

## **MEMORANDUM OF ASSOCIATION**

1. The name of the Company is MAPFRE Middlesea p.l.c.
2. The Registered Office of the Company is located at Middle Sea House, Floriana, Malta, or at any other place in Malta as may be determined from time to time by the Board of Directors.
3. The Objects for which the Company is established are:
  - (a) To carry on all kinds of insurance and assurance business, reinsurance and reinsurance business in all forms and branches in Malta and other parts of the world and to do all acts usual to be done in the prosecution of such business whether now known or hereafter to be devised.
  - (b) To purchase, take on lease, exchange or otherwise acquire and to hold movable and immovable property or any right thereon where it is reasonably necessary for the purpose of conducting its business or any of them, or for providing amenities for its Staff as the Company may think necessary or convenient, or by way of investment.
  - (c) To subscribe for, underwrite, purchase, participate in, manage or carry out on commission or otherwise, and to acquire, hold, dispose of and deal with the shares or other interest in any other company or enterprise which the Company may determine.
  - (d) To borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures or other securities or rights, and to secure the repayment of any money so borrowed or raised by hypothecation, charge or lien upon the whole or any part of the Company's properties or assets, whether present or future, including its uncalled capital, and also by a similar hypothecation or charge to secure and guarantee the performance by the Company of any debt, liability or obligation it may undertake.
  - (e) To secure and guarantee also by hypothecation, charge or lien upon the whole or any of the Company's properties or assets, including its uncalled capital, the performance of any contracts or obligations of the Company's customers or other persons, firms, or companies, having dealings with the Company, or in whose business or undertakings the Company is interested.
  - (f) To lend money to any person or company and to guarantee the performance of contracts or the payment of debts or liabilities by any person or company.
  - (g) To establish and support funds or institutions calculated to benefit Directors, officers or ex-officers or ex-employees of the Company or of any subsidiary company or of their predecessors in business or the dependants or connections of such persons and to grant to such persons pensions, allowances, gratuities or other benefits and insurance.
  - (h) To enter into any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of any scheme for enabling employees of the Company and/or subsidiary company who are employed full-

time by the Company to acquire shares of the Company or any arrangement for the benefit of employees of the Company of any of its subsidiaries.

- (i) To support or subscribe to any charitable or public institution, clubs, societies or funds.
- (j) To amalgamate with or enter into partnership on any joint profit sharing arrangement, union of interests or co-operation with any person, firm, partnership, corporation, company, whether Maltese or International, carrying on or proposing to carry on, any business which the Company is authorised to engage in or benefit from and to acquire and hold, sell, deal with or dispose of shares, stock or securities of such partnership and to guarantee the contracts of liabilities of, or payment of dividends, interest on capital or any shares, stock securities of, and to subsidise any such partnership.
- (k) To sell, lease, charge, hypothecate or otherwise dispose of the undertakings of the Company or any part of it or all or any part of the property of the Company for such consideration as the Company may deem fit.
- (l) To distribute among the Members of the Company any property or assets of the Company (whether by way of dividend or otherwise) or any proceeds of sale or dispose of any property or assets of the Company but so that no distribution amounting to a reduction of capital be made except as provided by these Articles or with the sanction for the time being required by law.
- (m) To invest and deal with the monies of the Company in such investments, securities and any other kind of property as may be expedient and in such manner as the Company may determine from time to time and to hold, sell or otherwise deal with such investments, securities or property.
- (n) To establish agencies and branches, both in Malta and abroad and appoint agents and others to assist in the conduct or extension of the Company's business and to regulate and discontinue the same.
- (o) To carry on any business which the Company is authorised to carry on by means or through the agency of any companies, whether subsidiary or otherwise, and to enter into any arrangement with any such company for taking the profits and/or bearing the losses of any business so carried on, or for financing any such company or guaranteeing its liabilities which financing or guarantee shall be described, or to make any other arrangements which may be desirable to such business.
- (p) To act as Director or manager of or to appoint Directors or managers of any subsidiary or of any other company.
- (q) To do all such things which may seem to the Company capable of conveniently being carried on in connection with the foregoing, or which the Company may consider expedient with a view of rendering profitable or enhancing the value of the Company's undertaking, property, assets or business and to all such other things the Directors may deem to be incidental or conducive to the attainment of the above objects or any of them.
- (r) To procure the Company to be registered or recognised in any country or state abroad and to obtain any provisional order, enactment, other legislative or

executive Act of any state or other authority for enabling the Company to carry out any of its objects into effect.

- (s) To pay out of the funds of the Company all costs, charges and expenses preliminary and incidental to the promotion of the Company and the issue of its capital.
- (t) to receive from any assets which the Company is entitled to own, dividends, capital gains, interest, and any other income derived from investments including income or gains on their disposal, rents, royalties, and similar income whether arising in or outside Malta, and profits or gains attributable to a permanent establishment (including a branch) of the Company.
- (u) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

In the interpretation of the objects clause of this Memorandum the powers conferred on the Company by each of the foregoing paragraphs shall not be restricted by reference to any other paragraph and in the event of any ambiguity this clause shall be construed so as to widen and not restrict the powers of the Company.

4.

- (1) The Authorised Share Capital of the Company is thirty one million and five hundred thousand euro (€31,500,000) divided into one hundred and fifty million (150,000,000) ordinary shares of a nominal value of twenty one euro cents (€0.21) each;
- (2) The Issued Share Capital of the Company is nineteen million three hundred and twenty thousand euro (€19,320,000) divided into ninety two million (92,000,000) ordinary shares of a nominal value of twenty one euro cents (€0.21) which are all listed on the Malta Stock Exchange.
- (3) The Issued Share Capital of the Company is fully paid up and is currently held as follows:

	<b>Ordinary Shares of twenty one euro cents (€0.21) each</b>
Bank of Valletta plc	28,591,157
HSBC Bank Malta plc as sub custodian of BNY Brussels as custodian for Mapfre International	50,197,726
Various (held by the Public)	13,211,117

- 5. The liability of the Members is limited to the amount (if any) unpaid on the shares respectively held by them.

6. (1) The number of Directors shall not be less than five (5) and not more than ten (10) and shall be appointed as provided in the Articles of Association of the Company.

(2) The Directors of the Company are:

<i>Name</i>	<i>Address</i>	<i>I.D. Card No./ Passport No.</i>
Jose Maria del Pozo	Carretera de Pozuelo n° 52 28222 Majadahonda Madrid. Spain	Spanish Passport AAF198396
Alfred Attard	84, 'Hacienda', Triq Ghaxqet l-Ghajn, Marsascala Malta	481458(M)
Antoinette Caruana	DARI 23 Triq Mons Alan Fenech, Mosta Malta	215062(M)
Taddeo Scerri	L-Ghorfa Triq il-Bahar l-Iswed San Gwann Malta	475055(M)
David G. Curmi	32, Triq il-Pont Mosta Malta	477759(M)
Jaime Tamayo	Carretera de Pozuelo 52 Majadahonda, Madrid 28222, Spain	Spanish ID 50717689K
Martin Galea	6, Triq Ivo Muscat Azzopardi The Gardens St Julians Malta	792859M

Paul Testaferrata Moroni Viani	3 Villa Viani, J. Howard Street, Naxxar NXR 4420 Malta	541365(M)
Joseph F.X. Zahra	239 Triq il-Kbira Balzan Malta	835155(M)
José Luis Jiménez Guajardo-Fajardo	Carretera de Pozuelo 52 Majadahonda, Madrid 28222, Spain	Spanish Passport AAF329158

(3) The Chairman of the Company is:-

<i>Name</i>	<i>Address</i>	<i>I.D. Card No./ Passport No.</i>
Martin Galea	6, Triq Ivo Muscat Azzopardi The Gardens St Julians Malta	792859M

7.

(1) The contractual representation of the Company shall vest in the Chairman or, without prejudice to the general power granted to the Chairman in terms of this clause, in such person or persons jointly or severally and in such manner as the Directors shall from time to time determine.

(2) The Company shall be represented in judicial proceedings by the Chairman or without prejudice to the general power granted to the Chairman in terms of this clause, by such person or persons jointly or severally as the Directors may from time to time or in relation to particular proceedings determine.

8. The Company Secretary is:-

<i>Name</i>	<i>Address</i>	<i>I.D. Card No./ Passport No.</i>
Dr Daphne Sims Dodebier	42 'Kilohana' Triq tal-Brag Mellieha MLH 2470 Malta	402779(M)

9. The Company is a public company.

10. The exercise by the Company of the foregoing objects and powers is subject to such prohibitions and restrictions as are provided by and under the mandatory provisions of any law in force for the time being including the Companies Act (Cap. 386), the Insurance Business Act, (Cap. 403), the Insurance Intermediaries Act (Cap. 487) and the Financial Markets Act (Cap. 345) and of any rules, regulations, directives or bye-laws issued thereunder and any amendment, modification or substitution of any such laws, rules, regulations, directives or bye-laws.

## ARTICLES OF ASSOCIATION

### PRELIMINARY

1. The regulations contained in Part I of the First Schedule to the Companies Act, 1995 shall not apply to the Company except insofar as they are repeated or contained in these Articles.

### INTERPRETATION

2. In these Articles, and in the Memorandum of Association, unless the context otherwise requires:

“**the Act**” means the Companies Act of 1995 and any modification or re-enactment thereof for the time being in force;

“**these Articles**” and “**the Memorandum**” or “**the Memorandum of Association**”, means these Articles of Association and the Memorandum of Association of the Company as may from time to time be in force;

“**the Auditors**” means the Auditors for the time being of the Company;

“**the Company**” means MAPFRE Middlesea p.l.c.;

“**the Directors**” means the Directors for the time being of the Company;

“**Equity Securities**” means shares in the Company or a right to subscribe to shares in the Company or a right to convert securities into shares in the Company;

“**the Exchange**” means the Malta Stock Exchange;

“**Founder Members**” means each of Bank of Valletta plc and MAPFRE Internacional S.A.;

“**Listed Shares**” means shares in the Company quoted and listed on the Exchange;

“**Extraordinary Resolution**” shall have the meaning attributed to it by article 135 of the Act; provided that for such time as the Founder Members between them hold at least seventy-five per cent (75%) of the total issued share capital of the Company, or where either Founder Member holds at least 25 per cent of the total issued share capital of the Company, it shall mean 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) it has been passed by a member or members having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the shares represented and entitled to vote at the meeting and at least seventy-five per cent (75%) in nominal value of all the shares entitled to vote at the meeting;

**Provided** that, if one of the aforesaid majorities is obtained, but not both, another meeting shall be convened within thirty days in accordance with the provisions for the

calling of meetings to take a fresh vote on the proposed resolution. At the second meeting the resolution may be passed by a member or members having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the shares represented and entitled to vote at the meeting. However, if more than half in nominal value of all the shares having the right to vote at the meeting is represented at that meeting, a simple majority in nominal value of such shares so represented shall suffice.

“**Listing Authority**” means the Listing Authority defined in terms of the Financial Markets Act (Cap. 345);

“**Listing Rules**” means the Listing Rules issued by the Listing Authority;

“**the Office**” means the registered office for the time being of the Company;

“**Ordinary Resolution**” means a resolution passed at a General Meeting by a Member or Members having the right to attend and vote at such Meeting holding in the aggregate more than fifty per cent (50%) of the shares represented at such Meeting and conferring that right.

“**person**” means any person, whether natural, corporate or unincorporate that may, according to law, be the subject of rights and obligations;

“**the Register**” means the Register of Members of the Company required to be kept by the Act;

“**in writing**” and “**written**” includes printing, lithography, typewriting, photography and other modes of representing or reproducing words in visible form;

“**Shareholder**” or “**Member**” shall mean any natural or legal person whose name is entered in the Register;

Words importing the singular number only shall include the plural and vice versa.

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

Any reference herein to the provision of any law shall extend to and include any amendment or re-enactment of or substitution for the same effected by any subsequent law.

Subject as aforesaid, and unless the context otherwise requires, words and expressions defined in the Act shall bear the same meanings in these Articles.

## SHARES

3. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of 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 Ordinary Resolution determine.



4. Subject to the provisions of the Act any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Ordinary Resolution determine.
5. The Company may exercise the power of paying commissions or of making discounts or allowances provided it complies with the requirements of the Act. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
6. Any increase in the issued share capital of the Company shall be decided upon by an Extraordinary Resolution but notwithstanding the above, the Company may by Extraordinary Resolution authorise the Directors to issue shares up to the amount specified as the Authorised Share Capital of the Company, which authorisation shall be for a maximum period of five (5) years and is renewable for further periods of five (5) years each.

The Directors may, if they so deem fit, cause any or all of the equity securities of the Company, whether issued or to be issued pursuant to these Memorandum and Articles of Association, to be quoted and listed on the Exchange.

7. (1) The Directors shall not, without the prior approval by Extraordinary Resolution of the Company in General Meeting, issue or allot Equity Securities for the purpose of transferring a controlling interest in the Company or if such controlling interest is the result of issue or allotment.
- (2) The Directors in issuing and allotting Equity Securities shall not without the prior approval through Extraordinary Resolution of the Company in General Meeting:
  - (a) issue and allot any of the Equity Securities on any terms to any person unless an offer has first been made to each Member to issue and allot to him at least on the same terms, a proportion of those Securities which is as nearly as practicable equal to the proportion in nominal value held by him of the aggregate of shares in the Company, and
  - (b) issue and allot any of Equity Securities to any person before the expiration of any period of offer made to Members (being a period of not less than 14 days) in terms of the above paragraph or before a negative or positive reply from all such Members is given.
- (3) Any such Securities which are not subscribed by the Members as aforesaid may be offered for subscription to the general public under the same or other conditions which however cannot be more favourable than the original offer;

**PROVIDED** that a Member shall have the right to assign to another person his right to accept an offer to subscribe to shares in terms of this Article and any such assignee shall for the purposes of this Article be deemed to be a Member.

- (4) A Director cannot participate in an issue of shares to employees of the Company except with the sanction of the Company in General Meeting.
8. Subject to the provisions of the Act, the Company may purchase its own shares.

## **SHARE CERTIFICATES**

9. Every person (other than a person who holds Listed Shares of the Company or other person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered as a Member in the Register shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all the shares registered in his name or in the case of shares of more than one class being registered in his name, a separate certificate for each class of shares so registered and where a Member transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of shares of that class retained by him. If a Member shall require additional certificates he shall pay for each additional certificate such reasonable sum (if any) as the Directors may determine.
10. In respect of shares of one class held jointly by more than one person, the Company shall not be bound to issue more than one certificate and delivery of the certificate for such shares to the person nominated by the joint shareholders or in his absence to the person first named on the Register in respect of such shares shall be deemed sufficient delivery to all such holders.
11. If any certificate be worn out or defaced then upon delivery thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity (if any) as the Directors deem adequate being given a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.
- 12 (1) Every certificate issued under the last preceding article shall be issued without payment, but there shall be paid to the Company any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors think fit and a sum to the costs incurred by the Company (if any) of any such indemnity as is referred to in that Article.
- (2) For Listed Shares of the Company, the holders thereof shall be entitled to receive from the Central Securities Depository of the Exchange a document evidencing his registration as a Member of the Company in the number of shares held, or such other evidence as the bye-laws of the Exchange or the Listing Rules may from time to time determine.

## VARIATION OF RIGHTS

13. If at any time, the share capital is divided into different classes of shares, the change of any shares from one class into another or the variation of the rights attached to any class (unless otherwise expressly provided by the terms of issue of the shares of that class which is to be changed or the rights attached to which are to be varied, according to the case) may, whether or not the Company is being wound up, be made with the consent in writing of the holders of three-fourths of the issued shares of that class, and the holders of three-fourths of the issued shares of any other class affected thereby. Such change or variation may also be made with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the issued shares of that class and of an Extraordinary Resolution passed at a separate General Meeting of the holders of the issued shares of any other class affected thereby. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall apply.
14. The rights attached to any class of shares shall (unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held) be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## CALLS ON SHARES

15. The Directors may, subject to the terms of allotment thereof, from time to time make calls upon the Members as they think fit in respect of any monies unpaid (whether on account of the nominal value of the shares or by way of premium) provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed, in whole or in part, as the Directors may determine.
16. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by instalments.
17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
18. If a sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum at such rate not exceeding two percentage points over the Central Bank of Malta minimum discount rate, as the Directors may determine, from the day appointed for the payment thereof until the actual payment thereof and all expenses that may have been incurred by the Company by reason of such non-payment; but the Directors may, if they shall think fit, waive the payment of such interest and expenses or any part thereof.

19. During such time as any part of the call or instalment together with interests and expenses remains unpaid, the entitlement of the person from whom the sum is due to the rights and advantages conferred by Membership of the Company including the right to receive dividends and the right to attend and vote at Meeting of the Company, shall be suspended.
20. 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.
21. The Directors may, on the issue of shares, make arrangements for a difference between the holders of such shares in the amounts of calls to be paid and in the times of payment of such calls.
22. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the monies, whether on account of the nominal value of the shares or by way of premium, uncalled and unpaid upon any shares held by him; and upon all or any of the monies so paid in advance the Directors may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding two percentage points over the Central Bank of Malta minimum discount rate, as may be agreed upon between the Directors and the Member paying such monies in advance. The Directors may at any time on giving not less than three months' notice in writing to such Member repay to him the amount by which any such advance exceeds the amount actually called upon the shares.

## **FORFEITURE**

23. If any Member fails to pay any call or instalment in full on or before 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, serve a notice on him requiring him to pay so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.
24. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which and the place where such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call or instalment is payable will be liable to be forfeited.
25. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such 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. Such forfeiture shall extend to all dividends declared in respect of the shares so forfeited and not actually paid before such forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Directors. The Directors may accept a surrender of any share liable to be forfeited hereunder.

26. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share, or the person entitled to the share by transmission, and an entry of the forfeiture or surrender, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid.
27. A share so forfeited or surrendered shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of in such manner, either subject to or discharged from all calls made or instalments due prior to the forfeiture or surrender, as the Directors think fit.

**PROVIDED** that the Company shall not exercise any voting rights in respect of such share. For the purpose of giving effect to any such sale or other disposition the Directors may authorise some person to transfer the share so sold or otherwise disposed of to the purchaser thereof or other person becoming entitled thereto.

28. The Directors may, at any time before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as they think fit.
29. Any person whose shares have been forfeited or surrendered shall cease to be a Member in respect of those shares, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of the forfeiture or surrender, were presently payable by him to the Company in respect of the shares, together with interest thereon at such rate, not exceeding two percentage points over the Central Bank of Malta minimum discount rate, as the Directors may determine, from the time of forfeiture or surrender until the time of payment, but his liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares, together with interest as aforesaid. The Directors may, if they shall think fit, waive the payment of such interest or any part thereof.

## **TRANSFER OF SHARES**

30. Subject to the provisions of the law and of these Articles the shares of the Company are freely transferable provided that in no case may a part of a share constitute the object of a transfer.
31. All transfers of Listed Shares shall be regulated by law and accordingly Articles 32 to 35 of these Articles shall be applicable to such transfers only in so far as the said Articles are not inconsistent therewith.

32. (1) All transfers of shares (other than transfers of Listed Shares) shall be effected by instrument in writing in any usual or common form or any other form which the Directors may approve. Listed shares shall be transferred in the manner regulating such shares.
- (2) The instrument of transfer of any share shall be signed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.
33. The Directors may in their absolute discretion without assigning any reason therefor, refuse to register any transfer of any share which is not a fully paid share.
34. The Directors may decline to recognise any instrument of transfer and refuse to register such transfer if:
- (1) the instrument of transfer is not duly stamped and/or is not left at the Office or at such other place as the Directors may from time to time determine, to be registered and/or is not accompanied by the certificates 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 (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); or
- (2) the instrument of transfer is not in respect of only one class of shares; or
- (3) the instrument of transfer is in respect of shares pledged to another person under a pledge agreement duly notified to the Company.
35. If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal and (except in the case of fraud) return to him the instrument of transfer. All instruments of transfer which are registered may be retained by the Company.
36. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares:

**PROVIDED** always that such registration shall not be suspended, either generally or otherwise, for more than thirty days in any year.

## **TRANSMISSION OF SHARES**

37. All transmission of Listed Shares shall be regulated by law and by the bye-laws of the Exchange and the Listing Rules which relate to such transmission and accordingly Articles 38 and 39 of these Articles shall be applicable to such transmission only in so far as the said Articles are not inconsistent therewith.

38. (1) Any person becoming entitled to a share (other than a Listed Share) in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy, as the case may be.
- (2) If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
39. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by Membership in relation to Meetings of the Company:

**PROVIDED** always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

## **SHARES HELD JOINTLY OR SUBJECT TO USUFRUCT**

40. In respect of shares held jointly by several persons, the joint holders may elect and nominate one of their number as their representative and his name will be entered in the Register with such designation. Such person shall for all intents and purposes be deemed vis-à-vis the Company to be the registered holder of the shares so held. In the absence of such nomination and until such nomination is made, the person first named on the Register in respect of such shares shall, for all intents and purposes be deemed vis-à-vis the Company to be the registered holder of the shares so held.
41. In respect of shares held subject to usufruct, the names of the bare owner and the usufructuary shall be entered in the Register. The usufructuary shall for all intents and purposes be deemed vis-à-vis the Company to be the registered holder of the

shares so held and shall be entitled to all the rights and advantages conferred by Membership of the Company including the right to receive dividends and to attend and vote at Meetings of the Company but shall not have the right to dispose of the shares so held without the consent of the bare owner. If there is more than one usufructuary the provisions of Article 40 of these Articles shall *mutatis mutandis* apply.

## **CONVERSION OF SHARES INTO STOCK**

42. Subject to the provisions of the law (particularly in respect of Listed Shares) the Company may by Ordinary Resolution convert any of its fully paid up shares into stock of the same class as the shares so converted, and reconvert such stock into fully paid up shares of the same class and of any denomination.
43. The several holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; 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.
44. The several holders of such stock shall, according to the amount of stock held by them and the class thereof, 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 a reduction of capital or a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
45. Such of the provisions of these Articles as are applicable to fully paid up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.

## **ALTERATION OF CAPITAL**

46. The Company may from time to time increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe. All new shares shall be subject to the provisions of these Articles with reference to allotment, payment of calls, forfeiture, transfer and transmission and otherwise.
47. The Company may by Ordinary Resolution:-
  - (1) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (2) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association:



**PROVIDED** that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

48. Subject to any direction by the Company in General Meeting, whenever as the result of any consolidation and division or sub-division of shares Members of the Company are entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which Members are so entitled in fractions for the best price reasonably obtainable and pay and distribute to and amongst the Members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may nominate some person to execute a transfer of the shares sold on behalf of the Members so entitled to the purchaser thereof and may cause the name of the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
49. Subject to the provisions of the Act, the Company may by Extraordinary Resolution reduce its Share Capital.

## **GENERAL MEETINGS**

50. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.
51. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
52. 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 requisitioners, as provided by the Act. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum the Directors in Malta capable of acting, or if there are no Directors capable and willing so to act, 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.

## **NOTICE OF GENERAL MEETINGS**

53. (1) A General Meeting of the Company shall be called by not less than twenty one (21) days' notice in writing.  
(2) 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, the proposed agenda for the Meeting and, in case of special business, the general nature of that business. It shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company. The notice shall also contain the following information:

- (a) a clear and precise description of the procedures that Shareholders must comply with in order to be able to participate in and to vote at the general meeting;
  - (b) state the record date and explain that only those who are Shareholders on that date shall have the right to participate and vote in the general meeting;
  - (c) indicate where and how the full, unabridged text of the documents to be submitted to the General Meeting (including, where applicable, the Annual Report) and of any draft resolutions may be obtained, unless in the latter case the draft resolutions are included as part of the notice itself; and
  - (d) indicate the address of the internet site on which the information will be made available.
  - (e) The Company shall not be required to send a printed copy of the Annual Accounts to any Member/s of the Company where the Company has made an electronic copy of the said Annual Accounts available to the Members on its website or through other means and has informed such Members accordingly. The Company shall, however, provide a printed copy of such Annual Accounts to any Member upon written request.
- (3) A notice calling an Annual General Meeting shall specify the Meeting as such and a notice convening a Meeting to pass an Extraordinary Resolution as the case may be shall specify the intention to propose the resolution as such.
  - (4) In every notice calling a Meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him and that a proxy need not also be a Member and such statement shall comply with the provisions of the Act as to informing Members of their right to appoint proxies.
  - (5) A notice of a General Meeting called to consider extraordinary business shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business.
  - (6) Any Member or Members holding not less than five per cent (5%) in nominal value of all the shares entitled to vote at the meeting may:

- (a) request the Company to include items on the agenda of the general meeting, provided that each item is accompanied by a justification or a draft resolution to be adopted at the annual general meeting; and
- (b) table draft resolutions for items included in the agenda of a general meeting.

The request to put items on the agenda of the general meeting or the tabling of draft resolutions to be adopted at the general meeting shall be submitted to the Company (in hard copy or in electronic form to an email address provided by the Company for the purpose) at least forty six (46) days before the date set for the general meeting to which it relates and shall be authenticated by the person or persons making it. Furthermore, where the right to request items to be put on the agenda of the general meeting or to table draft resolutions to be adopted at the general meeting requires a modification of the agenda for the general meeting that has already been communicated to Shareholders, there shall be made available a revised agenda in the same manner as the previous agenda in advance of the applicable record date or, if no such record date applies, sufficiently in advance of the date of the general meeting so as to enable other Shareholders to appoint a Proxy or, where applicable, to vote by correspondence.

- 54. A Meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in the last preceding Article, be deemed to have been duly called if it is so agreed by all the Members entitled to attend and vote thereat.
- 55. The accidental omission to give notice of a Meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a Meeting or such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings at that Meeting.

## **PROCEEDINGS AT GENERAL MEETINGS**

- 56. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all 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 Auditors and any other documents required by law to be attached or annexed to the balance sheets, the election of Directors in place of those retiring, and the appointment of and the fixing of the remuneration of, the Auditors. The appointment of a Chairman of a Meeting in accordance with the provisions of these Articles shall not be treated as part of the business of the Meeting.
- 57. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the Meeting proceeds to business; save as herein otherwise provided a Member or Members present in person or by proxy and entitled to vote and holding in the aggregate not less than fifty per cent (50%) of the total voting rights of the Members having the right to vote shall be a quorum.

58. If within half an hour from the time appointed for the Meeting a quorum be not present, the Meeting, if convened by or upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time (being not less than fourteen days nor more than twenty-eight days thence) and place as the Chairman shall appoint. If at such adjourned Meeting a quorum be not present within thirty minutes from the time appointed therefor, Members present in person or by proxy not being less than two present in person and entitled to vote shall form a quorum. The Company shall give not less than ten (10) clear days' notice of any Meeting adjourned for want of a quorum and the notice shall state that Members present as aforesaid shall form a quorum.
59. The Chairman of the Board shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman, or if at any General Meeting the Chairman is not present within fifteen minutes after the time appointed for holding the Meeting or if the Chairman is not willing to act as Chairman of the meeting, the Directors present shall select one of their number to be Chairman; or if no Director be present or is willing to take the chair the Members present and entitled to vote shall choose one of their number to be Chairman of the Meeting.
60. 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 unfinished at the Meeting from which the adjournment took place. When a Meeting is adjourned for thirty days or more, not less than ten (10) clear days' notice in writing of the adjourned Meeting shall be given specifying the day, the place and the time of the Meeting as in the case of an original Meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned Meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment.
61. (1) At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-
- (a) by the Chairman; or
  - (b) by at least three Members present in person or by proxy and entitled to vote; or
  - (c) by any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting; or
  - (d) by a Member or Members 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 shares conferring that right.

- (2) Unless a poll be so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost 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 that Meeting, whether in person or by proxy, a number of Members holding in the aggregate the required majority as aforesaid. A demand for a poll may be withdrawn.

62. A poll demanded on the election of a 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 other business other than that upon which a poll has been demanded may be proceeded with pending the taking of a poll.
63. Except as provided in Article 65, if a poll is duly demanded it shall be taken in such manner (including the use of ballot or voting papers or ticket) as the Chairman of the Meeting directs, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.
64. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
65. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days after the date of the Meeting or adjourned Meeting at which the poll is demanded) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. The demand for a poll may be withdrawn.
- 65A. Notwithstanding any other provision of these Articles and without prejudice to any statutory provision requiring that a resolution is passed as an Extraordinary Resolution, all matters set out in Article 65B below (“Shareholder Reserved Matters”) are matters which are being reserved for decision by the shareholders and any decision on any such matter (a) for such time as the Founder Members between them hold at least 75% of the total issued share capital of the Company, or where either of the Founder Members holds at least 25% of the total issued share capital of the Company shall only be validly determined by the shareholders if passed as an Extraordinary Resolution; or (b) in all other cases by Ordinary Resolution
- 65B. The Shareholder Reserved Matters to which article 65A refers are the following:
- a) any decision with respect to a change to the memorandum or articles of association of the Company;

- b) any decision with respect to any increase in the issued share capital of the Company;
- c) any decision with respect to any reduction in the issued share capital of the Company;
- d) any decision with respect to the payment of any dividend where such dividend exceeds 65 per cent of the retained profits for the immediately preceding financial year; and
- e) any decision with respect to the sale, lease, assignment or disposal of the whole or any material part of the Company's business, undertaking property and/or assets or any decision on a transaction or series of transactions the economic effect of which is the same or similar to any of the afore-mentioned.

## **RIGHT TO ASK QUESTIONS**

66. (1) Every Shareholder shall have the right to ask questions which are pertinent and related to items on the agenda of a general meeting and to have such questions answered by the Directors or such person as the directors may delegate for that purpose subject to any reasonable measures that the Company may take to ensure the identification of the Shareholder. The said right shall also be enjoyed by a proxy holder appointed by the Shareholder.
- (2) The Company may provide one overall answer to questions having the same content.
- (3) An answer to a question is not required where:
- (a) to give an answer would interfere unduly with the preparation for the meeting, involve the disclosure of confidential information or cause prejudice to the business interests of the Company;
  - (b) the answer has already been given on the Company's website in the form of an answer to a question;
  - (c) it is not in the interests of good order of the meeting that the question be answered; or
  - (d) the Company is unable to provide an immediate reply, provided that such reply is subsequently posted on the website of the Company.

## **VOTES OF MEMBERS**

67. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for each share of which he is the holder.

68. No Member shall be entitled, in respect of any share in the capital of the Company held by him, to be present or to vote on any question, either in person or by proxy, at any General Meeting, or upon any poll, or to be reckoned in a quorum, or to exercise any other right or privilege conferred by Membership in relation to Meetings of the Company if any call or other sum presently payable by him to the Company in respect of such share remains unpaid.
69. 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.
70. On a poll, votes may be given personally or by proxy and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
71. (1) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a person other than a natural person, the hand of an officer or attorney duly authorised. The signature on such instrument need not be witnessed. A Member holding shares for and on behalf of third parties is entitled to grant a proxy to each of his clients or to any third party designated by a client. Such Member shall be entitled to cast votes attaching to some of the Shares differently from the others. Proxy forms shall be designed by the Company to allow such split voting.

- (2) An instrument appointing a proxy shall be the following form or a form as near thereto as circumstances permit:

Middlesea Insurance plc

“I/We....., of ..... residing at .....  
being a Member/Members of the above named Company, hereby appoint  
..... of ..... or failing him  
..... of.....as my/our proxy to vote for  
me/us on my/our behalf at 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 ..... 20XX

This form is to be used in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.”

- (3) Where a Member holds shares for and on behalf of third parties, the instrument appointing the proxies shall be in the following form or in a form as near thereto as circumstances permit:

Middlesea Insurance plc

“I/We....., of ..... residing at ..... being a Member/Members of the above named Company, hereby appoint:

(a) ..... of ..... in respect of .....shares out of a total of..... or failing him ..... of.....as my/our proxy to 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; and

This form is to be used in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.”

(b) ..... of ..... in respect of .....shares out of a total of ..... or failing him ..... of.....as my/our proxy to 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.

This form is to be used in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.”

Signed this.....day of ..... 20XX

- (4) An instrument of proxy shall be in such form as would allow the shareholder appointing a proxy to indicate how he would like his proxy to vote in relation to each resolution.
72. A proxy need not be a Member of the Company. A Member may not appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at the Meeting or any adjournment thereof.
73. An instrument appointing or revoking 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 either (i) be deposited at the Office or at such other place (if any) in Malta as is specified for that purpose in or by way of note to the notice convening the Meeting, or (ii) be transmitted electronically to an electronic address as is specified for that purpose in or by way of note to the notice convening the Meeting, in each case not less than forty-eight hours before the time for holding the Meeting or, if the Meeting be adjourned, not less than forty-eight hours (or such lesser period as the Chairman who adjourned the Meeting may in his discretion determine) before the time for holding the adjourned Meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned Meeting, not less than twenty-four hours before the time



appointed for the taking of the poll at which it is to be used, and in default the instrument of proxy shall not be treated as valid.

74. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting to which it relates. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution except at an adjourned Meeting or on a poll demanded at a Meeting or adjourned Meeting in cases where the Meeting was originally held within twelve months from that date.
75. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
76. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or interdiction of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, interdiction, revocation or transfer shall have been received by the Company at the Office or such other place (if any) as is specified for depositing the instrument of proxy an hour at least before the commencement of the Meeting or adjourned Meeting or the holding of a poll subsequently thereto at which such vote is given.
77. Any person which is not a natural person and is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the Member which he represents as that Member could exercise if it were an individual Member of the Company.

## **VOTING RESULTS**

78. Where a poll is taken at a general meeting of the Company and a request is made by a Shareholder for a full account of the poll, the Company shall publish the following information on its website by not later than fifteen (15) days after the day of the general meeting at which the voting result was obtained:
  - (a) the date of the meeting;
  - (b) the text of the resolution or, as the case may be, a description of the subject matter of the poll;
  - (c) the number of shares for which votes have been validly cast;
  - (d) the proportion of the Company's issued share capital at close of business on the day before the meeting represented by those votes;
  - (e) the total number of votes validly cast; and
  - (f) the number of votes cast in favour of and against each resolution and, if counted, the number of abstentions.

Where no Shareholder requests a full account of the voting at a general meeting, it shall be sufficient for the Company to establish the voting results only to the extent necessary to ensure that the required majority is reached for each resolution.

Where voting on a particular item or resolution is conducted by a show of hands rather than by a poll, it shall not be necessary in the case where a Shareholder requests a full account of the voting at a general meeting for the Company to publish the information required by the Listing Rules and it shall be sufficient for the chairman of the meeting to publish a statement indicating:

- (a) the total number of Shareholders entitled to vote present at the meeting;
- (b) that upon a show of hands at the meeting it appeared that the resolution had either been carried or rejected.

## **RIGHTS OF PREFERENCE SHAREHOLDERS**

79. A holder of a preference share shall have the right to receive the accounts, balance sheets and the reports of the directors and auditors as well as to receive notices and attend at General Meetings of the Company, but not the right to vote except in any of the following instances:
- (1) in respect of a resolution which has the effect of reducing the capital of the Company;
  - (2) in respect of a resolution for the winding up of the Company;
  - (3) in respect of a resolution which has the effect of directly affecting the rights and privileges of the holders of preference shares;
  - (4) when the dividend on preference shares is in arrears for more than six months.

## **DIRECTORS**

80. All Directors of the Company must be natural persons.
81. (1) The maximum 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.
- (2) The remuneration of Directors shall be deemed to accrue from day to day.
  - (3) The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from Meetings of the Directors or any Committee created by the Directors or General Meetings or otherwise in connection with the business of the Company.

82. Any remuneration paid to any Director by virtue of his holding another office in the Company shall not be deemed to form part of such Director's emoluments.
83. Any Director who serves on any Committee or who devotes special attention to the business of the Company or who goes or resides abroad or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration as the Directors may determine, provided that such extra remuneration must fall within the maximum annual aggregate emoluments of the Directors established by the Company in General Meeting.

## **POWERS AND DUTIES OF DIRECTORS**

84. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in General Meeting, subject, nevertheless, to the provisions of these Articles and of the Act and to such lawful directions, being not inconsistent with any provisions of these Articles and of the Act, as may be given by the Company in General Meeting:

**PROVIDED** that no direction given by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such direction had not been given. The general powers conferred upon the Directors by this Article shall not be deemed to be abridged or restricted by any specific power conferred upon the Directors by any other Article.

- 84A. Notwithstanding any other provision of these Articles all matters set out in Article 84B below ("Board Reserved Matters") shall only be validly determined: (a) for such time as the Founder Members between them are entitled to appoint at least six (6) directors pursuant to the provisions of article 97(2), or either of them is entitled to appoint at least 2 directors pursuant to the provisions of article 97(2) if at least nine-tenths ( $\frac{9}{10}$ ) of the directors present at that meeting shall vote in favour of a resolution proposed on such matter; or (b) in all other instances by simple majority.

- 84B. The Board Reserved matters to which article 84A refers are the following:

- (a) Any decision with respect to the approval or otherwise of the appointment or engagement of members of the senior executive management of any company or other business in which the Company is a shareholder and with respect to which the Company is entitled to make, consent or approve such appointment or engagement; provided that if the qualified majority required pursuant to article 84A is not achieved but a simple majority of directors is achieved for a particular resolution in respect of the afore-mentioned, the directors shall refer the final decision with respect to the appointment or engagement of the member or members of senior management to the board of directors of the company or business to which such appointment or engagement relates;

- (b) Any decision with respect to the approval or otherwise of the adoption of or changes to the business plan of any company or other business in which the Company is a shareholder and with respect to which the Company is entitled to make, consent or approve the adoption of or changes to that other company's business plan;
- (c) The acquisition of any new business or the disposal of any business of the Company or any material part thereof, or the entry into of any transaction which has the same or similar economic effect, where the consideration exceeds the value of ten million Euros (€10,000,000);
- (d) Any capital expenditure of the Company in any one financial year in excess of five million Euros (€5,000,000);
- (e) The incorporation or registration of subsidiaries or other companies and the opening of branches outside Malta or the conduct of business which entails the assumption of material risks outside Malta;
- (f) Any decision with respect to the issue of shares in the Company save where a decision is proposed to the directors as a consequence to regulatory requirements;
- (g) Any decision on any matter or transaction in which a Related Party may have a material interest.

For the purposes of these Articles "Related Party" shall have the same meaning as that attributed to it in the Listing Rules.

85. The Directors may exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such sub-subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, and funds (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance (whether under any such fund or scheme or otherwise).
86. The Directors may make such arrangements as they think fit for the management and transaction of the Company's affairs in Malta and elsewhere and may from time to time and at any time establish any local boards or agencies for managing any of the affairs of the Company in any specified locality, and may appoint any persons to be Members of such local board, or any managers or agents, and may fix their remuneration. And the Directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Directors (other than the powers of borrowing and of making calls), with power to sub-delegate, and may authorise the Members for the time being of any such local board, or any of them, to fill up any vacancies therein, and to notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the

Directors may at any time remove any person so appointed, and may annul or vary any such delegation.

87. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period 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 think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
88. (1) Subject to the provisions of the Act, a Director may hold any other office or place of profit under the Company, except that of Auditor, in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange.
- (2) No Director or intending Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with regard to his tenure of any such other office or place of profit or any such acting in a professional capacity or as a vendor, purchaser or otherwise. Subject to the provisions of the Act and save as therein provided no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be liable to be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relation thereby established, but he shall declare the nature of his interest in accordance with the Act.
- (3) A Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever, including those mentioned in paragraph (2) above, in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. In determining the materiality of the transaction, the definition of a “Material Related Party Transaction” as contained within the Listing Rules shall apply.
- (4) A Director, shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.

- (5) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
  - (6) If any question shall arise at any Meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the Meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.
  - (7) Subject to the provisions of the law the Company may at any time by Extraordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.
  - (8) Where by virtue of any of the provisions of paragraphs (2), (3), (4) and (5) of this article 88 a Director is prohibited from voting on a matter by virtue of an interest in any matter or transaction, such prohibition shall likewise apply in cases where the matter or transaction refers to a transaction between the Company and a person connected to such director (a "**Related Party**") or the matter is one in which a Related Party is interested.
  - (9) Where under the provisions of this article 88 a Director shall not be allowed to vote and the matter or the transaction which is to be resolved upon by the Board falls within the provisions of article 84B, then the provisions of article 84A requiring a qualified majority of the Directors for the valid and proper passing of a resolution shall *mutatis mutandis* apply to the remaining directors who can properly vote on such resolution.
89. The Directors may exercise or procure the exercise of the voting rights conferred by the shares in any other company held or owned by the Company, and may exercise any voting rights to which they are entitled as Directors of such other company, in such manner as they shall in their absolute discretion think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them as directors, officers or servants of such other company, and fixing their remuneration as such, and may vote as Directors of this Company in connection with any of the matters aforesaid.
90. (1) The Directors shall cause minutes to be made in books provided for the purpose:-

- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each Meeting of the Directors and of any Committee created by the Directors;
  - (c) of all resolutions and proceedings at all Meetings of the Company, and of the Directors, and of Committees created by the Directors.
- (2) It shall not be necessary for Directors present at any Meeting of Directors or Committee created by the Directors to sign their names in the Minute Book or other book kept for recording attendance. Any such minute as aforesaid, if purporting to be signed by the Chairman of the Meeting at which the proceedings were held, or by the Chairman of the next succeeding Meeting or by any two of the Directors, shall be receivable as *prima facie* evidence of the matters stated in such minutes without any further proof.

## **BORROWING POWERS**

91. The Board 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 debentures and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party:

**PROVIDED** that the amount for the time being undischarged of monies borrowed or secured by the Directors as aforesaid (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time, without the previous sanction of the Company in General Meeting, exceed the nominal amount of the share capital of the Company for the time being issued, but nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed. No debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

## **DISQUALIFICATION OF DIRECTORS**

92. The office of a Director shall be vacated in any of the following events, namely:-
- (1) if he ceases to be a Director by virtue of the Act.
  - (2) if he becomes of unsound mind, is convicted of any crime involving public trust or of any crime punishable by imprisonment, or is declared bankrupt.
  - (3) if he becomes prohibited by law from acting as a Director.

- (4) if he resigns his office by notice in writing under his hand to the Company or offers in writing under his hand to resign and the Directors resolve to accept such offer.
- (5) if not having leave of absence from the Directors, he fails to attend the Meetings of the Directors on three consecutive occasions, unless prevented by illness, unavoidable accident or other unavoidable cause which may seem to the Directors to be sufficient, and the Directors resolve that his office be vacated.
- (6) upon reaching the age of seventy (70).
- (7) if he has served on the board for twelve (12) consecutive years (For the purposes of this sub-article (7) any period served as a Director prior to 22 April 2016 shall not be taken into account).

## **APPOINTMENT OF DIRECTORS**

93. At each Annual General Meeting of the Company all the Directors shall retire from office. A Director retiring from office shall retain office until the dissolution of such Meeting.
94. A retiring Director shall be eligible for re-election or re-appointment without the need to submit a nomination.
95.
  - (1) The Company shall make a call for nominations for election to the office of Director by notice published as an advertisement in at least two (2) daily newspapers. The Company shall grant a period of at least fourteen (14) days for nominations and for the nominee's acceptance of the nomination to be submitted. All such nominations shall on pain of nullity contain notice in writing signed by a member duly qualified to attend and vote at such Meeting of his intention to propose such person for election.
  - (2) No person shall be eligible for election to the office of Director or to be appointed as Director unless he satisfies the Company that he has been approved as a fit and proper person to act as Director of the Company by the Competent Authority in terms of the Insurance Business Act or any Regulations or Rules issued thereunder.
  - (3) No person shall be eligible for election to the office of Director or to be appointed as Director if he will already have reached the age of seventy (70) at on the date of the election or appointment.
  - (4) No person shall be eligible for election to the office of Director or to be appointed as Director if he has already served on the board for twelve (12) consecutive years. (For the purposes of this sub-article (4) any period served as Director prior to 22 April 2016 shall not be taken into account).



- (5) In the event that there are as many nominations as there are vacancies, or less, no election will take place and those nominees will be automatically appointed Directors.
96. Every Member shall have one vote in respect of each ordinary share held by him.
97. (1) The Directors of the Company shall be appointed as provided in the following provisions of this Article.
- (2) Any Member or Members holding separately or in the aggregate not less than eleven per cent (11%) of the total voting rights of the Company shall have the right to appoint a Director for each and every complete 11% of such rights.
- (3) Any shares remaining unused by Members in the appointment of a Director under paragraph (2) hereof may be aggregated to form the percentage required to appoint Directors directly under the said paragraph, but may not be used to elect Directors at the Annual General Meeting or at any Extraordinary General Meeting convened for the purpose of electing directors.
- (4) The Directors appointed under paragraph (2) hereof shall be appointed by letter addressed to the Company which shall indicate the shareholding used for the purpose and shall be signed by the Member or Members making the appointment. The letter must be delivered to or received by the Company not later than twenty one (21) days prior to the Annual or Extraordinary General Meeting, as the case may be, at which the other Directors are to be elected.
- (5) The other Directors (being such number as would together with the Directors appointed under the preceding paragraphs make a total of nine Directors) shall be elected at the Annual General Meeting or at the Extraordinary General Meeting convened for the purpose of electing directors by those Members who have not exercised any of their rights under the foregoing paragraphs of this Article; and for the purposes of any such election, voting shall take place on the basis that one share entitles the holder to vote for only one candidate for election, and the Chairman of the Meeting shall declare elected those candidates who obtain the greater number of votes on that basis.
98. (1) Subject to the provisions of Article 97 of these Articles, a casual vacancy may be filled at an Extraordinary General Meeting convened to elect directors and in such case the vacancy shall be filled in accordance with the provisions of Article 97; provided that if the Director causing such casual vacancy was appointed under paragraphs (2) or (3) of Article 97, the casual vacancy may be filled by the Member or Members by whom he was appointed as long as such Member or Members still hold at least the number of shares that were necessary to appoint him.
- (2) A casual vacancy may also be filled by the Board of Directors.

- (3) Any person appointed to fill a casual vacancy or as an addition to the board will hold office only until the next following annual general meeting and will be eligible for re-election.
99. Any Director appointed under paragraphs (2) or (3) of Article 97 of these Articles may be removed by the Member or Members who appointed him by letter addressed to the Company:
- PROVIDED** that they still hold the number of shares that were necessary to appoint him.
100. The board of directors of the Company may appoint one additional director to the board of directors of the Company without the requirement that the appointment of such director being ratified by a members' resolution taken at a general meeting of the Company. A director so appointed by the Board shall hold office until the end of the Annual General Meeting following his appointment. The director so appointed may be withdrawn or replaced by the board of directors at any time.
101. The Company may by Ordinary Resolution, of which special notice has been given in accordance with the provisions of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any Agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.
102. The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under the immediately preceding Article:
- PROVIDED** that if the Director so removed is one appointed under paragraphs (2) or (3) of Article 97 of these Articles the provisions of paragraph (1) of Article 98 of these Articles shall apply.

## **PROCEEDINGS OF DIRECTORS**

103. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their Meetings, as they think fit. Questions arising at any Meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. The Chairman may, and the Secretary on the requisition in writing of at least three Directors, shall at any time summon a Meeting of the Directors.
104. The quorum necessary for the transaction of the business of the Directors shall be one half of the number of Directors for the time being constituting the Board plus one.
105. Notice of a Board Meeting shall be given to each Director by letter, telex, telefax, email or any other means of readable communication. Notice shall be deemed to be duly given to a Director if it is sent to him at his last known address, telex, telefax,

email or any other address, telex, telefax or email given either in person or by him to the Company for this purpose. The notice shall in no case be given to a director less than 3 days before the Meeting.

**PROVIDED** that the requirement of such notice may be waived with the consent of all the Directors, which consent may be given by letter, telex, telefax, email or other means of readable communication.

106. The Directors or a sole continuing Director may act notwithstanding that the total number of Directors is less than the minimum number, if any, fixed by or pursuant to the Memorandum or Articles of the Company, but only for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.
107. The Directors shall elect a Chairman of their Meetings and determine the period to hold office; but if no such Chairman, be elected, or if at any Meeting the Chairman is not present within thirty minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such Meeting. No person holding a senior executive post in the Company may be elected Chairman.
108. The Directors may create Committees and delegate to them any of their powers, except where the law requires any particular Committee to be composed entirely of Directors, Committees created by the Directors may be composed of persons who are not members of the Board. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Save as aforesaid the Meetings and proceedings of a Committee consisting of three or more members shall be governed by the provisions of these Articles regulating the proceedings and Meetings of Directors
109. All acts done by any Meeting of the Directors or of a Committee created by the Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Director or person acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director, and was entitled to vote.
110. 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 effective for all purposes as a resolution of the Directors passed at a Meeting duly convened and held, and may consist of two or more documents (including a telefax) in like form each signed by one or more of the Directors.
111. Any Director may by notice in writing under his hand served upon the Company appoint any person as an Alternate Director to attend and vote in his place at any Meeting of the Directors at which he is not personally present. In any such case the following provisions shall apply:

- (1) Every Alternate Director shall, while he holds such appointment be entitled to attend and to exercise all the rights and privileges of his appointor at all such Meetings at which his appointor is not personally present.
  - (2) Every such appointment of an Alternate Director shall *ipso facto* lapse if and when the Director appointing him ceases for any reason to be a Director or withdraws the appointment of such Alternate Director by notice in writing under his hand served upon the Company.
  - (3) No Alternate Director shall be entitled as such to receive any remuneration from the Company.
  - (4) A Director may act as Alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account, and for the purpose of determining the quorum he shall be counted in both his said capacities.
112. A resolution of the directors, including alternate directors, or of a committee created by the directors, may be taken by means of a conference telephone (or by means of any other communication equipment) which allows all persons participating to hear each of the others at all material times. Any decision so arrived at will be deemed a decision of a meeting of the directors, or a committee created by the directors (as appropriate), and all of the provisions of these Articles relating to meetings of directors will apply, *mutatis mutandis*. A director or alternate director participating in such a decision will be deemed to be present in person, and will be entitled to vote or be counted in a quorum accordingly. Such a decision will be deemed to have been arrived at where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the proceedings was at the time.
113. The directors may invite any executive or executives of the Company to attend board meetings or any part thereof. Any such executive or executives shall have no right to vote.

## **EXECUTIVE DIRECTORS**

114. The Directors may from time to time appoint members of their body to such Office in relation to the management of the business of the Company as they may decide, for such period and on such terms as they think fit, and, subject to the terms of any service contract entered into in any particular case and without prejudice to any claim for damages or compensation such Director/s may have for breach of any such service contract, may revoke such appointment.
115. The salary or remuneration of any such Director/s holding office in the Company shall, subject as provided in any contract, be such as the Directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, and may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the

participation in pension and life assurance benefits, or may be upon such other terms as the Directors determine.

116. The Directors may entrust to and confer upon such Director/s holding office any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **COMPANY SECRETARY**

117. A Company Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they think fit; and any Company Secretary may be removed by them:

Provided that no person shall be appointed or hold office as Company Secretary who is a Director of the Company.

118. (1) 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, and the register of debentures; and
  - such other registers and records as the Company Secretary may be required to keep by the Board of Directors.
- (2) 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.

## **RESERVE**

119. 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 as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

## **DIVIDENDS**

120. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
121. 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 and may pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates, whenever such position, in the opinion of the Board, justifies that course.
122. Subject to the rights of persons, if any, entitled to shares with any priority, preference or special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purpose of this Article as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up 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 if paid up in full or in part from a particular date, whether past or future, such share shall rank for dividend accordingly. Any amount paid up in advance of calls on any Share may carry interest if so resolved by the directors.
123. The Directors may deduct from any dividend or other monies payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.
124. Any General Meeting declaring a dividend may, upon the recommendation of the Directors, direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company, and the Directors shall give effect to such direction. Where any difficulty arises in regard to such distribution, the Directors settle the same as they think expedient, and in particular may issue certificates showing the proportion of and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties.
125. All dividends and interest shall belong and be paid to those Members whose names shall be on the Register at such date as the Company by Ordinary Resolution or the Directors may determine notwithstanding any subsequent transfer or transmission of shares. The Company shall pay any dividend, interest or other monies payable in respect of shares, by electronic means directly to the savings or current account designated by the holder or, in the case of a share held jointly, to the account so designated in the Register. Should there be no such nomination the dividend shall be paid into the account of the first named joint shareholder appearing on the Register.

Provided that, where the shareholder has not indicated an account, the dividend shall be retained by the Company for collection by the shareholder entitled thereto or for

remittance when the account number of the said shareholder is made known to the Company;

Provided also, in the case of shares held jointly, that the payment to any one account as indicated in the Register pertaining to one of the joint shareholders shall discharge the Company of its obligations in this regard;

Provided further, that nothing in this article shall preclude the Company from offering to pay dividends to its shareholders by any other means.

126. No dividend or other monies payable on or in respect of a share shall bear interest against the Company.
127. All dividends, interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company.

## **CAPITALISATION OF PROFITS**

128. 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 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.

129. Whenever a capitalisation requires to be effected, the Directors may do all acts and things which they may consider necessary or expedient to give effect thereto, with full power to the Directors to make such provision as they think fit for the case of shares or debentures becoming distributable in fractions (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned) and also to authorise any person to enter on behalf of all Members concerned into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

## **ACCOUNTS**

130. The Directors shall cause accounting records to be kept in accordance with the provisions of the Act.
131. The accounting records shall be kept at the Office or, subject to the provisions of the Act, at such other place or places as the Directors think fit, and shall always be open to the inspection of the officers of the Company.
132. 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 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 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.
133. The Directors shall from time to time in accordance with the provisions of the Act cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets and reports as referred to in the Act .
134. A printed copy of the profit and loss account and balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the Auditors' report and Directors' report, shall not less than twenty-one (21) days before the date of the Meeting be sent to every Member (whether or not he is entitled to receive notices of General Meetings of the Company) and every holder of debentures of the Company (whether or not he is so entitled) and to every other person who is entitled to receive notices of Meetings from the Company under the provisions of the Act or these Articles, but this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware.

## **AUDIT**

135. The Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

## **NOTICES**

136. (1) A notice may be given by the Company to any Member either personally or by sending it by post to him or to his registered address, or (if he has no registered address in Malta) to the address, if any, in Malta supplied by him to the Company for the giving of notice to him. Furthermore, the Company may publish the notice either on its website or on the website of the Regulated Market on which its Shares are listed, provided that having sent a notice by mail at the last known address of each Shareholder requesting his consent to the publication of notices convening the general meetings of the Company on the website indicated in the notice, shareholders give their consent to receive



notice by such means. Shareholders that do not give their consent shall remain entitled to receive notices convening general meetings of the Company by mail at their last known residential address

- (2) If at any time by reason of the suspension or curtailment of postal services in Malta the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least two daily newspapers and such notice shall be deemed to have been duly served on all Members entitled thereto on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the date of the Meeting the posting of notices to addresses throughout Malta again becomes practicable.
137. A Member who has no registered address in Malta and has not supplied an address in Malta as aforesaid, shall not be entitled to receive any notice from the Company.
138. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the latest forty-eight hours after the letter containing the same is posted; and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed and stamped and put into a post office.
139. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the estate of the deceased, or of the bankrupt, or by any like description at the address, if any, within Malta supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
140. Subject to such restrictions affecting the right to receive notice as are for the time being applicable to the holders of any class of shares, notice of every General Meeting shall be given in any manner hereinbefore authorised to:-
- (1) every Member except those Members who (having no registered address in Malta) have not supplied to the Company an address in Malta for the giving of notices to them; and
  - (2) every holder of a preference share;
  - (3) the Auditor for the time being of the Company;
  - (4) the Directors.

No other person shall be entitled to receive notices of General Meetings.

## WINDING UP

141. If the Company shall be wound up the Liquidator may, with the sanction of an Extraordinary Resolution of the Company and any other sanction required by the Act, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members in accordance with the law.
142. Subject to the provisions of the Act the remuneration of the Liquidator shall be fixed by an Ordinary Resolution of the Company in General Meeting:

Provided that if the Directors have negotiated with the liquidator on his remuneration, any amount so negotiated must be notified to the shareholders of the Company at least seven days prior to the Meeting at which the Resolution is to be considered.

## INDEMNITY

143. Subject to the provisions of the Act, every Director or other officer for the time being of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including 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 or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

## UNTRACED SHAREHOLDERS

144. (1) The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that:-
- (a) for a period of twelve years no communication has been received by the Company from the Member or the person entitled by transmission:
- PROVIDED** that in any period of twelve years at least three dividends whether interim or final on or in respect of the share or stock in question have become payable and no such dividend during that period has been claimed; and
- (b) the Company has at the expiration of the said period of twelve years by advertisement in at least two daily newspapers given notice of its intention to sell such share or stock; and

- (c) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission; and
  - (d) the Company has first given notice in writing to the Stock Exchange of its intention to sell such shares or stock.
- (2) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share or stock and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a permanent creditor for such amount. No interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Directors may from time to time think fit.

## **GENERAL**

145. These Articles shall be read and construed subject to the mandatory provisions of any law in force for the time being including but not limited to the Act, the Insurance Business Act (Cap. 403) the Insurance Intermediaries Act (Cap. 487) and the Financial Markets Act, (Cap. 345) and of any rules, regulations, directives and bye-laws issued thereunder and any amendment, modification or re-enactment thereof or in substitution therefor.
146. In the event that any of the Company's securities are admitted to listing on the Exchange, no deletion, amendment or addition to these Articles shall have any effect unless written approval has been obtained from the Listing Authority for such deletion, amendment or addition.