

**THE COMPANIES ACT 1995**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**IZOLA BANK P.L.C.**

**1. Name**

The name of the company is Izola Bank P.L.C.

**2. Office**

The registered office of the company is situated at 53-58 East Street, Valletta, and the electronic mail address of the company is companysecretary@izolabank.com.

**3. Nature**

The company is a public liability company and the provisions of the Companies Act, 1995 shall be applicable accordingly.

**4. Objects**

The objects for which the company is established are:-

- (a) To carry on the business of banking from within the Republic of Malta and to undertake, carry on and execute all kinds of financial and banking operations.
- (b) To engage in financial business including the acceptance and making of deposits in any currency and the lending of funds in any currency whether directly to the Bank's customers or through world financial centres.
- (c) To buy, sell and deal in foreign exchange as well as to provide currency and interest hedging services.

- (d) To receive and hold funds pending investment, maintain accounts for, provide safe custody services, handle transfers of securities and similar matters and to raise loans and to receive securities and valuables of all kinds.
- (e) To provide bridging finance and equity financing, credit or financial accommodation, the issue of guarantees, performance bonds and bid bonds, to open and confirm letters of credit, to issue, accept and discount commercial bills of exchange and to carry out leasing type financial contracts.
- (f) To maintain, for companies registered overseas and for other entities, registers relating to any stocks, funds, shares or securities or to undertake as well as provide, on their behalf, any services in relation to the registration of transfers and to the issue of certificates, and to otherwise manage any stocks, funds, shares or securities.
- (g) To act as investment and management agents of estates and properties.
- (h) To provide agency services, in relation to the winding up of estates, the receipt or collection of any principal, interest, rents, debts, debentures or other securities, evidence of debts or demands of any nature as well as in relation to the acquisition and sale of any immovable or movable property estates outside Malta, and to generally act on behalf of the Bank's customers, in all matters in the nature of general agency.
- (i) To engage in the investment banking business and to subscribe for, take, or otherwise acquire and hold shares, stock, debentures or other securities of any other company.
- (j) To offer the Bank's corporate customers forming part of a group of companies, instruments of pooling group funds thus also providing interest netting and internal hedging facilities.

- (k) To provide money transmission services as well as the issuance and administration of means of payment including debit cards, credit cards and other similar instruments.
- (l) To receive from investments, assets or liabilities, whether situated in or outside Malta, any profits relating to the activities mentioned in paragraphs (a) to (k) above.
- (m) To subscribe for, acquire, hold, manage, administer, dispose of or otherwise deal with, directly or indirectly, any shares, stock, debentures, debenture stock, bonds, notes, options, all types of intellectual property, interests in or securities of all kinds of any company, corporation, entity, partnership or other body of persons, only in the name of and on behalf of the company.
- (n) To issue bonds, commercial paper or other instrument creating or acknowledging indebtedness and the sale or offer thereof to the public.
- (o) To receive from the assets mentioned in any of the above paragraphs above dividends, capital gains, interests and any other income derived from investments including income or gains on their disposal, rents, royalties and similar income whether arising in or outside Malta, and profits or gains attributable to permanent establishments (including branches) whether situated in or outside Malta.
- (p) To provide data and application hosting and storage facilities and systems and ancillary services to related companies.
- (q) To do whatever may be necessary or expedient to enable the company to be registered as a body corporate or otherwise to establish a legal domicile or representation and to enable the affairs and operations of the company to be effectively carried on in any part of the world.

- (r) To acquire moveable or immovable property insofar as this does not contravene the laws of Malta to enable the affairs and operations of the company to be effectively carried out in any part of the world.
- (s) To sell, lease, hypothecate, pledge or otherwise dispose of the whole or any part of the property or assets of the company.
- (t) To construct, improve and manage offices, stores or other buildings which may be required in connection with the company's business.
- (u) To carry on any other business which may seem to the company capable of being conveniently carried on in connection with its business and calculated directly or indirectly to enhance the value of the company's property or rights.
- (v) To make available any of its infrastructure, resources, and other tangible and intangible assets to any other company within the group, for use by any said other company within the group.
- (w) To carry out all or any of the foregoing objects in any part of the world either as principals, agents, contractors, trustees or otherwise.
- (x) To do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

Nothing in the foregoing shall be construed as empowering or enabling the company to carry out any activity or service which requires a 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.

## 5. Capital

The Authorised Share Capital of the Company is EUR 60,000,000 (sixty million) divided into 120,000,000 (one hundred and twenty million) ordinary shares of EUR 0.50 each.

The Issued Share Capital of the Company is EUR 10,000,000 (ten million) divided into 20,000,000 ordinary shares of EUR 0.50 each, fully paid up and held as follows:

<b>IBL I LIMITED</b> Registration No.: C 16321  53-58, East Street, Valletta VLT 1251, Malta	50 shares of Eur 0.50c each
<b>IBL T LIMITED</b> Registration No.: C 16322  53-58, East Street, Valletta VLT 1251, Malta	19,999,950 shares of Eur 0.50c each

The ordinary shares shall entitle their holders to one vote per share at the General Meeting of the company. All shares enjoy equal rights including dividend and voting and rank *pari passu*.

## 6. Directors

The administration and management of the company shall be vested in a Board of Directors consisting of not less than three (3) and not more than twelve (12) directors.

The present Directors of the Company are:-

<b>Full Name</b>	<b>Address</b>
<b>Simon Azzopardi</b> Maltese ID Card No.: 182384M	The Carobs, Flat 12, Triq il-Giebja, Swieqi, Malta
<b>Joseph C Caruana</b> Maltese ID Card No.: 513739M	90, Arcadia, Mosta Road, Attard, Malta
<b>Magdalena De Roeck</b> Belgian Passport No.: 293001372506	Kruishoutem Castle, Kasteelstraat 6, Kruishoutem B-9770, Belgium
<b>Francis Gouder</b> Maltese ID Card No.: 866550M	Lotus 3, Triq it-Tamal, The Gardens, St.Julians STJ 1942, Malta
<b>Andrew Mifsud</b> Maltese ID Card No.: 114065M	Park Flats, Flat 1A, Triq l-Oleandru, St.Julians, Malta
<b>Guido Mizzi</b> Maltese ID Card No.: 809353M	T6B18, Favray Court, Tigne Point, Midi, Sliema, TP 01, Malta

<b>Patrick H. Van Leynseele</b>	127 Avenue De Broqueville,
Belgian ID Card No.: 590-9524507-06	BTE 17,
	Brussels 1200,
	Belgium

<b>Caroline Van Marcke</b>	Kasteelstraat, 4,
Belgian ID Card No.: 591-1082441-23	B-9770,
	Kruishoutem,
	Belgium

## 7. Company Secretary

The company secretary is:-

<b>Full Name</b>	<b>Address</b>
Mr. Calvin Bartolo	62, Triq L-Insolja,
Identity Card No. 199984(M)	Attard ATD 2655,
	Malta

## 8. Legal and Judicial Representation

The legal and judicial representation of the company shall be exercised by any two  
(2) Directors of the Company.



**Calvin Bartolo**  
Company Secretary





**THE COMPANIES ACT 1995**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**IZOLA BANK P.L.C.**

**Preliminary**

1. The company is a public limited liability company.
2. The Regulations contained in Part 1 of the First Schedule of the Companies Act 1995 (hereinafter referred to as the Act) shall not apply to the Company save so far as they are excluded or varied hereby.

**Interpretation**

3. In these Articles, unless there is something in the subject or context inconsistent therewith:
  - a. The 'Act' means the Companies Act 1995, Chapter 386 of the Laws of Malta.
  - b. The 'Company' means this company; and the word 'company' includes any commercial partnership.
  - c. The 'Articles' means these Articles of Association as currently applicable or as may from time to time be in force,
  - d. 'Debt Securities' means debentures, including, debenture stock, loan stock, bonds and other instruments creating or otherwise acknowledging indebtedness, but excluding such instruments that are issued as debt securities but have an option or right to be converted into the share capital of the Company.
  - e. The 'Directors' means the persons appointed as directors of the Company.
  - f. 'Exchange' means the Malta Stock Exchange as established by Chapter 345 of the Laws of Malta or a primary or second tier of any jurisdiction in which the Company obtains a listing of its Debt Securities.
  - g. 'listed' means listed or quoted on an Exchange.

- h. 'Listing Rules' means the rules promulgated by the Listing Authority, as in force from time to time regulating companies whose securities are listed and traded on a regulated market.
- i. 'Member' means a person registered by the Company as the holder of shares (other than preference shares) in the Company.
- j. 'Office' means the registered office of the Company from time to time.
- k. 'Malta' has the same meaning as assigned to it by Article 124 of the Constitution of Malta.
- l. 'person' includes natural persons, trusts, firms or partnerships, companies, corporations or other entities which are given or are recognised as having legal personality by the law of any country or territory, and unincorporated bodies and associations (including, without limitation, joint ventures and consortia) any emanation of a sovereign state or its government whether national, provincial, local or otherwise, any international organisation or body or any juridical entity, in each case wherever resident, incorporated or formed.
- m. The 'Statutes' means the Act and every other statute for the time being in force concerning companies insofar as the same applies to the Company.

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

### **Share Capital and Shares**

- 4. Any issue of shares in the Company shall be allotted by an Extraordinary Resolution approved by the holders of the ordinary shares, whenever shares are proposed to be allotted for consideration in cash. The new shares shall first be offered to the existing shareholders in proportion to their respective holdings.
- 5. Unless otherwise provided in the terms of issue, each share in the company shall give the right to one vote at the General Meeting of the Company.
- 6. Without prejudice to any special right previously conferred on the holders of existing shares, 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

on capital or otherwise as the Company may from time to time by extraordinary resolution determine.

7. The Directors may if they so deem fit, cause any of the Debt Securities of the Company, whether issued or to be issued pursuant to these Articles, to be quoted and listed on the Exchange.
8. The Company shall not issue or allot any shares which may have the effect of transferring a substantial interest in the Company, unless the Members in General Meeting approve otherwise.
9. No Director shall be eligible to participate in an issue or allotment of shares offered to the employees of the Company, without the prior consent of the Members in a General Meeting.
10. 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.
11. Without prejudice to any rights that may be granted to preference shareholders, if any, in the relative terms of issue, preference shareholders shall not have the right to vote at General Meetings, except on a resolution for the purpose of:
  - a) reducing the capital of the Company;
  - b) winding up of the Company;
  - c) any proposal submitted to the meeting which directly affects their rights and privileges;
  - d) affecting the dividend on Preference shares when the dividend on their shares is in arrears for more than six (6) months.
12. Unless otherwise provided in the terms of issue of preference shares, on any resolution where in terms of provisions of article 11, members holding preference shares are entitled to vote, each preference share shall entitle its holder to one vote.

13. The Company may, subject to the provisions of the Companies Act 1995, acquire and hold any of its shares.
14. Every person whose name is entered as a Member in the register of Members shall be entitled to receive, free of payment and within two months after allotment or lodgement of a transfer, or within such other period as the terms and conditions of issue may provide, a certificate for all his/her shares, or several certificates, each for one or more shares upon payment of EUR11.65 (Eleven Euros and sixty five Euro 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/her name, a new certificate in respect of the balance thereof shall be issued in his/her name without payment. In the event of joint holders, the Company shall not be bound to issue more than one certificate which must, however, specify the names of all the joint holders of the shares registered in their joint names, and delivery of one certificate 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 Board of Directors for the said purpose and shall specify and denote the number of the shares to which it relates and the amount paid thereon.
15. 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 EUR11.65 (Eleven Euros and sixty five Euro 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.
16. For listed Debt Securities of the Company, the holder thereof shall be entitled to receive from the competent securities depositary of the applicable jurisdiction for 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 may from time to time be prescribed by or under any applicable rules or regulations.

17. There shall be no restrictions on the right of transfer of any Debt Securities which are authorised and admissible to listing.

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

18. Any shares may be transferred by an instrument in writing. The instrument of transfer of any shares 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.
19. The right to transfer the shares in the Company is restricted in the manner and to the extent prescribed in these Articles of Association, provided that in no case may a part of a share form the object of a transfer.
20. A share may only be transferred by a Member of the Company provided that the undermentioned procedure is followed:-
  - (i) Any Member being a holder of the ordinary shares who intends to transfer any shares (herein called the proposing transferor) shall give notice in writing (herein called the transfer notice) to the company that he desires to transfer the same. The transfer notice shall not be revocable except with the sanction of the Board of Directors.
  - (ii) The Shares specified in the transfer notice shall be offered by the Board of Directors at the 'balance sheet value per share' to the other Members of the Company holding ordinary shares who shall be invited to state in writing, within sixty (60) days from the date of the offer, whether they are willing to purchase any, and if the affirmative, what maximum number of shares, whenever shares are proposed to be allotted for consideration in cash. At the expiration of the said (60) days, the Board of Directors shall allocate the said

shares to/or amongst the Member of shares who shall have expressed a willingness to purchase as aforesaid, and if more than one, so far as may be in proportion to the number of shares then held by each of them, respectively. Provided that no Member of the company shall be obliged to take more than the maximum number of shares so notified by him as aforesaid.

- (iii) In the event that not all of the available ordinary shares in the transfer are taken up by the Members of the Company holding the ordinary shares, the remaining shares shall be offered by the Board of Directors, at the 'balance sheet value per share' to the other Members of the Company who shall be invited to state in writing, within sixty (60) days from the date of the offer, whether they are willing to purchase any, and if in the affirmative, what maximum number of shares, whenever shares are proposed to be allotted for consideration in cash. At the expiration of the said sixty (60) days, the Board of Directors shall allocate the said shares to/or amongst the Member or Members of the Company who shall have expressed a willingness to purchase as aforesaid, and if more than one, so far as may be in proportion to the number of shares then held by each of them respectively, provided that no Member of the company shall be obliged to take more than the maximum number of shares so notified by him as aforesaid.
- (iv) In the event that not all the applicable Shares in the transfer are taken up by the Members of the Company holding ordinary shares as provided in sub-articles 20(ii) and (iii) above, the proposing transferor within thirty (30) days of being notified of this in terms of the provision of sub-article 95(i), may transfer the said shares to third parties at a price not less than the 'balance sheet value per share'. The transfer only becomes effective upon confirmation in writing by the Company of the registration of the transfer in the name of the new shareholder. Should the proposing transferor not transfer the said shares within the said thirty (30) days, the procedures provided for in sub-articles 20(i), (ii), (iii) and (iv) shall apply once again.
- (v) For the purposes of this article, 'balance sheet value per share' shall be computed by reference to the funds attributable to ordinary shareholders as

set out in the last audited accounts of the Company divided by the amount of issued ordinary shares as at the date to which such accounts have been prepared; adjusted to take into account any issue of ordinary shares which may have occurred subsequent to the said balance sheet date and prior to the date of the auditors' valuation and the deduction of any provisions which may have been made in the said balance sheet. Provided that should the proposed transfer of shares be notified later than six months from the date of the last audited accounts of the Company, any one of the parties may demand that audited accounts of the Company are produced as at the end of the quarter preceding the date of the transfer notice and such audited accounts shall be used in establishing the 'balance sheet value per share' as aforesaid.

21. The procedures and restrictions defined in article 20 above shall not apply and the shares in question may be freely transferred in the following cases:-

- (i) where a Member intends to transfer shares to his/her children; or
- (ii) where the proposed transfer of shares is approved in writing by all the other Members; or
- (iii) the corporate Members shall also be entitled at any time to transfer or otherwise dispose of any shares held by them in the Company to an associated company provided however that such shares shall forthwith be re-transferred to the corporate Members if the transferee ceases to be an associated company. For the purpose of this clause 'associated company' means a company in which any corporate Member of the company holds shares conferring in excess of fifty per cent (50%) of the votes which may be cast on a poll at a General Meeting of such company; or a company holding in excess of fifty per cent (50%) of the votes as aforesaid in such corporate Member.

22. The procedures and restrictions defined in article 20 above shall also apply "mutatis mutandis" in the case of transmission of shares 'causa mortis', except in the following two cases:-

- (i) where shares are being transmitted in full ownership, inclusive of all voting rights, to the children of the deceased Member;
- (ii) where the transmission is approved in writing by all the other Members.

### **Pledging of Shares**

23. Subject to the provisions of the Act and to the applicable terms of issue, any Debt Securities of the Company may be pledged by the registered holder thereof in favour of any person as security for any obligation. Provided that any terms of issue of Debt Securities may provide that the securities issued pursuant thereto may not be the subject of a pledge.

### **Register of Members**

24. Unless provided for in any law, rule or regulation, the register of listed Debt Securities shall be kept at the Exchange and/or the Office.

25. The register for Members for shares of the Company shall be kept at the Office.

### **General Meetings**

26. Subject to the provisions of the Act the annual general meetings of the Company shall be at such time and place as the Directors shall appoint.

27. All General Meetings other than annual general meetings shall be called extraordinary general meetings.

28. 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 requisitions, 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.

29. Every registered Member of the Company, the Directors and the auditors for the time being of the Company shall be entitled to receive notice of a General Meeting of the Company and to attend at such a meeting.
30. 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.
31. 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 Directors and the auditors.
32. No business shall be transacted at any General Meeting of the Company unless a quorum is present at the time when the meeting proceeds to business. For all purposes the quorum shall consist of one or more Members present in person or by proxy, holding in aggregate not less than fifty per cent (50%) of the shares having voting rights in the Company.
33. If within half an hour from the time appointed for the meeting convened by requisition of Members, a quorum is not present, the Members present shall be a quorum.
34. 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 numbers, to be chairman of the meeting.

35. 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.
36. 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.
37. 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 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.
38. At any General Meeting a resolution put to the vote shall be determined and decided by a show of hands, unless a poll is demanded, before or on the declaration of the result of a show of hands, by:
- (i) the chairman; or
  - (ii) by at least three (3) Members present in person or by proxy; or
  - (iii) a 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
  - (iv) 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.
- Unless a poll be so demanded a declaration by the Chairman that a resolution has on show of hands been carried or carried unanimously, or by particular majority, or lost and an entry to that effect in the minute book is made, 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.

The demand for a poll may be withdrawn.

39. Except as provided in Article 38, 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.
40. In the case of equality of votes, whether on show of hands or on a poll, the chairman of the meeting shall have a second or casting vote.
41. 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 the poll.
42. Subject to any rights or restrictions for the time being attached to the ordinary shares, on a show of hands every Member present in person shall have one vote for each share carrying voting rights of which he is the holder. On a poll votes may be given either personally or by proxy.
43. 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.

44. The instrument appointing a proxy shall be deposited at the registered office of the Company or at any other 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.

45. An instrument appointing a proxy shall be in the form as would allow the Member appointing a proxy to indicate how he would like this proxy to vote in relation to such resolution.

Provided that if the instrument appointing the proxy does not indicate how the proxy is to vote on any particular manner, the proxy will exercise his discretion as to whether, and if so, how he is to vote.

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

Provided that the appointed proxy attends the meeting or any adjournment thereof.

47. Where a Member specifies in the proxy form how his proxy is to vote, the proxy shall constitute the vote:

Provided that the appointed proxy attends the meeting or any adjournment thereof.

48. An Ordinary Resolution of the company in General Meeting shall be deemed to have been validly adopted if consented to by a Member or Members holding in aggregate not less than fifty one per cent (51%) of the issued shares having voting rights.

49. (a) An extraordinary resolution shall be a resolution which complies with article 135 of the Act, namely a resolution which:

- a. 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
- b. 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 (75%) in nominal value of shares represented and entitled to vote at the meeting and at least fifty one per cent (51%) in nominal value of all the shares entitled to vote at the meeting:

Provided that, if one of the aforesaid majorities is obtained but not both, another meeting shall be convened within thirty (30) days in accordance with the provisions for the calling of meetings to take a fresh vote on the proposed resolution. At the second meeting the resolution may be passed by a Member or Members having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the shares represented and entitled to vote at the meeting. However, if more than fifty per cent (50%) 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.

(b) Without prejudice to anything contained in these Memorandum and Articles of Association, an extraordinary resolution shall be required in respect of but shall not be limited to:-

- (i) amendments to the Memorandum and Articles of Association of the Company;
- (ii) increase or reduction of the Company's issued share capital;
- (iii) the dissolution of the Company;
- (iv) the entering into of any contract, agreement or undertaking outside the normal course of the Company's business;

- (v) a decision that the Company is to be continued as a body corporate registered under the laws of another country.

## **Directors**

- 50. The administration and management of the Company shall be conducted by a Board of Directors appointed in terms of Articles 6 of the Memorandum of Association.
- 51. All the Directors of the Company shall be individuals.
- 52. An election of directors shall take place every year. All directors, except a managing director, shall retire at least once in each three (3) years but shall be eligible for re-election.
- 53. The Company shall give its Members at least fourteen (14) days notice to submit names for election of directors. All such nominees, as well as the latter's acceptance to be nominated as Director, shall on pain of nullity have to be submitted to the Company Secretary not less than fourteen (14) days prior to the date of the meeting appointed for such election.
- 54. In the event that there are as many nominations as there are vacancies or less, no elections will take place and those nominations will be automatically appointed Directors.
- 55. Any Director may be removed at any time by the shareholder or shareholders by whom he was appointed. The removal may be made in the same manner as the appointment.
- 56. Any Director may be removed by the Company in General Meeting, provided that the Director who is to be removed shall be given the opportunity of making representations to the General Meeting at which a resolution for his removal is to be taken.

57. Without prejudice to the provisions of the 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 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 was, 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 or under any law from being a Director; or
- (v) if he is removed by ordinary resolution from office pursuant to, or otherwise ceases to be a Director by virtue of the Articles or the Act; or
- (vi) if he becomes of unsound mind, or is convicted of any crime punishable with imprisonment, or declared bankrupt during his term of office.

58. In the event of a vacancy the directors may designate an interim Director until such time as the shareholders appoint a new Director in terms of Article 6 of the Memorandum of Association.

59. Any person appointed by the Directors to fill a casual vacancy or as an addition to the board will hold office only until the next following Annual General Meeting of the Company and will be eligible for re-election.

60. 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 (3) months from the date upon which the number of Directors has fallen below the minimum, convene a General Meeting for the sole purpose of appointing/electing the Directors.

61. 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. The alternate Director need not be a serving Director of the Company.
62. The Directors shall have the power to appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in them) and for such periods and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may deem fit, and may also authorise any such attorney to delegate all or any of his powers, authorities and discretions vested in him.
63. 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.
64. The annual aggregate emoluments as well as any increase of such emoluments of the directors shall be established pursuant to a resolution passed at a General Meeting, where notice of the proposed aggregate emoluments and any increase has been given in the notice convening the meeting.
65. 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 in these Articles he shall not be entitled to vote.
66. The Directors may exercise all the powers of the Company to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue 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. Provided further that the shareholders in General Meeting may, from time to time, restrict and limit the powers of the Directors to borrow, in such way or ways as they may be appropriate.

67. The directors shall exercise their powers subject to any of these Articles, to the provisions of the Statutes and Bye-Laws of the Exchange or listing authority having competence in respect of the Debt Securities, as may be in force from time to time, 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.

68. The Directors shall cause minutes to be kept in books provided for the purpose of all:

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

### **Proceedings of Directors**

69. The Directors may hold such meetings, adjourn or otherwise regulate their meetings as they think fit. All decisions at such meetings shall be taken by a majority of votes of all Members of the Board; in case of an equality of votes, the Chairman shall have a second and casting vote.

70. The quorum at Board meetings shall consist of a majority of all the Members of the Board of Directors or any of their alternate.

71. In the event of incapacity, absence or inability of the chairman to attend a meeting, the deputy chairman shall attend and vote on his behalf and shall exercise all powers

of the chairman. In the event of the retirement or demise of the chairman, the deputy chairman shall immediately become the chairman of the company.

72. The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period, not exceeding such director's term of office as a Director, and on such terms and conditions as they deem fit; and subject to any agreement entered into in any particular case, may revoke such appointment. The appointment of a Managing Director shall be automatically determined if he ceases for any cause to be a Director.

73. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers.

74. (a) The Board of Directors may exercise all such powers as are not, by the Act or by these Articles, required to be exercised by the Company in General Meeting.

(b) Without prejudice to the above and other powers conferred by these Articles, the Board of Directors shall have the following powers:-

- (i) to make calls in respect of any amount in paid on any shares;
- (ii) to appoint, suspend or remove managers, officers, agents or servants of the company as may be deemed fit and necessary from time to time and to determine their powers and duties and to fix their salaries and emoluments;
- (iii) to convene at any time General Meetings of the company and fix the agenda;
- (iv) to recommend the payment of dividends;
- (v) to appoint administrators and legal representatives of the company under such terms and conditions and with such powers as the Board of Directors may deem fit and proper.

75. A resolution in writing signed by all the Directors of the Company (or by their duly appointed alternates) shall be valid and effective for all purposes 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.

76. (a) 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. A Director shall not vote on any contract or arrangement or any other proposal in which he has a material interest. For the purposes of this article, an interest as a director in or a beneficial owner of a company forming part of the same group of companies as the Company shall not be deemed to be a material interest.

(b) A Director may hold any other places of profit under the company (other than that of the auditor) on such terms and remunerations as the Board of Directors may determine.

### **Company Secretary**

77. The company secretary shall hold office until such time as he resigns or is removed from office by the directors or the shareholders.

78. 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 of holding office shall be determined by the Directors. 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;
- the register of debentures; and

- such other registers and records as the company secretary may be required to be kept by the Board of Directors.

79. The company secretary shall:

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

### **Dividends and Reserves**

80. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

81. 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.

82. 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.

83. Without prejudice to the relevant provisions of the Act, the Directors may, before recommending any dividend, set aside out of the profits of the Company such sums 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 may think prudent not to divide.

84. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, 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 a share in advance of calls shall be treated for the purposes

of this article as paid on the share. 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.

85. 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.

86. Any dividend or other moneys payable in respect of a share may be paid by cheque or 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, 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. Every such cheque or warrant shall be made payable to the person to whom it is sent and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

87. No dividend shall bear interest against the company.

### **Borrowing Powers**

88. The borrowing powers of the Company shall be unlimited and shall be exercised by the Board of Directors of the Company. The said Board of Directors may also appoint any two Members of their Board to exercise such powers. The Board of

Directors or the two Directors appointed by the Board as aforesaid may also authorise another person or persons to exercise the borrowing powers of the Company.

### **Representation of the Company**

89. Deeds of whatsoever nature engaging the company and all other documents purporting to bind the company including pledges, guarantees, as well as cheques, bills of exchange, promissory notes and other negotiable instruments shall be signed and executed on behalf of the company by any two Directors, or without prejudice to clause 8 of the Memorandum of Association by such person or persons as may from time to time be authorised by the Board of Directors for any of the above purposes.
90. The judicial representation of the Company shall be vested in any two Directors, or without prejudice to clause 8 of the Memorandum of Association by such person or persons as may from time to time be authorised by the Board of Directors for any of the above purposes.

### **Accounts**

91. Subject to the provisions of Article 180 of the Act, 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 annual accounts and accounting records 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 such account or record or other document of the company except as conferred by law or authorised by the Directors or by the Company in General Meeting.
92. A printed copy of the profit and loss account and the balance sheet including any Directors' Report attached thereto, shall at least fourteen (14) days prior to the General Meeting of the Company, be delivered or sent by post to every person so entitled in terms of Article 180 of the Act.

## **Capitalisation of profits**

91. Without prejudice to the relevant provisions in the Banking Act, the Company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any 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 un-issued 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 may, for the purposes of this article, only be applied in the paying up of un-issued 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.

## **Meetings by Video or Telephone**

94. A person is entitled to participate at a meeting of the Board of Directors or at any General Meeting by means of video conferences, telephone links or other similar means. In such instances, the chairman of the meeting shall sign on behalf of the person/s participating in such manner.

## **Notice**

95. (i) A Board meeting and a General Meeting of the Company shall be called by at least fourteen (14) days' notice in writing. 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 meeting, and in case of special business, the general nature of the business.

Provided that a board 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 Directors entitled to attend and vote.

(ii) If any notice of a general meeting is called to consider extraordinary business such notice shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business.

(iii) Any notice shall be served by registered airmail or by courier service or by electronic mail (e-mail), which is to be immediately confirmed by registered airmail, and shall be deemed to have been served on the day immediately following that on which it was posted or remitted by courier or electronic mail, as the case may be, and in proving such service it shall be sufficient to prove that the notice was properly addressed, posted or otherwise remitted.

(iv) 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 office in Malta, to the address, if any, stipulated by him to the Company to receive notice thereat. Where a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying and mailing a letter containing the notice, and to have been effected at the expiration of 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.

(v) If the postal service 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 in two daily newspapers one in Maltese and one in the English language. 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.

(vi) The signature to any notice to be given by the Company may be written or printed.

### **Secrecy**

96. Without prejudice to the provisions of the Banking Act 1994, the Professional Secrecy Act 1994 and the Statutes, every Director, secretary, auditor and employee of the company shall observe strict secrecy with regard to all dealings, transactions and other matters of a confidential nature of and concerning the company and with regards to all transactions of the company with its customers, the state of their accounts and manner 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 1994, shall sign a declaration to the above effect in such form as the directors may from time to time prescribe.

### **Winding-Up**

97. The ordinary shares shall entitle their holders to rank 'pari passu' upon any distribution of assets in a winding up.

98. On the voluntary liquidation of the Company, no commission or fees shall be paid to a liquidator unless it shall have been approved by shareholders. The amount of such payment shall be notified to all shareholders at least seven (7) days prior to the meeting at which it is to be considered.

## **Indemnity**

99. 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.

100. For the above purpose the Company may take up an insurance policy with a reputable insurance company.

## **General**

101. All the above Articles are subject to the overriding provisions of the Act, the Statutes, the Banking Act 1994 and the Malta Stock Exchange Act 1990 and Bye Laws issued by the Council of the Stock Exchange, 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 a necessary to be read in conformity with any and all of the provisions of any of these laws.

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



**Calvin Bartolo**  
Company Secretary