.00) each, which shares

have all been subscribed and paid up as follows:

<b>Subscriber</b>	<b>Number of Shares</b>
<b>MIDDLETOWN INVESTMENTS LIMITED</b> Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema, SLM 1607, Malta Company Registration Number C 75568	Forty six thousand five hundred and ninety eight (46,598) ordinary shares having a nominal value of one Euro (€1.00) each, 100% paid up
<b>ZIRCON CAPITAL LIMITED</b> Il Piazzetta A, Suite 52, Tower Road, Sliema, Malta Company Registration Number C 73339	One (1) ordinary share having a nominal value of one Euro (€1.00), 100% paid-up
<b>CORNHILL CAPITAL LIMITED</b> Il Piazzetta A, Suite 52, Tower Road, Sliema, Malta Company Registration Number C 73338	One (1) ordinary share having a nominal value of one Euro (€1.00), 100% paid-up

Save as may be expressly provided in this Memorandum and in the Articles of Association of the Company or by the respective terms of issue, all ordinary shares in the Company (whatever their class and nominal value) shall rank *pari passu* for all intents and purposes of law.

## 7. DIRECTORS

- (a) The Company's affairs shall be entrusted to a Board of Directors which shall consist of not less than two (2) and not more than eight (8) Directors.
- (b) The Directors of the Company shall be:

### **Kevin Deguara**

Maltese Identity Card Number 97877M  
122, Triq Antonio Schembri,  
Kappara, San Gwann,  
Malta  
Nationality : Maltese

### **Jean Carl Farrugia**

Maltese Identity Card Number 244176M  
No. 9, Mons. F.X. Zahra Street,  
Balzan,  
Malta  
Nationality: Maltese

### **Kenneth Deguara**

Maltese Identity Card Number 132280M  
Emerald Apartments, Flat 9,  
Giovanni Schranz Street,

Msida, Malta  
Nationality: Maltese

**Ryan Otto**  
Maltese Identity Card Number 134964A  
Apartment 9, T 10 F,  
Tigne Point, Sliema  
Malta  
Nationality: South African

**Benjamin Muscat**  
Maltese Identity Card Number 447054M  
TF 5, Apt 5. Caravaggio Court,  
Tigne Point, Sliema TP 01,  
Malta  
Nationality: Maltese

Subject to the provisions of Article 15 of the Articles of Association, each Director/s of the Company shall hold office until the Annual General Meeting taking place after their appointment or until he/she/they resign/s or are removed from the office of Director in terms of law.

The Directors are empowered to appoint another person in their stead as an alternate Director by means of a written instrument and such persons so appointed shall enjoy all the powers and rights of the said Directors including the right to attend and vote at meetings of the Board of Directors. Such alternate Director shall have a vote or votes in addition to his own vote, if any. A written instrument shall also include an electronic transmission.

#### 8. **SECRETARY**

The Secretary of the Company shall be Jean Carl Farrugia (I.D. No. 244176M) of 9, Mons. FX Zahra Street, Balzan, Malta.

#### 9. **POWERS OF REPRESENTATION**

- a) The legal and judicial representation of the Company shall be vested in any one (1) Director of the Company or, in addition but without prejudice to the aforesaid, in any person or persons jointly or severally and in such manner as the Board of Directors shall from time to time and for any particular purpose or purposes determine. For the purposes of this clause, "legal representation" shall include, but shall not be limited to, the power to enter into, sign and execute any contract of whatsoever nature and all other documents purporting to bind the Company as well as to sign, draw, accept, endorse or otherwise execute all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company.
- b) The Board of Directors shall have the power to appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in them) and for such periods and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may deem fit, and may also authorize any such attorney to delegate all or any of his powers,

authorities, and discretions vested in him.

- c) In addition to and without prejudice to paragraph (a) of this Clause 9 above, the Board may from time to time by resolution delegate such powers for a specific purpose or transaction/class of transactions, to any one Director and/or other person or persons, jointly or severally.
- d) Any Power of Attorney issued by the Company shall be executed by any Director or any person authorised by the Board of Directors for this purpose and such Power of Attorney shall be considered as executed by the Company.

10. **DURATION**

The Company shall be constituted for an indefinite period of time.

11. **GOVERNING LAW AND JURISDICTION**

This Memorandum of Association shall be governed by and construed in accordance with the laws of Malta.

The Courts of Malta shall have exclusive jurisdiction to settle any dispute, controversy or claim arising out of or relating to this Memorandum of Association or as to the interpretation, validity, performance or breach thereof.



Jean Carl Farrugia  
f/obo **Middletown Investments Limited**



Jean Carl Farrugia  
f/obo **Cornhill Capital Limited**



Kevin Deguara  
f/obo **Zircon Capital Limited**

# ARTICLES OF ASSOCIATION

OF

## HORIZON FINANCE PLC

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

### 1. DEFINITIONS

In these Articles (if not inconsistent with the subject or context or unless otherwise defined in these Articles) the following capitalised terms shall have the following meanings:

Admission	means admission to listing and/or trading on a regulated market or Admission to the Prospects market operated by the Exchange, and "Admitted" shall be construed accordingly;
Articles	means these Articles of Association of the Company as may be amended from time to time;
Associate	in relation to any Shareholder which is a body corporate, means any group undertaking of it (as defined in Article 2 of the Companies Act)
Board	means the Board of Directors of the Company from time to time;
Business Day	means a day other than a Saturday or Sunday or a public holiday in the Republic of Malta;
Companies Act	means Chapter 386 of the Laws of Malta;
Company	means HORIZON FINANCE PLC.;
Corporate Advisor	means the corporate advisor as may be appointed in terms of the Prospects Rules;
Debt Securities	means debentures, including debenture stock, loan stock, bonds and other instruments creating or otherwise acknowledging indebtedness, but excluding such Instruments that are Issued as debt securities but that afford the holder thereof the option or right to be converted into the share capital of the Company;
Directors	means the Directors for the time being of the



Company including, where applicable, alternate Directors, and "Board" and "Board of Directors" shall be construed accordingly;

Equity Securities

means shares and other transferable securities equivalent to shares, as well as any other type of transferable securities giving the right to acquire any of the aforementioned securities as a consequence of their being converted or the rights conferred by them being exercised, provided that securities of the latter type are issued by the Company or by an entity belonging to the Group;

Exchange

means the Malta Stock Exchange as established by Chapter 345 of the Laws of Malta;

Extraordinary Resolution

means a resolution that has been:

- (a) Taken at a General Meeting of which notice specifying the intention to propose a text of the resolution as an extraordinary resolution and the principal purpose thereof has been duly given; and
- (b) Passed by a number of Members having the right to attend and vote at any such meeting holding in the aggregate not less than seventy five percent (75%) in nominal value of the Shares conferring that right;

Group

means the group of companies to which the Company belongs to in terms of the Companies Act;

Ordinary Resolution

means a resolution other than an Extraordinary Resolution:

- (c) Taken at a General Meeting; and
- (d) Passed by a number of Members having the right to attend and vote at any such meeting holding in the aggregate not less than fifty-one percent (51%) in nominal value of the Shares conferring that right;

Member

means a shareholder in the Company, and excludes preference shareholders and debt security holders, if any;

Memorandum

means the Memorandum of Association of the Company;

Office	means the registered office of the Company;
Prospects	means the market regulated as a Multilateral Trading Facility (“MTF”) operated by the Exchange providing a venue for start-up and growth of small to medium-sized enterprises to float their capital (including equity or debt) on the market;
Prospects Rules	means the rules in respect of Prospects as issued by the Exchange;
Register of Members	means the register duly kept by the Company in which all Members are listed;
Share	means any share as may be issued in the capital of the Company from time to time;
Subsidiaries	means any Subsidiary Undertaking of the Company from time to time, and the term “Subsidiary” shall be construed accordingly;
Subsidiary Undertaking	means a subsidiary undertaking of the Company as defined in Article 2 of the Companies Act; and
Transferable Securities	shall have the same meaning assigned to it in the Second Schedule to the Investment Services Act (Chapter 370 of the Laws of Malta);

The above terms may be used in the singular or plural as the context requires.

## **2. SHARE CAPITAL AND SHARE RIGHTS**

2.1 Each and every fresh issue of shares shall be made in such a manner so as to preserve, as nearly as possible, the existing proportion between the different shareholders;

Provided that no fresh issue of shares shall be made unless the existing shares have been fully paid up;

Provided further that the Company shall not issue Shares in such a way that would dilute a substantial interest without prior approval of the shareholders in a General Meeting;

2.2 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 Members may from time to time determine, as hereinafter provided, provided that any issue of shares falls within the Company's authorized share capital.

2.3 All Transferable Securities of a particular class admitted to Prospects shall carry equal rights.

- 2.4 All holders of admitted Transferable Securities shall enjoy the rights attributed to the particular class of Transferable Securities held in terms of the Prospects Rules.
- 2.5 For each class of Transferable Securities forming the subject of an Admission, the Company shall ensure that all the Transferable Securities within that class are so admitted, are duly authorised according to the Company's Memorandum and Articles of Association and all necessary statutory and other authorisations for the creation and issue of such Transferable Securities in terms of any applicable system of law, and are:
- (i) ranking pari passu;
  - (ii) fungible;
  - (iii) freely transferable and fully paid-up;
  - (iv) denominated in Euro or any other convertible currency acceptable to the Exchange;
  - (v) unconditionally allotted; and
  - (vi) validly issued under the Company's Memorandum and Articles.
- 2.6 Where an application for admission to Prospects is made in respect of any particular class of shares:
- (i) If none of the shares of that class are already admitted, the application must relate to all shares of that class, issued or proposed to be issued; and
  - (ii) If some of the shares of that class have already been admitted, the application must relate to all further shares of the class, issued or proposed to be issued.
- Provided that admission shall be sought for all further issues of a class of shares already admitted prior to the allotment of a new issue.
- 2.7 The Company shall ensure that all facilities and information necessary for holders of shares admitted to Prospects to exercise their rights are available in Malta, and shall ensure that the integrity and authenticity of the data is preserved.
- 2.8 Subject to the provisions of the Companies Act, all Shares from time to time unissued shall be at the disposal of the Members in a General Meeting, which may by means of an Ordinary resolution of the Members offer, allot, grant options over or otherwise dispose of to such persons, at such times and on such terms as may be determined.
- 2.9 The Directors may, if they deem fit cause any of the Shares or Debt Securities of the Company, irrespective of the class, whether issued or to be issued pursuant to these Articles, to be quoted and listed on the Exchange, or to be admitted to Prospects.
- 2.10 Subject to the provisions of the Companies Act, any preference shares may, with the sanction of an Ordinary resolution of Members, 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 Members, before the issue, may by Ordinary resolution determine.
- 2.11 The rights attached to any class of Shares, as is currently in force, or other classes of Shares that may be created in the future (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of the majority of the issued shares of that class, or with the sanction of an Extraordinary resolution passed at a separate General Meeting of the holders of the Shares of that class to every such General Meeting.

- 2.12 The Company may exercise the power of paying commissions or of making discounts or allowances provided it complies with the requirements of the Companies Act. Such commissions may be satisfied by the payment of cash or the allotment of Shares, whether partly or fully paid-up, or a combination of both.
- 2.13 In respect of a Share held jointly by several persons, the joint holders may nominate one of them as their representative and his name will be entered in the Register of Members. Such person shall for all intents and purposes be deemed, vis-a-vis the Company, to be the registered holder of the Shares so held in the absence of such nomination, and until such nomination is made, the person first named on the Register of Members in respect of such Shares shall for all intents and purposes be deemed to be the registered holder of the Shares so held.
- 2.14 In respect of a Debenture held jointly by several persons, the joint holders may nominate one of them as their representative and his name will be entered in the register for Debentures. Such person shall for all intents and purposes be deemed, vis-a-vis the Company, to be the registered holder of the Debentures so held in the absence of such nomination, and until such nomination is made, the person first named on the register in respect of such Debentures shall for all intents and purposes be deemed to be the registered holder of the Debentures so held.
- 2.15 Subject to the provisions of this article and unless the Members in General Meeting approve by means of an Ordinary resolution, on a fresh issue of Shares of each class, such shares shall be offered in the first place to the members holding Shares of that class, as closely as possible in the same proportion as the number of shares of that class already held by them respectively. The offer shall be made by notice in writing specifying the number of Shares offered and their value and stating a time, being not less than twenty-eight (28) days within which the offer, if not accepted, shall be deemed to have been declined.
- 2.16 Any Shares not taken up by a Member to whom they were initially offered shall then be offered as aforesaid to the other Members of that class who shall have taken up their whole offer and, if the requests for Shares from such other Members shall exceed the number of Shares on offer and not taken up, they shall be allotted as closely as possible in proportion to the number of Shares held by them respectively prior to the said fresh issue of Shares. Any remaining Shares shall then be offered as aforesaid to the Members of the other class of Shares as closely as possible in proportion to the number of Shares held by them respectively. If the requests for Shares from such Members shall exceed the number of Shares on offer and not taken up, they shall be allotted as closely as possible in proportion to the number of Shares held by them respectively prior to the said fresh issue of Shares. Any remaining Shares may then be offered to non-Members on terms and conditions which shall not be more favourable than the offer made to the Members.
- 2.17 No Director shall be eligible to participate in the issue or allotment of Shares offered to the employees of the Company without prior approval of the shareholders in General Meeting.
- 2.18 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.
- 2.19 Without prejudice to any rights that may be granted to persons holding preference Shares in the relative terms of issue, such persons shall not, as holders of preference Shares, have the right to vote at General Meetings, except on a resolution for the purpose of:

- (i) reducing the capital of the Company; or
- (ii) winding up the Company; or
- (iii) any proposal submitted to the meeting which directly affects their rights and privileges; or
- (iv) affecting the dividend on preference shares when the dividend on their Shares is in arrears for more than six (6) months.

2.20 Unless otherwise provided in the terms of issue of preference Shares, on any resolution where, in terms of the provisions of sub-clause 2.14 of this Article, Members holding preference Shares are entitled to vote, each preference Share shall entitle its holder to one (1) vote.

2.21 The Company is authorized to acquire its own shares in accordance with Sections 106 and 107 of the Companies Act.

### 3. **CERTIFICATES**

3.1 For Debt Securities of the Company admitted to Prospects, the holder thereof shall be entitled to receive from the central securities depository of the Exchange, a document evidencing his registration as a holder of Debt Securities of the Company in the number of Debt Securities held, or such other evidence as the bye-laws of the Exchange may from time to time determine.

### 4. **TRANSFER OF SHARES**

4.1 Subject to the provision of Clause 4.7 hereunder, if any Member (hereinafter referred to as the "Transferor") wishes to transfer his Shares or any of them, he shall inform the Directors by a notice in writing (hereinafter called the "Transfer Notice") specifying the number of Shares to be transferred, the name of the proposed transferee and the consideration of transfer for each Share. The Transferor shall not be entitled to revoke a Transfer Notice without the consent in writing of the Directors.

4.2 The receipt by the Directors of a Transfer Notice shall constitute an authority to them to offer for sale the Shares specified therein at a fair valuation to be ascertained as follows:

- (i) At a price mentioned by the Transferor if considered by the Directors to be a fair one;
- (ii) At the value placed on them by the auditors of the Company where the Member's valuation is not considered by the Directors to be a fair one.
- (iii) At a valuation placed on them by any other person whom the Directors, with the consent in writing of the Transferor, shall appoint when for any reason the auditors of the Company shall not make the said valuation.

4.3 When a fair value of the Shares has been determined in the manner prescribed above the Directors shall by notice in writing inform the Transferor and shall cause a notice to be sent to every other Member of the Company stating the number and the fair value of the Shares for sale, and inviting them to state, in writing within fourteen (14) days, what number of Shares, if any, they are willing to purchase.

4.4 At the expiration of the said fourteen (14) days, the Directors shall allocate the said Shares to or among the Member/s who shall have expressed his or their willingness to purchase as

aforesaid, and if more than one (1), so far as may be pro rata between them, provided that no Member shall be obliged to take more than the said maximum number of Shares so notified by him as aforesaid.

- 4.5 If the Directors shall be unable, within one (1) month of the Transfer Notice referred to in article 4.1, to find a purchaser for all or any of the Shares amongst the holders of the existing Shares, the Transferor shall be entitled to sell to the person named in the Transfer Notice at the price specified therein, provided that in such cases the Directors may at their absolute discretion decline to register a transfer and in such event, the Directors shall be bound to redeem these Shares at the fair value as calculated under the provisions of paragraph 4.2 above, and the Shares so redeemed shall be cancelled and the share capital of the Company reduced accordingly.
- 4.6 Notwithstanding what is contained in the preceding articles, no restriction on transfer shall apply:
- (i) Where such transfer takes place whether *inter vivos* or *causa mortis* to an ascendant or descendant of a Transferor or to the spouse of a Member;
  - (ii) When the transfer is accepted to by all the Members of the Company in writing;
  - (iii) On the transfer of preference Shares;
  - (iv) On the transfer of any Shares which have been Admitted.
- 4.7 The Transferor shall complete and execute transfers of the said Shares in accordance with the allocation by the Directors and shall surrender to the Company his Shares certificate.
- 4.8 The Directors may also decline to recognise any instrument of transfer unless:
- (i) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the Transferor to make the transfer;
  - (ii) the instrument of transfer is in respect of only one (1) class of Shares.
- 4.9 The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year.

## 5. TRANSMISSION OF SHARES

- 5.1 Where owing to death, a transmission of Shares becomes necessary, the Board of Directors shall be bound to recognise such transmission if the person or persons becoming entitled thereto, whether by inheritance or legacy, are an ascendant and/or linear descendant of the deceased Member. The Board however shall not be bound to recognise a transmission other than by title of usufruct if the person or persons becoming entitled thereof are not an ascendant and/or linear descendant of the deceased Member. In this event, the other Members of the Company shall be bound to redeem, at their fair value, the bare ownership of such Shares or any part thereof left to such person, and the Shares so redeemed shall then be cancelled and the share capital of the Company reduced accordingly. The price of redemption may be paid either in whole or within three (3) years at the commercial rate of interest from the date of death of the deceased member. The same shall apply when the heir or legatee of the deceased Member becomes entitled to the Shares or any part thereof

and s/he will opt to have the other Members of the Company redeem such usufruct on the Shares or any part thereof at their fair value.

- 5.2 "Fair Value" in this context means the value of the shares assessed by the auditors of the Company on the basis of the last audited accounts.
- 5.3 Where there is more than one heir, the Company may insist that the relative heirs appoint one person to represent their interests in the Company, and in this case such person shall be considered as the lawful holder of such Shares he represents, and until this is done they shall not be recognised individually as holders thereof, but the Shares shall still be considered as appertaining to the estate of the deceased, which estate shall for all intents and purposes of law be considered as the sole shareholders.

## 6. **CALLS ON SHARES**

- 6.1 The Board of Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their Shares. A call may be revoked, modified or postponed as the Directors may determine. Any Member shall be entitled to at least seven (7) days notice.
- 6.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be required to be paid by instalments.
- 6.3 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 6.4 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 is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight *per centum* (8%) as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
- 6.5 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.
- 6.6 The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding eight *per centum* (8%) per annum, as may be agreed upon between the Directors and the Member paying such sum in advance.
- 6.7 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 expenses, if any.

- 6.8 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 purpose 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 this 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.

## 7. **FORFEITURE OF SHARES**

- 7.1 If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, require payment of so much of the call or instalment as is unpaid, together with any interest 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 be forfeited.
- 7.2 If the requirements specified in any 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 dividends 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.
- 7.3 A forfeited or a surrendered 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 disposition thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of, who shall thereupon be registered as the holder of the Share. At any time before a sale or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit.

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

- 7.4 A person whose Shares have been forfeited or who has surrendered his Shares to the Company, shall cease to be a Member in respect of the forfeited or surrendered Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of the forfeiture or surrender, were payable by him to the Company in respect of the Shares. Notwithstanding that his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.



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

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

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

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

## **10. REGISTER OF MEMBERS**

- 10.1 The Company shall retain the Register of Members wherein all the names of the Members shall be kept.
- 10.2 Unless otherwise provided for in any law, rule or regulation, the register of members for any securities admitted to Prospects shall be kept at the Exchange and/or the Office of the Company.
- 10.3 Any register referred to in Article 10 shall be available for inspection in accordance with the Companies Act and the Prospects Rules, as the case may be.

## 11. **GENERAL MEETINGS**

- 11.1 The Annual General Meeting of the Company shall be held at such time and at such place as the Directors shall appoint.
- 11.2 All General Meetings other than the Annual General Meeting shall be called Extraordinary General Meetings.
- 11.3 The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Article 129 of the Companies 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.

## 12. **NOTICE OF GENERAL MEETING**

- 12.1 Notice of any General Meeting shall be given to all Members of the Company, to all Directors, and to the auditors of the Company.
- 12.2 A General Meeting of the Company shall be called by fourteen (14) days' notice in writing at the least unless such requirement is waived unanimously by the Members entitled to attend and vote at such meeting. 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 is given, and shall specify the place, the day and the hour of the meeting and, in case of special business the general nature of that business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company at a General Meeting, to such persons as are, under these Articles entitled to receive such notices from the Company:

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

## 13. **PROCEEDINGS AT GENERAL MEETINGS**

- 13.1 All business that is transacted at an Extraordinary General Meeting shall be deemed extraordinary. Similarly, all business that is transacted at any Annual General Meeting with the exception of the consideration of the accounts, balance sheets, and the reports of the Directors and auditors and the appointment of and fixing of the remuneration of the auditors shall also be deemed extraordinary.
- 13.2 No business shall be transacted at a General Meeting of the Company unless a quorum of Members is present at the time the meeting proceeds to business.
- 13.3 Unless otherwise provided in the Memorandum, these Articles or any Company's terms of issue, each Share shall entitle the holder thereof to one (1) vote.
- 13.4 No business shall be transacted at any General Meeting other than that stated in the notice

convening it. The quorum at any shareholders' meeting shall be any number of members in person or by proxy holding not less than sixty per cent (60%) of the issued paid up shares conferring voting rights in the Company. Provided that if within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time or place or to such other day and such other time and place as all the Directors may determine and if at the adjourned meeting a quorum as defined above is not present within half an hour from the time appointed for the meeting, the member or members present shall constitute a quorum providing they hold not less than fifty per cent (50%) of the issued paid up shares conferring voting rights in the Company.

- 13.5 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 fifteen (15) minutes from the time appointed for the commencement of the meeting, or is unwilling to act, the Members shall choose one of their number to chair the meeting.
- 13.6 At the commencement of any General Meeting, whether annual or extraordinary, the Chairman may set the procedure, which shall be adopted for the proceedings of that meeting and such proceedings shall be binding on Members.
- 13.7 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.
- 13.8 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands.

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 in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without 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 carried on a show of hands by the required majority unless there be present at the meeting, whether in person or by proxy, a number of members holding in the aggregate the required majority as aforesaid.

- 13.9 In the case of an equality of votes, the chairman of the meeting at which the show of hands takes place, shall not be entitled to a second or casting vote.
- 13.10 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 proxy shall have one (1) vote.
- 13.11 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 up.

- 13.12 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 13.13 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of that power or authority shall, as far as possible, be deposited at the Office of the Company or at such other place as is specified for the purpose in the notice convening the meeting, not less than twenty-four (24) 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 twenty-four (24) hours before the time appointed for the taking of the poll, in order to allow time for the verification of the authenticity of the instrument by the Chairman and in default, saving verifiable proof of the authenticity of the instrument satisfactory to the Chairman, the Chairman shall be entitled, in his sole discretion, to refuse the proxy.
- 13.14 An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances permit:

"I/We ....., of ..... being member/s of the above-named company, hereby appoint ..... of ..... and/or ..... of ..... as my/our joint and several proxy to receive or waive notice of, attend and vote for me/us on my/our behalf at the (annual or extraordinary, as the case may be) General Meeting of the company, to be held on the .... day of ....., 20 ... and at any adjournment thereof.

Signed this ....day of ....., 20 ... .

-----  
 Name:  
 in the presence of :

-----  
 Name:

This form is to be used in favour of\* / against\* the resolutions. - or - Unless otherwise instructed, the proxy will vote as he thinks fit\* ".  
 -----

\* Strike out whichever is not desired.

- 13.15 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 13.16 Proxies may be given by means of a telex, electronic mail, telefax or cable and the person so appointed shall enjoy all the rights of the person issuing such a proxy provided that the

veracity of the source of the telex, electronic mail, telefax or cable is confirmed and accepted by the Chairman of the meeting at which it is produced in accordance with Article 13.13 hereof.

- 13.17 In the event that any of the Company's securities are admitted to listing on Prospects, an instrument of proxy shall include details on how the holders of such securities may exercise their rights by proxy, and shall satisfy the following requirements as appropriate:
- (i) The instrument of proxy shall be sent with the notice convening a meeting of the holders of securities admitted to Prospects and entitled to vote at the meeting;
  - (ii) The instrument of proxy shall provide for two-way voting on all proposed resolutions, except for procedural resolutions, as well as any other voting procedure for the election of Directors;
  - (iii) Instrument of proxy shall state that a holder of securities admitted to Prospects is entitled to appoint a proxy of his own choice and it shall provide a space for the insertion of the full name of such proxy and the identification details as required;
  - (iv) Instrument of proxy shall state that if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so, how he votes; and
  - (v) Where the resolutions to be proposed include the re-election of retiring Directors, the instrument of proxy shall allow for the holders of Equity Securities to vote for individual candidates irrespective of whether they are new candidates or retiring incumbents of the post.
- 13.18 The Company shall support electronic communication to all holders of Admitted securities of all information required to be disclosed under the applicable law and/or the Prospects Rules, prior to, upon, or following the admission of any of its shares to Prospects.

#### 14. **MEMBERS' RESOLUTIONS**

- 14.1 An Ordinary Resolution of the Company at a General Meeting shall be deemed to have been validly carried if consented to by a member or a number of members having the right to attend and vote at such meeting and holding alone or, as the case may be, in aggregate the majority of the votes cast.
- 14.2 The Company shall be required to obtain the consent of an Extraordinary General Meeting before it enters into any agreement not in the ordinary course of business and exceeding the class tests thresholds referred to in the Prospects Rules.
- 14.3 Without prejudice to other provisions contained in the Articles of Association, the following matters shall require an Extraordinary Resolution:
- (i) increase or decrease of the Company's authorized capital;
  - (ii) approval of annual accounts, directors' report and auditors' report;
  - (iii) alterations or changes in the Memorandum and Articles of Association of the Company;
  - (iv) declaration of dividends, which in no event is to exceed the amount recommended by the Board of Directors;
  - (v) appointment or removal of auditors;
  - (vi) the dissolution and winding up of the Company;
  - (vii) in general, decisions on all matters which in terms of the Companies Act or of these Articles

are reserved to the General Meeting of the Company or which the Board of Directors may from time to time place before it.

14.4 The Company shall ensure that any changes to its Memorandum and Articles of Association are submitted for prior written approval of the Exchange, and such changes shall be supported by an explanation from the Company's Corporate Advisor.

14.5 Any corporation which is a member of the Company may, by resolution of its directors, authorize such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could itself exercise.

## 15. THE BOARD OF DIRECTORS

15.1 All Directors of the Company shall be individuals.

15.2 The Board of Directors shall consist of such number of Directors as specified in the Memorandum.

15.3 The Directors of the Company shall be appointed by means of an Ordinary resolution of the shareholders of the Company in General Meeting. An election of Directors shall take place every year at the Company's Annual General Meeting. All Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

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

15.5 Where any Transferable Securities of the Company have been Admitted at least one (1) Director will be independent of the Company and any associated or group companies.

15.6 At the first meeting of Directors following an Annual General Meeting, the Directors shall appoint a chairman of the board from amongst themselves.

15.7 No shareholding qualifications for Directors shall be required, but this notwithstanding, a Director who is not a Member shall be entitled to attend and speak at General Meetings of the Company, however, except as provided for in the Articles, he shall not be entitled to vote.

15.8 A Director shall hold office until he resigns or until such time as he is removed in accordance with Section 140 of the Companies Act.

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

15.10 The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company, including those specified in Section 136 of the Act, as are not by the Companies Act or by these Articles required to be exercised by the Company in a General

Meeting or reserved to the Members. No regulation made by the Company in a General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

15.11 Without prejudice to the general powers conferred above, and the other powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:

- (i) to make fresh issue of shares within the Company's authorised capital;
- (ii) to make calls in respect of any amount unpaid on any shares,
- (iii) to appoint and, at their discretion, remove or suspend such managers, officers or agents as they may from time to time think fit and to determine their powers and duties and to fix salaries and emoluments;
- (iv) to convene at any time General Meetings of the Company;
- (v) to recommend the payment of dividends;
- (vi) to borrow money to an unlimited amount and to grant as security therefor a hypothecation and/or other charges upon the whole or any part of the Company's property, present and future;
- (vii) to constitute, conduct, defend, compromise or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compromise and allow time for payments or satisfaction of any debts due and/or any claims or demands by or against the Company's representatives for such purpose or purposes;
- (viii) to bind the Company vis-a-vis third parties and third parties vis-a-vis the Company and to determine who shall be entitled to sign on behalf of the Company cheques, bills, notes, receipts, acceptances, endorsements, releases, contracts and other documents.

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

- (i) if, by notice in writing to the Company, he resigns from the office of Director; or
- (ii) if he absents himself from the meeting of 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
- (iii) if he violates 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
- (iv) if he is prohibited by law from being a Director; or
- (v) if he is removed from office pursuant to the Articles or the Act; or
- (vi) if he becomes of unsound mind or is convicted of any crime punishable with imprisonment, or is declared bankrupt during his term of office.

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

15.13 Any vacancy among the Directors may be filled by the co-option of another person to fill the vacancy. Such co-option is to be made by the Board of Directors. Any vacancy among the Directors filled as aforesaid shall be valid until the conclusion of the next Annual General Meeting, when an election to appoint a Director to the vacated post shall be held and such director will be eligible for re-election.

15.14 The Directors shall have the power to appoint any person to be the attorney of the Company for such purpose and with such powers, authorities and discretions (not exceeding those

vested in them) and for such periods and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may deem fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

15.15 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 to attain the aims for which it has been duly constituted. Any committees so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors. Save as aforesaid, the meetings and proceedings of a committee shall be governed, where applicable, by the provisions of these Articles regulating the proceedings and meetings of the Directors.

15.16 The maximum aggregate emoluments of all Directors in any one (1) financial year, and any increases thereto, shall be such amount as may, from time to time, be determined by the Company in General Meeting, and any notice convening the General Meeting during which the proposed aggregate emoluments or an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact.

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or other committee appointed under Article 15.15 immediately above, or General Meetings of the Company or in connection with the business of the Company.

15.17 The Directors shall exercise their powers subject to the regulations set out in these Articles, the Companies Act and the rules and regulations of the Exchange or listing authority as may be in force from time to time, if applicable, and subject to such regulations, not inconsistent with the aforementioned, as may be prescribed by the Company in General Meeting, provided that no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

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

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

15.20 The Directors shall cause minutes to be kept in books provided for the purpose:

- (i) of all appointments made by the Directors;
- (ii) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
- (iii) of all resolutions and proceedings at all meetings of the Company and of the Directors and committees of Directors.

15.21 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Any Director or the Chairman may, at any time, summon a meeting of the Directors. Meetings of the Directors shall usually take place in



Malta or, with the consent of the Directors, elsewhere.

- 15.22 Any matter arising at a meeting of the Directors shall be decided by a simple majority of votes. In case of an equality of votes, the Chairman shall not have an additional or casting vote.
- 15.23 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 as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Several distinct copies of the same document resolution signed by each of the Directors shall, when placed together, constitute one writing for the purpose of this Article.
- 15.24 A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 15.25 The quorum necessary for the transaction of business of the Directors shall be such number of Directors as constitutes for the time being a majority of the Directors appointed on the board, present in person or by proxy. In the event that one or more Directors have a conflict of interest and cannot properly act on a certain matter, then the quorum necessary for a decision on that matter shall be such number of Directors present at that meeting that do not have a conflict of interest.

Provided that if no quorum is present within half an hour from the time appointed for the meeting, the meeting shall be adjourned to the same day in the next week at the same time and place or to such other later date and at such other time and place as the Directors present shall determine and if, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the Directors present shall constitute a quorum.

- 15.26 Each Director shall have one (1) vote.
- 15.27 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 seven (7) 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 of such latter address). The requirement of such notice may be waived:
- (i) by a decision of all Directors entitled to receive notice of and vote at a meeting of the Directors;
  - (ii) where a meeting is called by the Chairman as a matter of urgency, provided that the Chairman shall have noted the urgency of the meeting in the notice and the general nature of the urgent business to be discussed.

A Director may give his consent to waiver of notice by way of fax, electronic mail or any other means of readable communication.

- 15.28 If at any time the Chairman is not present within thirty (30) minutes of the time appointed for the meeting, the Directors may choose one of their number to chair the meeting.
- 15.29 The Board of Directors shall, from time to time, appoint one of its number to represent the Company on the boards and at any meeting (general or extraordinary) of other companies in

which the Company is a corporate member and such representative shall act in accordance with the instructions given to him by the Board from time to time.

15.30 Any Director may, by an instrument in writing sent to the Company, appoint:

- (i) any other Director; or
- (ii) any other person, in his/her stead as an alternate director to attend and vote in his/her place at any meeting of the Directors at which he/she is not personally present.

A written instrument for such purposes shall also include a facsimile transmission. Every such appointment shall be effective and the following provisions shall apply in connection therewith:

- (i) every alternate director, while he/she holds office as such, shall be entitled to attend and to exercise all the powers, rights and privileges of his/her appointor at all such meetings at which his/her appointor is not personally present, including the right to vote at such meetings;
- (ii) every such alternate director shall ipso facto vacate office if and when the Director appointing him/her ceases for any reason to be a Director of the Company or removes the alternate director from office by notice in writing or by e-mail sent to him and to the Company;
- (iii) no alternate director shall be entitled as such to receive any remuneration from the Company. A Director acting as an alternate director for another Director shall be entitled to vote for such other Director as well as on his own account and for the purpose of determining the quorum shall be counted in both his said capacities.

15.31 The Directors shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other, and any Director or member of a committee participating in a meeting in this manner is deemed to be present in person at such meeting and will be counted when reckoning a quorum.

## 16. **AUDIT COMMITTEE**

16.1 The Company shall appoint an Audit Committee composed entirely of Directors and having at least three (3) members, one of whom shall be appointed to chair the Audit Committee. The majority of such members, including the chairman of the Audit Committee, shall be non-executive directors.

16.2 The Audit committee shall be tasked, in the manner of the terms and reference accorded it by the Board of Directors, to monitor certain activities of the Company in the manner and to the extent required by the Prospects Rules. The Audit Committee shall have the exclusive power of vetting all related party transactions in advance, and its decisions on such vetting shall be final and conclusive. Furthermore, the terms of reference of the Audit Committee shall be reviewed by the Corporate Advisor and the Company shall submit such terms of reference to the Exchange for review.

16.3 Where for any reason the appointment of a member of the Audit Committee is being terminated, the Company and/or the outgoing member shall:

- (i) Immediately give notice to the Exchange of such intended termination together with reasons therefor;
  - (ii) Fulfil without delay their responsibilities under the Prospects Rules towards the Exchange and the marketplace pending the appointment of a new Audit Committee member, while keeping the Exchange aware of developments leading to a new Audit Committee member being appointed; and
  - (iii) Ensure that the Board of Directors engages the services of another Audit Committee member within three (3) months of such termination.
- 16.4 Any new Audit Committee member shall contact an outgoing Audit Committee member in order to obtain a view about the reasons for termination and where appointed, take appropriate measures to discharge Audit Committee responsibilities in a timely manner, including that of considering whether to keep the Exchange duly and promptly informed on matters relating to the Company's Audit Committee mandate as appropriate, where any such information is conducive to securing the best interests of the market and investor protection.

## 17. **MEETINGS BY TELEPHONE**

- 17.1 A person is entitled to participate at a meeting of the Board of Directors or at any General Meeting by means of a telephone link provided the other Members or Directors agree to such participation by telephone. The chairman of the meeting, in such cases, shall sign on behalf of the person participating by telephone and shall record the fact that all persons present at the meeting have agreed to such telephonic participation.

## 18. **SECRETARY**

- 18.1 The appointment or replacement of the Company Secretary and the remuneration and conditions of holding office shall be determined by the Directors.
- 18.2 The Company Secretary shall be responsible for keeping:
- (i) the minute book of General Meetings of the Company;
  - (ii) the minute book of meetings of the Board of Directors;
  - (iii) the Register of Members;
  - (iv) the register of debentures; and
  - (v) such other registers and records as the Company Secretary may be required to keep by the Board of Directors.
- 18.3 The Company Secretary shall:
- (i) ensure that proper notices are given of all meetings; and
  - (ii) ensure that all returns and other documents of the Company are prepared and delivered in accordance with the requirements of the Companies Act.

19. **DIVIDENDS AND RESERVES**

- 19.1 The Company may, in a General Meeting, declare dividends, but no dividend shall exceed the amount recommended by the Directors.
- 19.2 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.
- 19.3 No dividend shall be paid otherwise than out of the profits of the Company available for distribution.
- 19.4 Without prejudice to the relevant provisions of the Companies Act, the Directors may, before recommending any dividend, set aside out of the profits of the Company available for distribution such sum/s 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 distribute.
- 19.5 Subject to *any* rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but no amount paid or credited as paid on the Shares in advance of calls shall be treated for the purpose of this regulation as paid on the Shares. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the 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.
- 19.6 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.
- 19.7 Any dividend or other monies payable in respect of a Share may be paid by cheque with a warrant sent through the post and directed to the registered address of the holder or, in the case of a share held jointly by more than one person, to the registered address of the person named in the register of Members.
- Provided that where the address of a Member is not known, the dividend is to be kept by the Company for collection by the Member entitled to such dividend or for remittance when the address of the said Member is made known to the Company.
- Provided further that, in the case of a Share held by joint holders, anyone 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. Every such cheque and warrant shall be sent at the risk of the person entitled to the money represented thereby.
- 19.8 No dividend shall bear interest against the Company.
- 19.9 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.

- 19.10 No dividend shall be declared or paid for the first three (3) financial years following the Admission of the Company.

## 20. ACCOUNTS

- 20.1 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) 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.
- 20.2 The Directors shall cause a printed copy of the profit and loss account and balance sheet, together with any Directors' report attached thereto, in any such form as the Exchange may from time to time determine, to be delivered or sent by post to every Member of the Company and other persons entitled to receive notices of General Meetings, at least fourteen (14) days prior to the Annual General Meetings.
- 20.3 Accounting information shall be prepared under the International Financial Reporting Standards (IFRS). In case this is not possible, such accounting information shall be prepared under an alternative Generally Accepted Accounting Principles (GMP), and such deviation shall be reported and explained.

## 21. CAPITALISATION OF PROFITS

- 21.1 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 any of the Company's reserve accounts or to the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any Shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued Shares to be issued 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 think fit for the case of shares or debentures becoming distributable in fractions.

## 22. **NOTICES**

- 22.1 Notices may be sent by mail, fax or electronic mail. Where notice is sent by mail, it shall be deemed to have been served five (5) days following the date on which it was posted and in the case of notice sent by fax or electronic mail, on the day of transmission. In providing such service it shall be sufficient to prove that the notice was addressed properly and posted or transmitted to such fax or electronic mail address as may be notified by the Shareholders or Directors to the Company.
- 22.2 A notice may be given to the joint holders of a Share by giving notice to the holder of such Share named in the Register of Members.
- 22.3 The signature to any notice to be given by the Company may be written or printed.

## 23. **WINDING UP**

- 23.1 All holders of Shares shall rank *pari passu* upon any distribution of assets in a winding up, provided that holders of preference shares of the Company, if any, shall at all times rank prior to the holders of ordinary Shares upon any distribution of assets in a winding up. As between the holders of different issues of preference shares, they shall rank in accordance with the relative terms of issue of those preference shares.
- 23.2 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.

## 24. **INDEMNITY**

- 24.1 Every managing director, Director holding any other executive office or other Director, and every agent, or company secretary and in general any officer or auditor for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings in which judgement is given in his favour or in which he is acquitted.

## 25. **INSURANCE**

- 25.1 The Company may purchase and maintain Directors' and officers' liability insurance from a reputable insurer covering any acts or omissions. Such insurance may be taken out on customary terms with an amount of coverage of such amount as may be determined by the Company from time to time.

## 26. **GENERAL**

- 26.1 All the above Articles are subject to the overriding provisions of the Companies Act, except in so far as any provisions contained therein permit 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.

26.2 In the event that the Company's securities are admitted to listing on the Exchange, no deletion, amendment or addition to any of these Articles shall have effect unless prior written approval has been sought and obtained from the Exchange for such deletion, amendment or addition.

27. **GOVERNING LAW AND JURISDICTION**

27.1 These Articles of Association shall be governed by and construed in accordance with the laws of Malta.

27.2 The Courts of Malta shall have exclusive jurisdiction to settle any dispute, controversy or claim arising out of or relating to these Articles of Association or as to the interpretation, validity, performance or breach thereof.



Jean Carl Farrugia  
f/obo **Middletown Investments Limited**



Jean Carl Farrugia  
f/obo **Cornhill Capital Limited**



Kevin Deguara  
f/obo **Zircon Capital Limited**