

# MEMORANDUM OF ASSOCIATION

## OF

### APS BANK P.L.C.

#### 1. NAME

The name of the company is **APS BANK P.L.C.**

#### 2. PUBLIC COMPANY

The Company is a public limited liability company.

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

- (a) The registered office of the Company is situated at APS Centre, Tower Street, Birkirkara BKR 4012, Malta, or at such other place in Malta as the Company's Board of Directors may from time to time determine.
- (b) The electronic mail address of the Company is investor.relations@apsbank.com.mt, or at such other address as the Company's Board of Directors may from time to time determine.

#### 4. OBJECTS

The objects of the Company are to:

- (a) carry on the business of banking in all its aspects, including the transaction of all financial, monetary and other business which is usually or commonly carried out by banks and/or banking institutions, including but not restricted to any transaction of a financial or monetary nature and in particular, (but without prejudice to the generality of the foregoing):
  - (i) to receive any money on current account or on deposit or on loan on any terms and to employ and use the same;
  - (ii) to deposit, lend or advance money, securities or property, with or without security, and generally to make or negotiate loans and advances of every kind to any Person, firm or company, to enter into guarantees, bonds, contracts of indemnity and suretyships of all kinds;
  - (iii) to draw, accept, endorse or otherwise deal in instruments (whether transferable or negotiable or not) and securities of every kind;
  - (iv) to grant, issue, negotiate and in any manner deal with or in letters of credit, travellers' cheques and other form of credit instruments of every kind;
  - (v) to buy, sell and deal in gold, other precious metals, foreign exchange and commodities of every kind;
  - (vi) to receive or place on deposit or for safe custody, documents, cash, securities and valuables of any kind;

- (vii) to collect, hold and transmit money and securities and to act as agents for the receipt or payment of money or for the receipt or delivery of securities and documents;
  - (viii) to issue and transact business in respect of all types of bankers' cards and credit cards whether issued by the Company or by any other Person or company;
  - (ix) to act as agents, brokers, curators, executors, advisers or consultants in relation to the investment of money, the management of property even after death and taxation matters, and generally to transact all agency, broking, advisory or consultancy business of every kind;
  - (x) to purchase, acquire, rent, take on lease or otherwise hold immovable property or any right thereon where is reasonably necessary for the purpose of conducting its business or of acquiring or holding such property in default of payment of a debt for realisation at the earliest moment;
  - (xi) to purchase, acquire, rent, take on lease or in exchange or otherwise hold any movable property necessary or convenient in order to carry on the business of the Company;
  - (xii) to take over in settlement or on account of debts all or any part of the business, property rights and liabilities of any Person, firm, partnership, or company and to dispose of such business, property or rights as may be deemed appropriate;
  - (xiii) to carry out and undertake payment services activities including, where permitted by law, the granting of credit and other additional services related to payment services and to provide operational services and closely related ancillary services in respect of payment services;
- (b) borrow or raise money, with or without security, in such manner as the Company shall think fit and in particular by the issue of debentures or debenture stock or any other financial instruments and to secure the repayment of any money borrowed, raised or owing, by hypothec, pledge, charge or lien upon all or any of its assets or property, whether present or future including its uncalled capital, if any, and also similar hypothec, pledge, charge or lien, to secure and guarantee the performance by the Company of any obligation undertaken by the Company, as the case may be, and to contract for public or private loans, and to negotiate, underwrite and issue the same, and to acquire any shares, stocks, debentures, debenture stocks, rents, bonds, mortgages, obligations and any other financial instruments by original subscription, syndicate participation, tender, purchase, exchange or otherwise, and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof;
- (c) sell, lease, give in exchange, dispose of or otherwise realise, turn to account or otherwise deal with, on any terms which may be deemed fit, the whole or any part of the business, property, assets, investments, securities or any other financial instrument and rights of the Company and for such consideration as the Company may deem fit;
- (d) promote, negotiate, guarantee, underwrite, subscribe or tender for or procure the subscription of, participate in, manage or carry out on commission or otherwise, any issue, public or private, of the securities of any company and to lend money for the purposes of any issue;
- (e) acquire, deal in, and hold either for itself or as agent of any firm, corporation, company or Person, by purchase, lease, hire purchase, concession, grant, licence or otherwise such businesses, options, rights, privileges, land, buildings, leases, underleases, stocks, shares, units, debentures, debenture stock, bonds, obligations, securities, commodities, reversionary interests, annuities, policies of assurance, book debts or any other financial instruments, claims, chose in action, mortgages, charges and other property and rights and interests in property as the

Company shall deem fit and generally to hold, manage, develop, lease, factor, sell or dispose of the same and to vary any of the investments of the Company, to deal in foreign exchange transactions of every description, to act as trustees of any deeds constituting or securing any debentures, debenture stock or other securities or obligations or any other financial instruments and to deal with and grant hire purchase contracts of all types to any Persons as the Company shall deem fit;

- (f) amalgamate with and/or otherwise acquire all or any part of the business or assets of any Person, firm, or partnership carrying on business similar, or incidental to that of this Company, and to pay cash or issue, any shares, stocks, debenture stock of this Company in consideration for such purchase of acquisition, to undertake any liabilities or obligations relating to business so purchased or acquired;
- (g) invest any moneys of the Company in Government or public stocks and securities as may be thought proper by the Board of Directors and, generally, to employ and invest its capital, locally or abroad, to the best advantage of the Company;
- (h) carry on any other business which may seem to the Company capable of being conveniently carried on in connection with its business and calculated directly or indirectly to enhance the value of the Company's property or rights;
- (i) establish and maintain any share and/or share-linked incentive plan relating to the Shares of the Company, whether through the issuance of (i) options, (ii) warrants, (iii) Shares or any other type of security as the Company may determine from time to time in accordance with applicable law;
- (j) act as a tied insurance intermediary in terms of the Insurance Distribution Act (Chapter 487 of the Laws of Malta);
- (k) undertake the business of investment services as defined in the Investment Services Act (Chapter 370 of the Laws of Malta) in accordance with the terms and conditions of the Investment Services licence granted under the same Act;
- (l) to issue financial instruments of any kind and to apply for admission to listing and trading of those financial instruments on any Regulated Market;
- (m) carry out all or any of the foregoing objects in any part of the world either as principals, agents, contractors, trustees, or otherwise; and
- (n) do all other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

The objects set forth in this clause shall not be construed restrictively but shall be interpreted in the widest possible sense. None of the above described objects and powers set forth below shall be deemed subsidiary or ancillary to any other object or power mentioned therein. The Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses.

Whether in the pursuit of its objects or the exercise of its powers, the Company shall always be guided by the observance of principles and values that promote social justice, sustainable investment and the highest ethical standards in all its dealings, operations and activities.

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

such licence or other appropriate authority from the relevant competent authority and the provisions of article 77(3) of the Act shall apply.

The foregoing objects shall be construed consistently with and subject to the provisions of the Act.

## **5. POWERS OF THE COMPANY**

In attaining its objects, the Company shall have the power to:

- (a) sell, manage, improve, process, manufacture, exchange, insure, let on lease or otherwise, mortgage, dispose of, turn to account, grant rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company for such consideration as the Company may think fit;
- (b) appoint agents of the Company in any part of the world;
- (c) enter into any arrangements with any governments or authorities, municipal, local or otherwise, in any part of the world, and to obtain from any such government or authority all rights, concessions, licences and privileges that may seem conducive to the Company's objects, or any of them;
- (d) establish or promote or concur in the establishment, or promotion of, any company and to enter into partnership, joint venture or into any arrangement for sharing profits, union of interests, reciprocal concession, or co-operation with any Person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in, and to take or otherwise acquire and hold shares or stock in or securities of any such company, and to subsidise or otherwise assist any such Person or company;
- (e) acquire and undertake the whole or any part of the business, goodwill and assets of any Person, firm or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such Person, firm or company, or to acquire an interest in, amalgamate with or enter into any arrangement for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance with any such Person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received;
- (f) distribute among members of the Company in specie any property of the Company, whether by way of dividend or otherwise and in particular any shares, debentures or other securities of other companies belonging to the Company or of which the Company has the power of disposing;
- (g) draw, make, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments;
- (h) receive or pay dividends, capital gains, royalties and similar income, rents, interest, any other income or gains derived from investments (including income or gains on the disposal of such investments), and profits or gains attributable to a permanent establishment (including a branch);
- (i) employ any number of workers for the purposes for which the Company is established and to remunerate any Person, firm or company rendering services to this Company, whether by cash payment or by the allotment to him or them of Shares or securities of the Company credited as paid up in full or in part or otherwise;

- (j) pay all or any expenses incurred in connection with the formation, promotion and incorporation of the Company, or to contract with any Person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any Shares, debentures, debenture stock or securities of this Company;
- (k) apply for, register, purchase, or by other means acquire, hold, develop, exploit, protect and renew any patents, patent rights, brevets d'inventions, licences, secret processes, trademarks, designs, royalties, copyrights, grants, options, protection and concessions and other exclusive and non-exclusive rights, and to grant licenses or rights in respect thereof, and to disclaim, alter, modify, use and turn to account, and to manufacture under or grant licenses or privileges in respect of the same, and to expend money in experimenting upon testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire;
- (l) do all or any of the things referred to in these paragraphs in any part of the world, and either as principals, agents, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, or otherwise;
- (m) enter into derivative contracts and/or contracts for differences of any kind, including without limitation swaps, options, forwards, futures, equity derivatives, credit derivatives, securities lending transactions, sale and buy back transactions, repurchase and reverse repurchase transactions, obligations linked to the performance of any asset a basket of assets a currency an index a right or an obligation any price value formula or other market recognised value reference, and similar transactions and/or agreements, loans, overdrafts and other financial agreements or facilities which are entered into for the purpose of or in connection with any of the foregoing, and to grant any form of security or collateral, whether by way of title transfer or otherwise, for the purpose of or in connection with any of the foregoing;
- (n) obtain loans, overdrafts, credits and other financial and monetary facilities without limit and otherwise borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of bonds, debentures, commercial paper or other instruments, in any form, creating or acknowledging indebtedness, and to offer same to the public, whether as sole borrower or jointly with other Persons and/or severally, and to provide by way of security for the repayment of the principal and interest thereon and/or the fulfilment of any of the Company's obligations, a hypothec, pledge, privilege, lien, mortgage or other charge or encumbrance over the assets of the Company; and
- (o) do all other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

## 6. LIMITED LIABILITY

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

## 7. CAPITAL

- (a) The authorised share capital of the Company is ~~two hundred and fiftyone hundred and twenty-five~~ million Euro (€~~250+25,000,000~~) divided into ~~one billion five hundred million~~ (5 1,000,000,000) Ordinary Shares of twenty-five Euro cents (€0.25) each.
- (b) The issued share capital of the Company is sixty-two million four hundred and twenty-eight thousand nine hundred and fifteen Euro and twenty five cents (€62,428,915.25) divided into two hundred and forty-nine million seven hundred and fifteen thousand six hundred and sixty-one (249,715,661) Ordinary Shares of twenty-five Euro cents (€0.25) each, fully paid up.

- (c) All the Shares in the Company shall rank *pari passu* in all respects, save as otherwise provided in this Memorandum of Association.

## **8. SUBSCRIBERS**

(a) ~~AROM Holdings Limited (C 40389)~~

~~Archibishop's Curia  
St. Calcedonius Square  
Floriana  
Malta~~

~~198,367,765 Ordinary Shares of €0.25 each, fully paid up.~~

(b) ~~Diocese of Gozo~~

~~The Curia  
Republic Street  
Victoria VCT 1013  
Gozo  
Malta~~

~~45,449,032 Ordinary Shares of €0.25 each, fully paid up.~~

(c) ~~The Metropolitan Cathedral Chapter~~

~~C/O St. John's Co-Cathedral  
St. John's Square  
Valletta  
Malta~~

~~5,831,889 Ordinary Shares of €0.25 each, fully paid up.~~

(d) ~~Abbey Holdings Limited (C 8102)~~

~~6, Lion Street  
Floriana  
Malta~~

~~66,975 Ordinary Shares of €0.25 each, fully paid up.~~

## **98. DIRECTORS**

- (a) Subject to the provisions of Article 108 of the Articles of Association, the administration and management of the Company shall be vested in a Board of Directors consisting of not less than ~~five~~ seven (57) and not more than ~~nine~~ eleven (911) Directors, (including the Chairman of the Board) who shall be appointed in accordance with the Articles of Association of the Company. At least a majority of the Directors appointed shall be non-executive Directors. The Chairman shall be a non-executive Director.

- (b) The Directors of the Company are:

- (i) **Mr. Martin Scicluna F.C.I.B., Dip. F.S. (Non-Executive Director)**  
'Swan Lake',  
Mill Street,  
Lija LJA 1805  
Malta

Maltese Identity Card Number **814657M**

- (ii) **Mr. Victor Emanuel Agius (Non-Executive Director)**  
Portomaso Apt 26-71,  
Vjal Portomaso,  
St Julian's  
Malta

Maltese Identity Card Number **737450M**

- (iii) **Dr Ing. Joseph Carmel Attard Ph.D., M.Sc., B.Elec. Eng (Hons) (Non-Executive Director)**  
36, Ghajn Qatet Street,  
Victoria, VCT2102  
Gozo

Maltese Identity Card Number **268768M**

- (iv) **Prof. Juanito Camileri (Non-Executive Director)**  
Apt 24, Porta Cottoner, Verdala Mansions  
Inguanez Street,,  
Rabat RBT 2418  
Malta

Maltese Identity Card Number **476266M**

- (v) **Dr. Laragh Cassar B.A., LL.D. (Non-Executive Director)**  
51, St. Julian's Court, Flat 1  
Sacred Heart Avenue  
St. Julian's  
Malta

Maltese Identity Card Number **455693M**

- (vi) **Mr. Noel Mizzi BA Hons (Accty), FIA (Non-Executive Director)**  
Tas-Sellum Res, Apt 421  
Dawwret it-Tunnara  
Mellieha  
Malta

Maltese Identity Card Number **36865M**

- (vii) **Mr. Michael Pace Ross M.B.A, B.A.(Hons), ALCM (Non-Executive Director)**  
34, 'Iris', Santa Marija Gardens,  
Triq Iz-Zebbug  
Mellieha  
Malta

Maltese Identity Card Number **366873M**

- (viii) **Mr. Joseph Rapa (Non-Executive Director)**  
'Hienja',  
Triq it-Tigrija  
ix-Xaghra

Gozo

Maltese Identity Card Number **23966G**

- (ix) **Ms. Marisa Xuereb B.Com(Hons) MA(Econ) (Non-Executive Director)**  
51, 'Cabana',  
Triq in-Nigret,  
Birguma,  
Naxxar  
Malta

Maltese Identity Card Number **408078M**

#### **109. LEGAL REPRESENTATION**

- (a) The legal and judicial representation of the Company shall be vested in any two (2) non-executive Directors acting jointly.
- (b) Notwithstanding the above and in addition to the aforesaid, the Board of Directors may from time to time appoint any one or more director/s and/or any Person or Persons to represent the Company for a specific purpose or in a specific case or cases or classes of cases
- (c) Any Power of Attorney issued by the Company shall be executed by any two (2) non-executive Directors or any Person authorised by the Board of Directors for this purpose and such power of attorney shall be considered as executed by the Company.

#### **110. COMPANY SECRETARY**

The Secretary of the Company is Dr. Graziella Bray B.A, LL.D., holder of Maltese identity card number 350880(M) and residing at 15, Pensieri, Triq C Troisi, Swieqi SWQ2233, Malta.

#### **111. INTERPRETATION**

Capitalised terms used in this Memorandum of Association shall have the same meaning assigned to such terms in Article 2 of the Articles of Association of the Company.

Certified True Copy of the Memorandum of Association.

---

Dr. Graziella Bray  
Company Secretary

Date:



## ARTICLES OF ASSOCIATION

OF

APS BANK P.L.C.

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

### INTERPRETATION

2. (a) In these Articles, unless the context otherwise requires, any reference to the singular shall include the plural and vice versa, the use of the masculine pronoun shall include the feminine, the use of the neutral pronoun shall include the masculine or the feminine as the case may be and any reference to any statute, law or regulation having the force of law or any section thereof includes reference to any modification thereto or re-enactment of such statute, law or regulation having the force of law for the time being in force.
- (b) In these Articles unless there is something in the subject or context inconsistent therewith:
  - (i) “**Act**” means the Companies Act (Chapter 386 of the Laws of Malta) as may be amended or substituted from time to time;
  - (ii) “**Articles**” means these Articles of Association;
  - (iii) “**Banking Act**” means the Banking Act (Chapter 371 of the Laws of Malta);
  - (iv) “**Board**” means the Board of Directors of the Company;
  - (v) “**Capital Markets Rules**” means the capital markets rules issued by the MFSA and as may be in force from time to time;
  - (vi) “**Central Securities Depository**” means a Person duly authorised either in Malta or in any other jurisdiction to provide services relating to, inter alia, the maintenance of registers of members and holders of financial instruments and recording of transactions and holdings in financial instruments whether in certificated or uncertificated (dematerialized and/or book entry) form, or the provision, management and administration of a securities clearing and settlement system in respect of financial instruments and other services ancillary thereto;
  - (vii) “**Company**” means this company, and the word “company” includes any commercial partnership;
  - (viii) “**Debt Securities**” means debentures, including, debenture stock, loan stock, bonds and other securities issued by the Company that create or otherwise acknowledge indebtedness, excluding such securities that are issued as debt securities but have an option or right to be converted into the share capital of the Company;

- (ix) **“Directors”** means the directors of the Company from time to time;
- (x) **“Electronic Means”** any means of electronic equipment for the processing (including digital compression), storage and transmission of data, Employing wires, radio, optical technologies, or any other electromagnetic means, including the use of virtual two-way communication platforms, messaging, video and data sharing applications and cloud-based video conferencing services;
- (xi) **“Equity Securities”** means Shares of whatever class or any other securities that can be converted or exchanged into, or which carry the right to subscribe for, Share/s of whatever class;
- (xii) **“Exchange”** means the Malta Stock Exchange p.l.c., a public limited liability company duly registered under the laws of Malta with registration number C42525 and having its registered office situated at Garrison Chapel, Castille Place, Valletta, Malta, VLT 1063, as authorised to operate a Regulated Market, by the competent authority under the Financial Markets Act;
- (xiii) **“Financial Markets Act”** means the Financial Markets Act (Chapter 345 of the Laws of Malta);
- (xiv) **“Listed Securities”** means Debt Securities and/or Equity Securities of the Company that have been admitted to listing and/or trading on a Regulated Market;
- (xv) **“Malta”** has the same meaning as assigned to it by article 124 of the Constitution of Malta;
- (xvi) **“Member”** means a registered holder of Shares;
- (xvii) **“MFSA”** means the Malta Financial Services Authority as established under the MFSA Act, in its capacity as the competent authority in terms of the Financial Markets Act authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA;
- (xviii) **“MFSA Act”** means the Malta Financial Services Authority Act, Chapter 330 of the laws of Malta
- (xix) **“Nomination Committee”** means the Company’s nomination committee or such other committee of the Company fulfilling the role of nomination committee from time to time;
- (xx) **“Office”** means the registered office of the Company;
- (xxi) **“Person”** means any person whether natural, corporate, or unincorporate, that may according to law be the subject of rights and obligations;
- (xxii) **“Qualifying Shareholding”** means a shareholding of ~~ten~~eight ~~(10%)~~(8%) per cent of the Shares having voting rights, and **“Qualifying Shareholder”** shall be construed accordingly;

- (xxiii) “**Record Date**” means the day falling thirty (30) days immediately preceding the date set for the general meeting to which it relates;
- (xxiv) “**Register of Debentures**” means the register of debentures kept by the Company pursuant to article 124 of the Act;
- (xxv) “**Register of Members**” means the register of Members kept by the Company pursuant to article 123 of the Act;
- (xxvi) “**Regulated Market**” means a multilateral system operated and/or managed by a market operator whether in Malta or in any other jurisdiction, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments (in the system and in accordance with its nondiscretionary rules) in a way that results in a contract, and such term shall also include the Exchange;
- (xxvii) “**Secretary**” means the company secretary of the Company;
- (xxviii) “**Share/s**” means a share or shares forming part of the issued share capital of the Company of whatever class; and
- (xxix) “**Share Option Register**” means the register of the holders of share options that upon exercise, entitle the holders to subscribe for Shares.

## SHARE CAPITAL AND RIGHTS

3. Without prejudice to any special rights previously conferred on the holders of any of the existing Shares or class thereof, any Share may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time determine.
4.
  - (a) Subject to the provisions of article 85 of the Act, the Company in general meeting may by ordinary resolution authorise the directors to issue Equity Securities up to the value of the Company’s authorised share capital. The said ordinary resolution may set out restrictions or conditions relating to the Directors’ authority to issue Equity Securities.
  - (b) Subject to the provisions of Article 4(a), all shares from time to time unissued shall be at the disposal of the Directors and they may offer, allot, grant options over or otherwise dispose of them to such Persons, at such times and on such terms as they think proper.
5. Subject to the prior approval by extraordinary resolution of the Company in general meeting, the Directors may cause any or all of the Equity Securities and/or Debt Securities of the Company, irrespective of their class, whether issued or to be issued pursuant to these Articles, to be admitted to trading on the Exchange and/or any other Regulated Market they consider to be appropriate. The Directors may also, if they deem so fit, also seek to admit to trading any or all of the Equity Securities and/or Debt Securities on more than one Regulated Market.
6. Subject to the provisions of article 115 of the Act, any preference shares may, with the sanction of an extraordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company, before the issue, may by extraordinary resolution determine.

7. Whenever there are preference shares in issue the holders thereof shall have the same rights as holders of ordinary shares in receiving notices, reports, balance sheets and in attending general meetings.
8. Without prejudice to any rights that may be granted to holders of preference shares in the relative terms of issue thereof, the holders of preference shares shall not have a vote at general meetings except on a resolution convened for the purpose of:
  - (a) reducing the capital of the Company; or
  - (b) winding up of the Company; or
  - (c) a proposal to be submitted to the meeting that directly affects their rights and privileges; or
  - (d) a proposal affecting the dividend on preference shares when the dividend on their shares is in arrears for more than six (6) months.
9. A holder of a share option shall not be entitled, before the exercise of the option, to any voting rights or other rights whatsoever except for the rights expressed in the relative agreement or terms of issue. In particular, no dividends shall be payable or accrue in respect of any share option agreement unless and until the option is exercised.
10. If at any time the share capital is divided into different classes of Shares the rights attached to any class (unless otherwise provided by the terms of the issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of seventy-five percent (75%) of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall apply.
11. Unless otherwise provided in the terms and conditions of issue thereof or unless otherwise stated in these Articles, all Equity Securities which are fully paid-up and/or Debt Securities of the Company shall be freely transferable, subject, however, to the overriding provisions of Articles 33 through to 35 below. Listed Securities shall in all cases be freely transferable.
12. The Company may exercise the power of paying commissions or of making discounts or allowances provided it complies with the requirements of article 113 of the Act. Such commission/s may be satisfied by the payment of cash or the allotment of Shares, whether partly or fully paid up, or a combination of both.
13. In respect of a Share held jointly by several Persons the name of only one shall be entered in the Register of Members. Such Person shall be nominated by the joint holders and shall for all intents and purposes be deemed, vis-à-vis the Company, to be the registered holder of the Share so held. In the event that the joint holders fail to nominate such a Person, then the name of the first Person of the joint holders shall for all intents and purposes be deemed, vis-à-vis the Company, to be the registered holder of the Share so held.
14. In respect of Shares held subject to usufruct, the names of the bare owner and the usufructuary shall be entered in the Register of Members. The usufructuary shall for all intents and purposes be deemed vis-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 to 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. In the event that there is more than one usufructuary, the provisions of the preceding Article shall apply mutatis mutandis.

15. The Directors shall not be bound by or required to recognise, even when they have notice thereof, any trust, nominee, equitable, contingent, future or particular representative interest, in any Equity Security or Debt Security of the Company, other than an absolute right to the entirety thereof in the registered holder.
16. Subject to article 88 of the Act, the Company in issuing and allotting new Equity Securities:
  - (a) shall not allot any of them on any terms to any Person unless an offer has first been made to each existing Member to 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 the Shares in the Company; and
  - (b) shall not allot any of those securities to any Person, unless the Members in general meeting otherwise determine, before the expiration of any period of offer made to existing Members in terms of Article 16(a) or before a negative or positive reply from all such Members in terms thereof. Any such Equity Securities not subscribed for by the existing Members in terms of their pre-emption rights, may be offered for subscription to the general public under the same or other conditions which however cannot be more favourable than an offer made under Article 16(a):

**PROVIDED** that any right of pre-emption referred to in this Article 16 may be restricted or withdrawn by (i) an extraordinary resolution of the general meeting or (ii) the Board, in each case provided that the Board is authorised to issue Equity Securities in accordance with Article 4(a) above and article 85 of the Act and for so long as the Board remains so authorised.

17. Article 16 shall not apply to a particular allotment of Equity Securities if these are, or are to be, wholly or partly paid up otherwise than in cash.
18. No Director shall be eligible to participate in the issue of Shares to employees of the Company without the prior approval of the Members in general meeting by ordinary resolution.
19. The Company is authorised to acquire its own Shares in terms of articles 106 and 107 of the Act.

## **CERTIFICATES**

20. Every Person whose name is entered as a Member in the Register of Members shall be entitled to receive free of payment, within two (2) months after allotment or lodgement of a transfer duly stamped, or within such other period as the terms and conditions of issue may provide, a certificate for all his Shares in a particular class, or several certificates, each for one or more Shares upon payment of a consideration as the Directors shall from time to time reasonably determine. In the event of a Member transferring part of the Shares represented by the same share certificate in his name, a new certificate in respect of the balance thereof shall be issued in his name without payment. In the event of joint holders, the Company shall not be bound to issue more than one certificate, and delivery of one certificate for a Share to any one of the several joint holders thereof shall be sufficient delivery to all. Every certificate shall be signed by the Secretary or some other Person nominated by the Directors for the purpose and shall specify and denote the number of Shares, and class, if any, to which it relates and the nominal value thereof.
21. The provisions of Article 20 shall *mutatis mutandis* apply to every Person whose name is entered as a holder in the Share Option Register.

22. The provisions of Article 20 shall *mutatis mutandis* apply to certificates required to be issued by the Act or other applicable law in connection with other securities issued by the Company but shall not apply in respect of Listed Securities.
23. In the event that any certificate shall be worn out, defaced, destroyed or lost, it may be renewed on such evidence being produced and such indemnity (if any) being given as the Directors shall require, and in the case of wearing out, or defacement, or change of address of the Member, on delivery of the old share certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, if at all by the Directors, and in any case upon the payment of a consideration as the Directors shall from time to time reasonably determine.
24. In case of destruction or loss, the Person to whom such renewed certificate is given shall also bear and pay to the Company all expenses incidental to the investigation by the Company of the evidence of such destruction or loss and to such indemnity.

### **CALLS ON SHARES**

25. The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of their nominal value or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time 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 made, revoked or postponed as the Directors may determine.
26. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be required to be paid by instalments.
27. The joint holders of a Share shall be jointly and severally liable for the payment of calls on their Shares.
28. If a sum called in respect of a Share is not paid before or on the date appointed for the payment thereof, the Person from whom the sum called is still due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding the maximum rate allowed by law, as the Directors may from time to time determine. The Directors may however be at liberty to waive, whether in whole or in part, the payment of such interest.
29. 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 regulations 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 regulations 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.
30. The Directors may differentiate between the holders as to the amount of calls to be paid and the times of payment.
31. The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such annual rate not exceeding the maximum rate allowed by law, as may be agreed upon between the Directors and the Member paying such sum in advance.

32. The entitlement to receive any dividend and/or the right to exercise any privilege as a Member including the right to vote at general meetings, shall be suspended until the said Member shall have paid all calls for the time being due and payable on every Share held by him, together with interests and expenses, if any.

## **TRANSFER AND TRANSMISSION OF SECURITIES**

33. Any Equity Security or Debt Security, other than Listed Securities, shall be transferred by an instrument in writing in any form or any other form that is accepted by the Directors, which instrument of transfer shall be executed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain a holder of the Equity Security or Debt Security until the name of the transferee is entered in the Register of Members or the Register of Debentures, as applicable, in respect thereof. In no case may a part of a Share constitute the object of a transfer or transmission.

34. The Directors may in their absolute discretion, and without assigning any reason therefor, refuse to register any transfer of a Share that is not a fully paid Share.

**PROVIDED** that this Article shall not apply in the case of (i) a transfer of a Share that is the direct result of a judicial sale by auction or bankruptcy proceedings, and (ii) in respect of Listed Securities,.

35. In case of an Equity Security which is not a Listed Security, the Directors may decline to recognise any instrument of transfer and refuse to register the transfer if:

- (a) duty in terms of the Duty on Documents and Transfers Act, 1993 (Chapter 364 of the Laws of Malta), if applicable, has not been paid in relation to the instrument of transfer;
- (b) the instrument of transfer is not deposited at the Office or at such other place as the Directors may from time to time determine for registration purposes or is not accompanied by the share certificates of the Shares to which it relates and/or such other evidence as the Directors may reasonably require as evidence of 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
- (c) the instrument of transfer is not in respect of only one (1) class of Shares; or
- (d) the instrument of transfer is in respect of Shares pledged in terms of a pledge agreement duly notified to the Company and the instrument of transfer is not accompanied by the pledgee's consent to the transfer; or
- (e) the instrument of transfer is in respect of Shares the transfer of which has been prohibited by law or by an order of the court.

If the Directors refuse to register a transfer, they shall within two (2) months of the date on which the transfer is 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. The Company may retain any instrument of transfer or a notarised copy thereof that is duly registered.

36. Other than in the case of Listed Securities, the registration of transfers of the Company's securities may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any one (1) calendar year.

**PROVIDED** that the suspension of registration of transfers of Listed Securities shall be effected in accordance with applicable laws and regulations.

37. In the case of the death of a Member, his Shares shall devolve upon his successors by will or by operation of law as the case may be, but nothing herein contained shall release the Person or Persons to whom the Shares shall devolve, whether sole or joint, from any liability in respect of any Share solely or jointly held by him/them.
38. Any Person becoming entitled to a Share in consequence of the death of a Member shall, upon producing satisfactory evidence of his title as the Directors may from time to time require, have the right to be registered himself as the holder of the share or to make such transfer thereof as the deceased Member would have himself been entitled.
39. Where, in the case referred to in the preceding Article, a Person so becoming entitled elects 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 elects to have another Person registered he shall testify his election by executing to that Person a transfer of the Share. All the provisions relating to the transfer of Shares in these Articles shall be applicable to such transfer.

**PROVIDED** that the Directors, in the case of Shares may at any time give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payments of all dividends, bonuses or other moneys payable in respect of the Share until the requirements of the notice have been complied with.

40. A Person becoming entitled to a Share by reason of the death of the holder shall be entitled to the same dividends and other rights and advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not before being registered as a Member in respect of the Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
41. Except by way of transmission *causa mortis*, any share options granted under share option schemes to the holders of such options are not in any way transferable and can only be exercised by the holders to whom they were originally issued.

#### **FORFEITURE OR SURRENDER OF SHARES**

42. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any call or part thereof remains unpaid, require payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon, by means of a notice which shall also name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before, the time appointed, the Shares in respect of which the call was made will be liable to forfeiture.
43. If the requirements of such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect, or otherwise be surrendered in favour of the Company by the Member to whom the said notice is addressed, if the Directors accept such surrender. The Member shall however retain the right to all dividends declared before the call was made and which have not been paid.
44. When any Share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the Share or to the Person entitled to the Share by



transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members relating to the Share; but the provisions of this Article are for guidance only and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

45. A forfeited or surrendered Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and the Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer in favour of the Person to whom the Share is sold or disposed of, who shall thereupon be registered as a holder of the Share. At any time before a sale or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors may deem fit.

**PROVIDED** that while forfeited or surrendered Shares remain with, or under the control of, the Company they shall carry no voting rights, and shall be subject to the provisions of article 109 of the Act.

46. A Person whose Shares have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered Shares, but shall, notwithstanding, remain liable to pay to the Company all the moneys, which, at the date of the forfeiture, were due and payable by him to the Company in respect of the Shares. His liability shall however cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.

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

47. The Company may by ordinary resolution convert any fully paid up Shares into stock, and re-convert any stock into fully paid up Shares of any denomination.
48. The holders of stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations, as and subject to which the Shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances permit; and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.
49. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the Shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets upon a winding up) shall be conferred by any amount of stock which would not, if existing in Shares have conferred that privilege or advantage.
50. Such of the regulations of the Company as are applicable to paid up Shares shall apply to stock, and the words share and shareholder herein shall include "stock" and "stockholder".

#### **ALTERATION OF SHARE CAPITAL**

51. The Company may by extraordinary resolution:
- (a) increase its authorised share capital by such amount as the resolution prescribes;
  - (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
  - (c) subject to the provisions of these Articles, sub-divide its Shares, or any of them, into Shares of smaller amount and the resolution may determine that, as between the Shares

resulting from the sub-division, any of them may have any preference or advantage as compared with the others;

- (d) cancel Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount to its share capital by the amount of the Shares so cancelled; and
- (e) reduce its share capital, so long as this is superior to the minimum prescribed by law, any capital redemption reserve and any share premium account.

## **PLEDGING OF SECURITIES**

- 52. (a) Subject to the provisions of the Act and to the applicable terms of issue, any Equity Securities and/or Debt Securities of the Company may be pledged by the registered holder thereof in favour of any Person as security for any obligation; provided that any terms of issue of Equity Securities and/or Debt Securities may provide that the securities issued pursuant thereto may not be the subject of a pledge.
- (b) Upon the Company being notified of such a pledge agreement, the Company shall record that fact in the relevant register, and the Company shall recognise all rights validly granted to any third parties and shall act according to and consistently with the terms of such agreement in all matters.
- (c) In the case of a pledge of Shares, in so far as and to the extent that such a pledge agreement validly vests third parties with rights pertaining to the Shares normally exercisable by the Members, such rights shall be exercisable by the third parties as though they were the Members to the exclusion of the registered Member or Members.

## **REGISTERS**

- 53. Any register for Equity Securities and/or Debt Securities shall be kept at the Office. Any register may be kept using any means, including on any mechanical and/or electronic system, provided that legible evidence can be produced therefrom to satisfy the requirements of the applicable law and of these Articles.

**PROVIDED** that the Directors may delegate the duties relating to the maintaining and updating of any register to a Central Securities Depository.

- 54. The Company shall keep a Share Option Register and shall enter therein the following particulars:
  - (a) the fact of the issue of a share option;
  - (b) the names and addresses of the holders of share options;
  - (c) a statement of the number of Shares to which the holders of the share options are entitled; and
  - (d) the date of the issue and of the expiry of the share option.

**PROVIDED** that when the holder of a share option validly exercises his rights and subscribes for Shares, the Company shall make the relative adjustments to the Share Option Register and the Register of Members, respectively.

## GENERAL MEETINGS

55. A Person shall be entitled to receive notice of, participate in and vote at a general meeting if such Person is entered as a Member in the Register of Members on the Record Date and any change to an entry in the Register of Members after the Record Date shall be disregarded in determining the right of any Person to attend and vote at the meeting.
56. The Company may request Members to supply any such document as the Company may require to verify the Member's identity for the purposes of participating and voting at a general meeting, provided that the Company may only impose such requirements as are necessary to ensure the identification of Members and only to the extent that they are proportionate to the achievement of that objective.
57. Subject to the provisions of the Act, the annual general meetings of the Company shall be held at such time and place as the Directors shall appoint.
58. All general meetings other than annual general meetings shall be extraordinary general meetings.
59. The Directors may convene an extraordinary general meeting whenever they think fit. Extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists as provided by article 129 of the Act. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum, any Director, or any two Members of the Company, may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors.
60. A Member or Members holding not less than five percent (5%) of the voting issued share capital of the Company may:
- (a) request the Company to include items on the agenda of a general meeting, provided that each item is accompanied by a justification or a draft resolution to be adopted at the general meeting; and
  - (b) table draft resolutions for items included in the agenda of a general meeting.
- PROVIDED** that the request to put items on the agenda of the general meeting or the tabling of draft resolutions in accordance with this Article shall be submitted to the Company in hard copy form or in electronic form at least forty six (46) days before the date set for the general meeting to which it relates and shall be authenticated by the 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 a general meeting requires a modification of the agenda for the general meeting that has already been communicated to the Members, the Company shall make available a revised agenda in the same manner as the previous agenda in advance of the applicable Record Date or, if no such Record Date applies, sufficiently in advance of the date of the general meeting so as to enable other Members to appoint a proxy.
61. Every Member 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 Member. This right shall also be enjoyed by a proxy holder appointed by the Member. The Company may provide one (1) overall answer to questions having the same content. An answer to a question shall not be required where the Chairman of the general meeting determines that:
- (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.
62. The Company shall ensure that for at least a continuous period commencing on the twenty-first (21st) day immediately preceding the date scheduled for the general meeting and including the day of the meeting, the following minimum information is made available to its Members on its website:
- (a) a copy of the notice convening a general meeting;
  - (b) the total number of Shares and voting rights at the date of the notice (including separate totals for each class of Shares where the Company's capital is divided into two or more classes of Shares);
  - (c) the documents to be submitted to the general meeting, including the annual report;
  - (d) a draft resolution or, where no resolution is proposed to be adopted, a comment from the Directors for each item on the proposed agenda of the meeting, with an explanation of the reason why that item has been placed on the agenda of the meeting; and
  - (e) where applicable, the proxy forms, unless such forms are sent directly to each Member, provided that where these forms cannot be made available on the Company's website for technical reasons, an indication of how a hard copy of the forms can be obtained and in such case, the Company shall send the forms by postal service and free of charge to every Member who so requests.

**PROVIDED** that any draft resolutions tabled by Members and received by the Company after the date on which notice of the meeting is given shall be uploaded on the Company's internet site as soon as practicable after the Company has received them.

#### **NOTICE OF GENERAL MEETINGS**

63. A general meeting of the Company shall be deemed not to have been duly convened unless at least twenty-one (21) days' prior notice has been issued in writing, subject to the provisions of Article 156, to all Persons entitled to receive such notice. This notice period may be shortened to fourteen (14) days provided that (a) the general meeting is not an annual general meeting, (b) that the Company offers the facility to Members to vote by Electronic Means, and (c) that a resolution reducing the period of notice to not less than fourteen (14) days has been duly passed by a majority of Members holding no less than two thirds (2/3) of the Shares represented and entitled to vote at the meeting. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it was given.
64. Every notice convening a general meeting shall state whether it is an annual or an extraordinary general meeting, the place, date and hour of the meeting, and in case of special business, the general nature of that business. A notice convening a meeting to pass an extraordinary resolution shall specify the intention to propose the text of the resolution as an extraordinary resolution and the principal purpose, effect and scope thereof.

65. Notice of every general meeting shall be given to:
- (a) every registered Member except those Members who (having no registered address in Malta) have not supplied the Company an address for the giving of notices to them; and
  - (b) the Directors; and
  - (c) the auditor/s for the time being of the Company.

No other Persons shall be entitled to receive notice of general meetings.

66. A notice convening a general meeting shall contain:
- (a) the date, time of commencement of the meeting and venue of the general meeting, together with the proposed agenda for the general meeting;
  - (b) a clear and precise description of the procedures that Members must comply with in order to be able to participate in and to vote at the general meeting, including (i) either the rights available to Members under Article 60 (to the extent that those rights can be exercised after the notice of the meeting is issued) and under Article 61 and the periods within which those rights may be exercised, or a notice stating only the deadlines within which the rights under Article 60 and Article 61 may be exercised, provided such notice contains a reference to more detailed information concerning those rights being made available on the website of the Company; (ii) the procedure for voting by proxy, notably the proxy forms to be used and the means by which the Company is prepared to accept electronic notifications of the appointment of proxy holders (if any); and where the Company offers the facility for Members to vote by Electronic Means, the procedures for doing so; and
  - (c) state the Record Date and explain that only those who are Members on that Record Date shall have the right to participate and vote in the general meeting;
  - (d) 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 the draft resolutions are included as part of the notice itself;
  - (e) and indicate the address of the internet site on which the information referred to in Article 62 will be made available.
67. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting, by any Person entitled to receive notice shall not invalidate the proceedings of a meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

68. All business shall be deemed special that is transacted at an extraordinary general meeting, and also that is transacted at an annual general meeting with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and the auditors, the appointment or election of Directors, the appointment of auditors and the fixing of the remuneration of Directors and the auditors.
69. No business shall be transacted at any general meeting unless a quorum of Members is present, in person or by proxy, at the time when the meeting proceeds to business. Save as herein

otherwise provided at least two (2) Members, present in person or by proxy, entitled to attend and vote at the meeting and holding in aggregate not less than fifty- percent plus one (50% + 1) of the paid up share capital of the Company and having voting rights shall constitute a quorum.

70. If a quorum is not present within half an hour from the time appointed for the commencement of a general meeting, the general meeting shall stand adjourned to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, the Members present shall constitute a quorum. The adjourned meeting may be convened by shorter notice than that required by Article 63 provided that the first meeting was duly convened. No business shall be transacted at any adjourned meeting except such business as shall have been specified in the agenda for the original convocation of the meeting and the Company shall give not less than ten (10) days' notice of the adjourned meeting, which notice shall state that Members present as aforesaid for the adjourned meeting shall form a quorum.
71. The Chairman of the Board shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he shall not be present within twenty (20) minutes from the time appointed for the commencement of the meeting, or is unwilling to act, the Deputy Chairman (if any) shall act as Chairman of the meeting. If the Deputy Chairman is not present at the meeting or is unwilling to act, the Directors present shall elect one of their number, to be chairman of the meeting from among the Directors appointed by such Member entitled to appoint the Chairman. In the event that no such Director is present, another Director shall be appointed to chair that meeting.
72. If at any meeting no Director is willing to act as chairman or if no Director is present within thirty (30) minutes after the time appointed for the commencement of the meeting, the Members shall choose one of their number to be chairman of the meeting.
73. At the commencement of any general meeting, whether annual or extraordinary, the Chairman may set out to the meeting the procedure which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the meeting.
74. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unattended or unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.
75. At any general meeting a resolution put to the vote shall be determined and decided by a show of hands, unless a poll is demanded, before or on the declaration of the result of a show of hands, by:
  - (i) the Chairman; or
  - (ii) by at least three (3) Members present in person or by proxy; or
  - (iii) any Member or Members present in person or by proxy and representing not less than ten percent (10%) of the total voting power of all Members having the right to vote at that meeting; or
  - (iv) a Member or Members present in person or by proxy holding Shares in the Company conferring a right to vote at the meeting, being Shares on which an aggregate sum has

been paid up equal to not less than ten percent (10%) of the total sum paid up on all the Shares conferring that right.

Unless a poll be so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minute book is made, it shall be conclusive evidence of the fact without need for the proof of the number or proportion of the votes recorded in favour of or against such resolution:

**PROVIDED** that where a resolution requires a particular majority in value, the resolution shall not be deemed to have been passed on a show of hands by the required majority unless there be present at that meeting whether in person or by proxy, a number of Members holding in the aggregate the required majority as aforesaid.

76. The demand for a poll may be withdrawn.
77. Except in the case where a poll is demanded on the election of a Chairman or on a question of adjournment, if a poll is duly demanded it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
78. In the case of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a second or casting vote.
79. 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 business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
80. 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 shall have one (1) vote, and on a poll every Member shall have one (1) vote for each Share of which he is the holder. Such right to vote, whether on a show of hands or on a poll, may be exercised by the holder thereof either personally or by proxy. On a poll, a Member entitled to more than one (1) vote need not, if he votes, whether in person or by proxy, use all his votes or cast all the votes he uses in the same way, and a proxy shall have one (1) vote for each Share for which he holds a valid proxy form.

## **VOTING RESULTS**

81. Where a poll is taken at a general meeting of the Company and a request is made by a Member for a full account of the poll, the Company shall publish the following information on its website by not later than fifteen (15) days after the day of the general meeting at which the voting result 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 were validly cast;
  - (d) the proportion of the Company's issued share capital at the 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.
82. Where no Member requests a full account of the voting at a general meeting, it shall be sufficient for the Company to establish the voting results only to the extent necessary to ensure that the required majority is reached for each resolution.
83. 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 Member requests a full account of the voting at a general meeting for the Company to publish the information required by paragraphs (c) to (f) of Article 81 and it shall be sufficient for the chairman of the meeting to publish a statement indicating:
- (a) the total number of Members entitled to vote present at the meeting; and
  - (b) that upon a show of hands at the meeting it appeared that the resolution had either been carried or rejected.
84. The Company may allow Members to participate in the general meeting by Electronic Means, including through any or all of the following forms of participation: (a) real-time transmission of the general meeting; (b) real-time two-way communication enabling Members to address the general meeting from a remote location; and (c) a mechanism for casting votes, whether before or during the general meeting, without the need to appoint a proxy holder who is physically present at the meeting.
- PROVIDED** that the use of Electronic Means pursuant to this Article may be made subject only to such requirements and constraints as are necessary to ensure the identification of Members and the security of the electronic communication and only to the extent that they are proportionate to the achievement of those objectives, and all the Members must be informed of any such requirements or constraints that the Company puts in place.
85. No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.
86. No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

## **PROXIES**

87. Every Person entered into the Register of Members as at the Record Date shall be entitled to appoint one (1) Person to act as proxy holder to attend and vote at a general meeting instead of him.
- PROVIDED** that where a Member holds Shares for and on behalf of third parties, such Member is entitled to grant a proxy to each of his clients or to any third party designated by a client.
88. The proxy holder shall enjoy the same rights to speak and ask questions in the general meeting as those to which the member thus represented would be entitled.



89. A proxy holder shall not transfer his proxy to another Person. Where, however, a proxy holder is a legal Person, it may exercise the powers conferred upon it through a duly appointed corporate representative.
90. Any Person acting as a proxy holder may hold a proxy from more than one (1) Member without limitation as to the number of Members so represented. Where a proxy holder holds proxies from several Members, he may cast votes for a certain Member differently from votes cast for another Member.
91. In the case of voting by a show of hands, a proxy who has been mandated by several Members and instructed to vote by some Members in favour of a resolution and by others against the same resolution, shall have one (1) vote for and one (1) vote against the resolution.
92. A proxy holder shall vote in accordance with any instructions given by the appointing Member, keep a record of such instructions for at least five (5) years and, confirm, upon a request of the appointing Member, that the voting instructions have been complied with.
93. A proxy holder shall, prior to a general meeting, disclose to the Member who appointed him any facts of which he is aware and which may be relevant for that Member in assessing any risk that the proxy holder might pursue any interest other than the interest of such Member including, but not limited to:
- (a) whether he is a controlling Member of the Company, or is another entity controlled by such Member;
  - (b) whether he is a Director of the Company, or of a controlling Member or controlled entity referred to in paragraph (a);
  - (c) whether he is an employee or an auditor of the Company, or of a controlling Member or controlled entity referred to in paragraph (a); and
  - (d) whether he has a family relationship with a natural Person referred to in paragraphs (a) to (c).
94. The appointment of a proxy shall be by an instrument in the following form or a form as near thereto as circumstances permit:

**APS BANK P.L.C.**

*I/We.....of .....  
 residing at .....  
 being a member/members of the above-named company, hereby appoint  
 ..... of ..... or failing him/her  
 ..... 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 ....., and at any  
 adjournment thereof.*

*Signed this ..... day of ....., .....*

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

*\* (strike out whichever is not desired)*

95. Such instrument of proxy shall be in writing under the hand of the appointer or his attorney, duly authorised in writing, or if such appointment is by a government or corporation, under its common seal or under the hand of some officer duly authorised in its behalf. The instrument appointing a proxy may contain a direction to the proxy to vote for or against a particular resolution or resolutions but unless such a direction be given the proxy may vote as he thinks fit; and an instrument appointing a proxy shall be deemed to include the power to demand, join or concur in demanding a poll on behalf of the appointer.
96. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified copy thereof or the written instrument appointing a proxy pursuant to the last preceding Article shall be respectively deposited or received at the Office at least twenty-four (24) hours before the time appointed for holding the meeting, adjourned meeting or the taking of a poll at which the Person named in such instrument proposes to vote; otherwise the Person so named shall not be entitled to vote in respect thereof. The provisions of this and the immediately preceding Article shall apply *mutatis mutandis* to the revocation of the appointment of a proxy.
97. Where a Member specifies in the proxy form how his proxy is to vote, the proxy form itself shall constitute the vote on condition that the appointed proxy attends the meeting or any adjournment thereof.
98. A Member shall also be entitled to:
- (a) appoint a proxy by written notification or by Electronic Means, to an address or electronic mail address specified by the Company;
  - (b) have the electronic notification of such appointment accepted by the Company; and
  - (c) have at least one (1) effective method of notification of a proxy by Electronic Means offered to it by a Company.

#### **ORDINARY AND EXTRAORDINARY RESOLUTIONS**

99. Without prejudice to the provisions of Article 51, an extraordinary resolution shall be required for the following:
- (a) any deletion, addition and/or amendment to the Memorandum or Articles of Association of the Company (provided that so long as any of the Company's Securities has any Listed Securities, the prior written authorisation of the MFSA shall also be required for any such deletion, addition and/or amendment);
  - (b) any decision with respect to any reduction in the issued share capital of the Company;
  - (c) any decision with respect to the 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 foregoing;
  - (d) any decision with respect to (i) the amalgamation with, and/or acquisition of, all or any material part of the business, assets and/or goodwill of, any Person; and/or (ii) the undertaking of any liabilities or obligations of that Person as a result of such amalgamation or acquisition; and/or (iii) the entering into of any partnership, joint venture or other arrangement for sharing profits with any Person provided in all cases any such amalgamation and/or acquisition and/or transaction will have a material effect on the financial position of the Company;

- (e) any decision to expand the Company's business overseas by the opening of a branch or representative office outside Malta or by the subscription or acquisition of shares in a company (or similar legal entity) outside Malta which either exceeds in value the equivalent of five per centum (5%) of that company's (or similar legal entity) issued share capital, or which is a material subscription or acquisition for the Company;
- (f) the establishment of any share and/or share-linked incentive plan relating to the Shares of the Company, whether through the issuance of (i) options, (ii) warrants, (iii) Shares or any other type of security;
- (g) the issuance of bonds, debentures or other debt securities to the public which issuance exceeds in aggregate the sum of fifty million euro (€50,000,000);
- (h) the dissolution of the Company; and
- (i) wherever so required in terms of the Act or these Articles.

For the purposes of Article 99, the term "material" shall be determined conclusively by the Board. The Board shall deem a transaction as "material" where:

- (i) any of the tests mentioned in Capital Markets Rule 5.151 to Capital Markets Rule 5.155 (*the gross assets test*), or Capital Markets Rules 5.157 to 5.160 (*the consideration test*) result in ten per centum (10%) or more; or
- (ii) the test mentioned in Capital Markets Rule 5.156 (*the profits test*) results in twenty-five per centum (25%) or more.

100. Subject to prior approval by extraordinary resolution of the Company in general meeting (either on an individual basis or by way of approval of a Company policy recommended by directors), Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director, officer or employee who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premia for the purchase or provision of any such gratuity, pension or allowance.

101. (a) An ordinary resolution of the Company in general meeting shall be deemed to have been validly carried if consented to by a Member or Members having the right to attend and vote at such meeting holding in aggregate more than fifty percent (50%) in nominal value of the Shares represented and entitled to vote at such meeting.
- (b) An extraordinary resolution of the Company in general meeting shall be deemed to have been validly carried if consented to by a Member or Members holding in aggregate not less than seventy-five percent (75%) in nominal value of the Shares represented and entitled to vote at the meeting and at least fifty-one percent (51%) in nominal value of all the Shares conferring that right.

**PROVIDED** that if only one of the aforesaid majorities is obtained, another meeting shall be convened within thirty (30) days for the purposes of taking a fresh vote on the proposed resolution. At the second meeting, the resolution shall be deemed to have been validly carried if 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 percent (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 are represented at that second meeting, a simple majority (in nominal value) of such Shares so represented shall suffice.

## DIRECTORS

102. The administration and management of the Company shall be vested in the Board of Directors. All Directors shall be individuals.
103. A Member holding a Qualifying Shareholding, or Members who among them hold (in the aggregate) a Qualifying Shareholding, shall be entitled to appoint one (1) Director in respect of each Qualifying Shareholding held. Such appointment shall be made by letter in writing addressed to the Company Secretary, which letter shall be signed by the Member or Members making the appointment and indicate the shareholding used by each Member for this purpose. Appointment of Directors pursuant to this Article shall be subject to regulatory approval. In the event that any such appointment is intended to fill a vacancy resulting from the retirement of a Director at an annual general meeting, any such letter may be sent in advance of the annual general meeting in question and the appointment thereby made shall have effect immediately after the end of that meeting.
104. Any Member who: (i) has not utilised his entire Qualifying Shareholding (but only insofar as the excess Shares not so utilised); or (ii) does not qualify to appoint Directors in terms of Article 103 and has not aggregated his holdings with other Members for the purpose of constituting a Qualifying Shareholding to appoint Directors in accordance with Article 103, shall be entitled to vote in an election of the remainder of the Directors at every annual general meeting of the Company pursuant to Article 106.
105. Members entitled to appoint Directors pursuant to the provisions of Article 103 shall however be entitled to participate in the election of directors with any Shares having voting rights in excess of the Qualifying Shareholding not utilised in the appointment/s pursuant to Article 103.
106. An election of Directors shall take place at every annual general meeting (unless circumstances otherwise require, in which case any reference herein to the annual general meeting shall be construed as a reference to any general meeting of the Company), provided there are vacancies on the Board that are not filled by the appointment of Directors pursuant to Article 103.
107. At an election of Directors, each Member shall be required to vote on the ballot paper provided by the Company by putting such number of votes against the name/s of the preferred candidate/s as such Member may determine, provided that in aggregate the number of votes cast cannot exceed the number of Shares available for voting in that election held by such Member. The candidates obtaining the highest number of votes shall be elected and appointed Directors. The procedures for the election of Directors may be established by the Company in general meeting from time to time.
108. ~~In the event that, following the appointment and election of Directors in accordance with these Articles, the Board is of the opinion that none of the Directors appointed or elected as aforesaid is a non-executive independent Director competent in accounting and/or auditing, the Board shall have the right to appoint a person, who is independent and competent in accounting and/or auditing, as a non-executive Director (for the purpose of appointing such person to the Company's audit committee). Such appointment shall be made by the Directors during their first board meeting after the annual general meeting and such a Director will serve on the Board until the next annual general meeting. Should such an appointment cause the number of Directors on the Board to exceed the number of nine (9), then, exclusively for the purpose of this appointment, the maximum number of Directors shall be ten (10).~~

In the event that, at any time, (i) the appointment of an additional non-executive Director is required for compliance with regulatory requirements; or (ii) in the opinion of the Nomination Committee, the composition of the Board would be strengthened by additional or diverse knowledge, skills and experience, the Nomination Committee shall recommend to the Board of Directors the co-option to the Board of Directors of a fit and proper nominee/s to occupy the position of a non-executive Director. Upon the approval by the Board of Directors of such co-option, the individual shall hold office only until the next following annual general meeting of the Company, but will be automatically eligible for re-election.

Provided that should such an appointment cause the number of Directors on the Board to exceed eleven (11), then, exclusively for the purposes of this appointment, the maximum number of Directors shall be twelve (12).

109. Unless appointed or elected for a longer or shorter period, or unless they resign or are removed, Directors appointed pursuant to Article 103 and those elected pursuant to Article 106 shall hold office until the conclusion of the next annual general meeting. No Director may be appointed or elected for a period exceeding three (3) years.

**PROVIDED** that notwithstanding the period for which a Director has been appointed or elected, if any, on the lapse of such period, a Director will be eligible for re-appointment or re-election as the case may be. Any Directors howsoever appointed in the interim and whether to fill a casual vacancy, as an addition to the Board or otherwise, shall hold office only until the next following annual general meeting of the Company, but will be automatically eligible for re-election.

110. No person, other than a retiring Director, shall, unless recommended by the Directors, be eligible for election to the office of Director at the annual general meeting unless that person has been duly nominated in accordance with the following Articles.

111. The Company shall give at least fourteen (14) days' notice to Members to nominate candidates for the election of Directors, by means of a company announcement which shall also be published on the Company's website. The form of and information contained in this notice shall ~~shall~~ be determined from time to time by the Company's Nomination Committee. All such nominations, including the consent of the nominee to be nominated as a Director, have to reach the Company Secretary not later than the date indicated in the said notice given to Members to propose nominations of candidates which, in no case may be less than fourteen (14) days prior to the date of the meeting appointed for such election.

112. Notwithstanding the other provisions of the Articles, any person proposed for appointment as a Director (in any manner whatsoever pursuant to these Articles, including Directors appointed by a Qualifying Shareholding or for the purpose of filling a casual vacancy) or nominated by a shareholder for election as a Director or appointed in terms of Article 108 shall be subject to approval by the Nomination Committee as a fit and proper person and shall not be eligible for appointment or election as a Director without prior approval of the Nomination Committee. For this purpose, the Nomination Committee shall, prior to any such approval, also take into account the collective requirements of the Board from a legal and regulatory perspective.

**PROVIDED** that the Nomination Committee shall communicate with and engage in active discussion with Qualifying Shareholders on the needs and requirements of the Board from time to time with a view to ensuring, as far as practicably possible, that nominations made by Qualifying Shareholders will address the requirements of the Board with respect to collective knowledge, skills and experience on the Board.

113. For the purposes of an election of Directors pursuant to Article 106, every Member shall be entitled to nominate one or more person/s to stand for election, provided that, in order to be

nominated, each such person must (i) be seconded by one or more Members holding in the aggregate at least fifty thousand (50,000) Shares and must (ii) accept the nomination in writing. The election of any Director/s pursuant to Articles 106 and 107 shall be subject to regulatory approval.

114. In the event that there are as many nominations as there are vacancies or less, no elections will take place and those nominees will automatically be elected as Directors.
115. (a) The Chairman shall (and a Deputy Chairman may) be appointed as follows:
- (i) The largest single Member of the Company (provided he holds at least twenty-five per centum (25%) of the ordinary issued share capital of the Company) shall be entitled to appoint the Chairman from amongst the Directors appointed or elected to the Board.
  - (ii) If the Chairman is not appointed as stated in the foregoing paragraph within ten (10) days from the day on which the above entitlement may be exercised, the Board shall elect the Chairman from any of its members.
- (b) The Chairman (and Deputy Chairman, if any) shall hold office for a period of one (1) year. Upon termination of his appointment, the Chairman (and Deputy Chairman, if any) shall be eligible for re-appointment. The Chairman shall not occupy an executive or senior management position at the Company (including the position of Chief Executive Officer).
116. A person shall not be qualified for appointment or hold office as Director, if:
- (i) he is interdicted or incapacitated; or
  - (ii) he becomes bankrupt or makes any arrangement or composition with his creditors, generally; or
  - (iii) he has been convicted of any of the crimes affecting public trust or theft or of fraud or of knowingly receiving property obtained by theft or fraud; or
  - (iv) he is generally precluded from doing so under the provisions of the Act or any other applicable law.

**PROVIDED** that a disqualification in terms of paragraph (iii) above shall remain valid:

- (i) in perpetuity, if the punishment for the crime he has been convicted of is of imprisonment for life;
- (ii) for a period of fifteen (15) years if the punishment for the crime he has been convicted of is of imprisonment between twenty-five (25) and thirty (30) years;
- (iii) for a period of ten (10) years if the punishment or the - crime he has been convicted of is of imprisonment between ten (10) and twenty-five (25) years;
- (iv) for a period of eight (8) years if the punishment for the crime he has been convicted of is of imprisonment between five (5) and ten (10) years;
- (v) for a period of five (5) years if the punishment for the -crime he has been convicted of is of imprisonment between four (4) and ten (10) years; and

- (vi) for a period of three (3) years if the punishment for the crime he has been convicted of is of imprisonment for less than four (4) years:

**PROVIDED FURTHER** that in any case the disqualification period in terms of this Article shall not be less than the term of imprisonment that the person would have been awarded.

117. The Company may, by ordinary resolution taken at a general meeting, remove a Director at any time prior to the expiration of his term of office; provided that any Director appointed by notice in writing to the Company pursuant to Article 103 may also be removed by simple notice in writing to the Company by the same Member or Members who appointed him (provided further that at the time of removal that Member or Members acting together still maintain/s a Qualifying Shareholding).
118. Without prejudice to the provisions of the Act and to Article 131 of these Articles, the office of a Director shall *ipso facto* be vacated:
- (a) if, by notice in writing to the Company, he resigns from the office of Director; or
  - (b) if he absents himself from the meetings of the Directors for three (3) consecutive meetings without leave of absence from the other Directors (which should not be unreasonably withheld) and the Directors pass a resolution that he has, by reason of such absence, vacated office; or
  - (c) if he is prohibited by law from being a Director; or
  - (d) if he is removed by ordinary resolution from office pursuant to, or otherwise ceases to be a Director by virtue of, the Act; or
  - (e) if he becomes of unsound mind, or is convicted of any crime punishable by imprisonment, or declared bankrupt during his term of office.

A Director's vacation of office pursuant to this Article shall take effect immediately upon the occurrence of any of the foregoing grounds for vacation. Following such vacation of office a resolution of the Directors declaring a Director to have vacated office as aforesaid shall be conclusive as to the fact and the grounds of vacation stated in the resolution.

119. Any vacancy among the Directors will be filled: (i) in the case of a vacancy created in the office of a director appointed pursuant to the provisions of Article 103, by the Member or Members originally appointing the director vacating office, provided that the said Member/s still hold/s the Qualifying Shareholding necessary for an appointment of Directors pursuant to Article 103; and (ii) in other cases, such vacancy will be filled by the co-option of another person to be made by the Board. Any person appointed to fill a casual vacancy will hold office only until the next annual general meeting and will be eligible for re-appointment or re-election, as the case may be. Any vacancy related to the office of the executive director held by the Chief Executive Officer is regulated by Article 131 of these Articles.
120. In the event that at any time and for any reason the number of Directors falls below the minimum number established by the Memorandum of Association, notwithstanding the provisions regulating the quorum, the remaining Directors may continue to act notwithstanding any vacancy in their body, provided they shall with all convenient speed, and under no circumstances later than three (3) months from the date upon which the number of Directors has fallen below the minimum, convene a general meeting for the sole purpose of appointing the Directors.

121. A Director may by written instrument addressed to the Chairman appoint an alternate Director to act instead of him at one or more meetings of the Directors, and may at any time by written instrument addressed to the Chairman remove such alternate Director. The alternate Director must be a serving Director of the Company, in which case his rights as alternate, including the right to vote, shall be additional to his rights as extant Director. The term 'written instrument' includes a facsimile or electronic mail message.
122. Subject to all applicable laws and/or regulations, the maximum amount of aggregate emoluments of all Directors in any one (1) financial year, as well as any increase of such emoluments, shall be determined pursuant to an ordinary resolution passed by the Company at a general meeting for which notice of the proposed aggregate emoluments or any increase thereto has been duly given to Members.
123. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of the Board or general meetings of the Company or in connection with the business of the Company. Such expenses shall, subject always to all applicable laws and/or regulations, not be deemed to form part of the Directors' emoluments.
124. Any remuneration paid to any Director by virtue of his holding a salaried office with the Company (whether permanent, temporary, direct or on secondment) shall not be deemed to form part of such Director's emoluments [referred to in Article 122 of these Articles](#), provided that such remuneration shall always be paid in accordance with all applicable laws and/or regulations.
125. If any Director, being willing, shall be called upon to sit on any committee or working group of the Company or to perform other services related to the operations of the Company but which fall outside the scope of the ordinary duties of a Director, the Company may remunerate such Director, as may be determined by the Board, in addition to or in substitution of his remuneration as Director, provided such payments fall within the limit of aggregate emoluments of Directors established by the general meeting pursuant to these Articles and subject always to all applicable laws and/or regulations.
126. Subject to all applicable laws and/or regulations, the Directors may hold such other office with the Company apart from the office of director, and be remunerated for that office, as the Board may from time to time determine.
127. A Director shall not be required to have a shareholding qualification and a Director who is not a Member shall be entitled to attend and speak at general meetings of the Company but shall not be entitled to vote thereat (other than in his capacity as a Member, if applicable).

## **POWERS AND DUTIES OF DIRECTORS**

128. The business of the Company shall be managed by or under the direction of the Directors who may exercise all such powers of the Company, and do on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by the Act or by the Memorandum and Articles required to be exercised or done by the Company in general meeting. In so acting, the Directors shall in all cases conform to the provisions of the Act, the Memorandum, these Articles, and to such regulations as may from time to time be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall operate retrospectively to invalidate any previous act of the Directors. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall deem fit, and the provisions contained in these Articles shall be without prejudice to the general powers conferred by this Article.



129. The Directors shall have the power to appoint any Person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in them) and for such periods and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of Persons dealing with any such attorney as the Directors may deem fit, and may also authorise any such attorney to delegate all or any of his powers, authorities, and discretions vested in him.
130. Without prejudice to other provisions in these Articles, the Directors may, upon such terms and conditions and with such restrictions as they may think fit (subject to any applicable law), delegate certain powers, authorities and discretions to the Chairman, the Deputy Chairman, a Chief Executive Officer, an executive committee, an audit committee, any member of management, or to any other committee of the Board composed either of Directors or of other Persons appointed by them, to deal with any matter which the Directors may deem fit.
131. The Directors may, from time to time, appoint a suitable person to the office of Chief Executive Officer for such period and on such terms (including the Chief Executive Officer's powers, rights, restrictions and obligations) as they think fit, which terms may be altered by the Directors at any time. Upon his or her appointment, the Chief Executive Officer shall be the most senior executive officer of the Company and shall become an executive Director on the Board of Directors. The Chief Executive Officer shall serve as executive Director on the Board for as long as he or she occupies the position of Chief Executive Officer. If the office of Chief Executive Officer is at any time and for any reason vacant, the Board of Directors shall, as soon as possible, appoint a suitable person to the role of Chief Executive Officer, even if the appointment is made on an interim basis. Such person would also occupy the role of executive Director on the Board of Directors for as long as the individual occupies the role of interim Chief Executive Officer. The said appointments are subject to regulatory approval.
132. The Chief Executive Officer and/or any other officials of the Bank shall be prohibited from granting any loan, overdraft or other financial facility except within the limits authorised, generally or specifically, by the Board of Directors.
133. A Director who is in any way, whether directly or indirectly, interested in a contract or arrangement which is being put or about to be discussed by the Board of Directors or which is being put or may be entered into by or with the Company, shall declare the nature of his interest to the other Directors either at the meeting of the Directors at which such matter is first taken into consideration, or, if the Director was not at the date of that meeting interested in the contract or arrangement, at the next meeting of the directors held after he became so interested. A record of such declaration shall be entered into the Company's minute books. For the purposes of these Articles, such Director shall be referred to as a "**Conflicted Director**").
134. Unless the other non-conflicted Directors of the Company otherwise resolve, a Conflicted Director shall:
- (i) not be counted in the quorum present for the meeting;
  - (ii) not participate in the discussion concerning a matter in respect of which he has declared a direct or indirect interest;
  - (iii) withdraw from or, if applicable, not attend the Board of Directors meeting at which such matter is discussed.

The sequence of events leading to the aforesaid resolution of the Board of Directors, if any, shall be accurately recorded in the Company's minute books. The Conflicted Director shall in any case not vote in any resolution concerning a matter in respect of which he has declared a direct or indirect interest.

135. The Directors shall cause minutes to be kept in books provided for the purpose:
- (a) of all appointments of officers made by the Directors;
  - (b) of the names of the Directors present at each meeting of the Directors and of any committee of Directors; and
  - (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors;

and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall be conclusive evidence without any further proof of the facts therein stated.

136. The Directors may, subject to the provisions of the Banking Act and subject to the other provisions of these Articles, including without limitation the provisions of Article 99, exercise all powers of the Company to borrow money and to guarantee the obligations of any third party and, for such purpose, to hypothecate or charge its undertakings, property and uncalled capital or any part thereof, including as security for its obligations or for those of any third party, and to issue bonds, debentures, debenture stock and/or other securities and financial instruments, and to offer same to the public, whether outright or as security for its liabilities or obligations or for those of any third party.

#### **PROCEEDINGS OF DIRECTORS**

137. The Directors shall meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Directors are entitled to participate at a meeting of the Board by means of video conferences, telephone links or other similar electronic means. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. The Chairman may, and the Secretary shall on the requisition of a Director, at any time summon a meeting of the Board of Directors.
138. The quorum necessary for the transaction of business shall be a majority of the Directors appointed to the Board, present in person or by their alternate Director.
139. Notice of every meeting of the Board shall be given to all Directors and, save as hereinafter provided, shall in no case be less than three (3) days. Notice of meetings of the Board to any Director shall be given in writing at the address that the Director has provided to the the Company or via electronic mail or any other form of electronic communication indicated as acceptable by the Director. The requirement of such notice may be waived by a decision of all Directors entitled to receive notice and vote at a meeting of the Directors.
140. If at any time the Chairman is not present within thirty (30) minutes after the time appointed for the commencement of proceedings of the meeting, the Deputy Chairman shall chair the meeting. In the absence of both the Chairman and the Deputy Chairman the Directors may elect one of their number to chair the meeting from among the Directors appointed by such Member entitled to appoint the Chairman. In the event that no such Director is present, another Director shall be appointed to chair that meeting.
141. A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.

142. The Directors shall cause proper minutes to be made of all general meetings of the Company and also of all appointments of officers and of the proceedings of all meetings of Directors and committees, and of the attendances thereat, and all business transacted at such meetings.

## **SECRETARY**

143. (a) The Board may appoint a Secretary for such term, at such remuneration and upon such conditions as they think fit, and any Person so appointed may be removed by them.
- (b) The Secretary shall be responsible for keeping:
- (i) the minute book of general meetings of the Company;
  - (ii) the minute book of meetings of the Board;
  - (iii) the Register of Members;
  - (iv) the Register of Debentures; and
  - (v) such other registers and records as the Company Secretary may be required to keep by the Board.
- (c) The Secretary shall:
- (i) ensure that proper notices are given to all meetings; and
  - (ii) ensure that all returns and other documents of the Company are prepared and delivered in accordance with the requirements of the Act.

## **DIVIDENDS & RESERVES**

144. Subject to the provisions of the the Act, the Banking Act, the Company in general meeting may declare dividends; provided that no dividend shall exceed the amount recommended by the Directors.
145. 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.
146. No dividend shall be paid otherwise than out of the profits of the Company available for distribution.
147. Without prejudice to the relevant provisions of the Banking Act, the Directors may, before recommending any dividend, set aside out of the profits of the Company available for distribution any such sum as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit. The Directors may divide any such 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 think prudent not to divide.

148. Subject to any rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but no amount paid or credited as paid on the Share in advance of calls shall be treated for the purpose of this regulation as paid on the Shares. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that it shall rank for dividend as from a particular date, such Share shall rank for dividend accordingly.
149. The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
150. Any dividend or other moneys payable in respect of a Share may, at the Company's discretion, be paid by electronic means directly to the bank account designated by the holder or, in the case of a Share held jointly by more than one Person, to the account of the holder nominated and named in the relevant register of Members. Should there be no such nomination, the dividend shall be paid in the account of the first named joint holder appearing in the Register of Members.

**PROVIDED** that where the account number and registered address of a Member is not known the dividend or other monies may be kept by the Company for collection by the Member entitled to such dividend or other monies or for remittance when the account number or registered address of the said Member is made known to the Company.

**PROVIDED FURTHER** that, in the case of a Share held jointly by more than one holder any one of such holders may give an effective and valid receipt for all dividends and payments on account of dividends and payments in respect of such Share. Payment of a dividend to the account of one of the joint holders shall discharge the Company's payment obligation in respect of the dividend so paid.

**PROVIDED FURTHER** that, nothing in these Articles shall preclude the Company from offering to pay dividends to its Members by any other means, including but not limited to scrip dividends.

151. Every such payment of a dividend or other monies in respect of a Share shall be effected at the risk of the Member entitled to the payment and shall discharge the Company's payment obligation in respect of the dividend or other monies so paid. The Company shall not be responsible for any amounts lost or delayed in the course of making the payments detailed in Article 150.
152. No dividend shall bear interest against the Company.

## ACCOUNTS

153. The Directors shall from time to time determine whether and to what extent, time and place and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account, or book or document except as conferred by law or authorised by the Directors or by the Company in general meeting, always without prejudice to the provisions of the Banking Act.
154. A copy of every balance sheet and profit and loss account together with any Directors' and Auditors' report attached thereto which is to be laid before a general meeting of the Company (including every document required by law to be comprised therein or attached or annexed

thereto) shall, not less than twenty-one (21) days before the date of the meeting, be sent or provided electronically, including uploading on the Company's website, or made available in any other form as may be permitted by law to every Member and every holder of a Debt Security of the Company and to every other Person entitled to receive notices of general meetings from the Company under the provisions of applicable laws or of these Articles.

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

**PROVIDED FURTHER** that the Company shall provide a printed copy of the documents referred to in this Article to any Member and/or holder of a Debt Security upon written request.

## **CAPITALISATION OF PROFITS**

155. Without prejudice to the relevant provisions of the Banking Act, the Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of 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, distributed and credited as fully paid up to and amongst such Members in the proportion aforesaid, and the Directors shall give effect to such resolution;

**PROVIDED** that a share premium account and a capital redemption reserve fund, for the purposes of this regulation, may only be applied in the paying up of unissued Shares to Members as fully paid bonus Shares; and

**PROVIDED FURTHER** that the Directors may in giving effect to such resolution make such provision by payment in cash or otherwise as they deem fit, for the case of Shares or debentures becoming distributable in fractions.

## **NOTICE**

156. A notice or any other document may be served by the Company upon any Member by sending it through the post in a prepaid letter addressed to such Member's registered address as appearing in the Register of Members.

**PROVIDED** that notwithstanding the provisions of this Article, the Company may publish any notice convening a general meeting or an adjourned general meeting 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 to the last known address of each Member requesting his consent to the publication of notices convening the general meetings of the Company on the website indicated in the notice, Members give their consent to receive notice by such means. Members that do not give their consent shall remain entitled to receive notices convening general meetings of the Company by mail at their last known residential address in accordance with the provisions of this Article.

157. For the purpose of the foregoing paragraph, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a prepaid letter or prepaid airmail letter as the case may be. Furthermore, any notice or other

document shall be deemed to have been served or delivered two (2) days after the time when the letter containing the same is put into the post.

158. A notice may be given to the joint holders of a Share by giving notice to the holder of such Share named first in the Register of Members.
159. The signature to any notice to be given by the Company may be written or printed.

#### **WINDING-UP**

160. All holders of ordinary Shares shall rank *pari passu* upon any distribution of assets in a winding up. The holders of preference shares of the Company, if any, shall at all times rank prior to the holders of ordinary Shares upon any distribution of assets in a winding up. As between the holders of different issues of preference shares they shall rank in accordance with the relative terms of issue of those preference shares.
161. Upon the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator unless such commission or fee shall have been approved by the Members in general meeting. Any amount which the Directors propose to pay to a liquidator shall be notified to all Members at least seven (7) days prior to the meeting at which it is to be considered.

#### **INDEMNITY**

162. Every Director and every agent or Secretary and in general any officer or auditor for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings in which judgement is given in his favour or in which he is acquitted.

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

#### **UNTRACED MEMBERS**

163. (a) The Company shall also be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) or repurchase any Share of a Member or any Share to which a person is entitled by transmission *causa mortis* or on insolvency or otherwise by operation of the law if, and provided that:
- (i) during a period of not less than twelve (12) years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three (3) dividends in respect of the Shares in question have become payable and no dividend in respect of those Shares has been claimed;
  - (ii) at the expiration of the said period of twelve (12) years, by notice sent by pre-paid letter addressed to the Member or to the person entitled by transmission or by advertisement in a national daily newspaper published in Malta or in a newspaper circulating in the area in which the last known address of the Member or the address at which service of notices may be effected under these Articles is located, the Company has given notice of its intention to sell the said Share;

- (iii) during the period of three (3) months after the date of the advertisement and prior to the exercise of the sale of the said Share, the Company has not received any communication neither of the whereabouts nor of the existence of such Member or person; and
  - (iv) if the Shares are listed or quoted on a stock exchange or other Regulated Market the Company has first given notice in writing to the appropriate section of such stock exchange or other Regulated Market of its intention to redeem such Shares, if it is required to do so under the rules of such stock exchange or other Regulated Market.
- (b) The Company shall account to the ~~the~~ Member or to the person entitled to such Share for the net proceeds of such sale by carrying all moneys in respect thereof in a separate interest bearing account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person.
- (c) The foregoing provisions of this Article are subject to any restrictions applicable under any regulations relating to the holding and/ or transferring of Shares in any paperless system as may be introduced from time to time in respect of the Shares of the Company or any class thereof.

## GENERAL

164. All the above Articles are subject to the overriding provisions of the Act, the Banking Act, the Financial Markets Act, the Capital Market Rules and any applicable laws, regulations and rules currently in force, except in so far as any provisions contained in any one of these laws permits otherwise. The generality of any of the provisions of these Articles shall, in its interpretation, be restricted as is necessary to be read in conformity with any and all of the provisions of any of these laws.

Certified True Copy of the Articles of Association.

---

Dr. Graziella Bray  
Company Secretary

Date: