



Smartcare Finance p.l.c.  
C 90123  
326, Mdina Road, Qormi, Malta  
(the "Company")

**AS**  
13 MAY 2019

**EXTRACT OF MINUTES OF AN EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 7<sup>th</sup> MAY 2019 AT 326, MDINA ROAD, QORMI, MALTA**

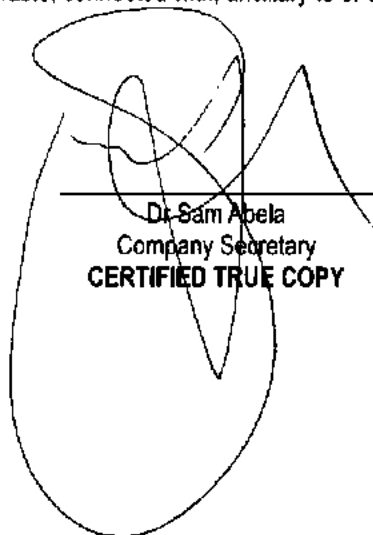
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The shareholders of the Company RESOLVED as follows

i to substitute the current Memorandum and Articles of Association of the Company in their entirety with the document attached hereto;

and

ii to authorise any director of the Company and/or the Company Secretary to do all such acts and to execute all such documents, arrangements and agreements and, in general, to do all such things as may be necessary, conducive to, expedient, desirable, connected with, ancillary to or consequential to the above resolution.



Dr. Sam Abela  
Company Secretary  
**CERTIFIED TRUE COPY**

REGISTRY  
**RETURNED**  
- 8 MAY 2019  
OF COMPANIES

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

THE LIMITED LIABILITY COMPANY

**SMARTCARE FINANCE P.L.C.**

**COMPANIES ACT 1995**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**SMARTCARE FINANCE P.L.C.**

**1. NAME OF THE COMPANY**

The name of the company is **Smartcare Finance p.l.c.**

**2. REGISTERED ADDRESS**

The Registered Office of the company will be situated in Malta at 326, Mdina Road, Qormi, or at any other address as resolved by the directors from time to time.

**3. OBJECTS**

The objects for which the company is established are:

- a) To carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of the business activities of the Group whether in Malta or overseas, and for such purpose: (i) to lend or advance money or otherwise give credit to any company now or hereinafter forming part of the Group, with or without security and otherwise on such terms as the directors may deem expedient; and (ii) to invest and deal with the moneys of the companies and any company now or hereinafter forming part of the Group in or upon such investments and in such manner as the directors may, from time to time, deem expedient;
- b) To borrow or raise unlimited sums of money in such manner as the Company may think fit and in particular by the securitisation of any receivables or other assets of the Company, by the issue of bonds, debentures, commercial paper, notes or other instruments creating or acknowledging indebtedness, and to offer same on sale to the public, and to secure the repayment of any money borrowed or raised and any interest payable thereon by the hypothecation or the creation of any other charge upon the whole or the part of the moveable and immovable property of the Company, present and future;
- c) To invest the capital and other moneys of the Company in the purchase or subscription of any stocks, shares, debentures, bonds, money market instruments, cash and near cash or other investment instruments, or otherwise invest any monies of the Company in any other kind of property as may be expedient and in such manner as the Directors may determine to be in the interest of the Company from time to time and to hold, sell or otherwise deal in such investments or property;
- d) To guarantee, even by hypothecating the Company's property the payment of any debentures, debenture stock, bonds, mortgages, charges, obligations, interest, dividends, securities, money or shares or the performance of contracts or engagements of any other Company or person and to give indemnities and guarantees of all kinds;
- e) To provide to other companies and commercial establishments advisory consultative administrative and management services;
- f) To act as agents and or representatives of any local and/or overseas companies and other business concerns connected with the import and/or export trade;
- g) To acquire, any shares, stock, debenture stock, units, loans, bonds or other securities or investment of whatever nature of any public or private company, government state authority undertaking or corporate body of any kind and to hold same for the purposes of producing an income;
- h) To purchase, rent, take or lease, emphyteusis or otherwise acquire land and buildings required for the purposes of the Company and to construct, re-construct, enlarge, alter, refit and maintain any buildings

necessary or desirable for the Company's business and to hold the same for the purpose of producing an income;

- i) To enter into any agreement or make any arrangements in connection with the Company's business with any Government department or other Authority, corporation, company or person, which in the opinion of the Board of Directors shall be deemed to be in the interests of the Company;
- j) To enter into partnership or any arrangement for sharing profits, union of interests, reciprocal concessions, joint venture or co-operation with any person, firm or partnership, carrying on or engaged in or about to carry on or engage in any business which this company is authorised to carry on or engage in;
- k) To lease, rent or otherwise dispose of the whole or any part of the property, assets or undertaking of the Company, for such consideration as the Company may think fit;
- l) To invest or lend any of the money of the Company in such manner as the Directors may determine;
- m) To lend and advance money or give credit to such person or persons, firms or partnerships and others having dealings with the Company on such terms as may seem expedient to this Company;
- n) To purchase or otherwise acquire all or any part of the business or assets of any person, firm or company carrying on or formed to carry on any business which this company is authorised to carry on or possessed of property suitable to the purposes of this company and to pay cash or issue any shares, stock, debenture or debenture stock of this company as the consideration for such purchase or acquisition and to undertake any liabilities or obligations relating to the business or property so purchased or acquired;
- o) To apply for, purchase or otherwise acquire any patents, licenses or concessions which may be capable of being dealt with by the Company or be deemed to benefit the Company and to grant rights thereon;
- p) To do all such things as are incidental or conducive to the attainment of the above objects or any of them.

It is hereby being expressly declared and agreed:

- (a) that the word 'company' in this clause except where used in reference to this company shall be deemed to include any partnership or other body of persons, whether corporate or incorporate, and whether incorporated or resident in Malta or elsewhere;
- (b) that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be construed independently of the other paragraphs hereof and accordingly shall in no case be limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company.
- (c) Nothing in the foregoing shall be construed as empowering or enabling the company to carry out any activity or service which requires a licence or other authorisation under any law in force in Malta without such a licence or other appropriate authorisation from the relevant competent authority and the provisions of Article 77(3) of the Companies Act shall apply.

#### **4. CAPITAL**

- 4.1 The authorised share capital of the company is forty-eight thousand Euro (€48,000) divided into forty-eight thousand (48,000) Ordinary Shares with a nominal value of one Euro (€1) each.
- 4.2 The issued share capital of the company is forty-eight thousand Euro (€48,000) divided into forty-eight thousand (48,000) Ordinary Shares with a nominal value of one Euro (€1) each, being one hundred percent (100%) paid up and subscribed to as follows:

| <b>Name of Shareholder</b>  | <b>Number of Shares</b> | <b>Class of Shares</b> | <b>% Paid Up</b> |
|---|-------------------------|------------------------|------------------|
| <b>Smartcare Holdings Ltd</b><br>326, Mdina Road,<br>Qormi, Malta<br>Company Registration No: C 90121               | 47,999                  | Ordinary Shares        | 100%             |
| <b>Andrew Debattista Segond</b><br>IVY House,<br>Triq ix-Xiber,<br>Is-Swieqi<br>Malta<br>Maltese ID Card No: 94573M | 1                       | Ordinary Share         | 100%             |

#### **5. CLASS RIGHTS**

All ordinary shares in the Company shall rank *pari passu* for all intents and purposes at law.

#### **6. DIRECTORS**

The administration and management of the company shall be vested in a board of directors consisting of a minimum of three (3) and a maximum of six (6) directors.

The directors of the company are:

**Andrew Debattista Segond**  
IVY House,  
Triq ix-Xiber,  
Is-Swieqi,  
Malta  
Maltese ID Card Number: 94573M

**Ian Joseph Stafrace**  
12, Ta` Ganni  
Triq il-Gnien,  
Hal Gharghur, Malta  
Maltese ID Card Number: 106173M

**Jacqueline Camilleri**  
63, Alta Vista,  
Triq Claudette Agius,  
Had-Dingli, Malta  
Maltese ID Card Number: 340768M

**William Wait**  
5, Golden Oriole,  
Triq ir-Rihan,  
Fgura, Malta  
Maltese ID Card Number: 253668M

**Norval (Norman Valentinus) Desira**  
Il-Veduta, Madliena Road, Madliena,  
Swieqi, Malta  
Maltese ID Card Number: 430764M

## **7. SECRETARY**

The Company shall have a secretary. The secretary of the Company is:

Dr. Sam Abela  
23, Ella  
Triq Francesco Azzopardi,  
Tal-Virtu', Ir-Rabat  
Malta  
Maltese ID Card Number: 227783M

## **8. LEGAL AND JUDICIAL REPRESENTATION OF THE COMPANY**

The legal and judicial representation of the Company is vested in:

Andrew Debattista Segond  
IVY House,  
Triq ix-Xiber,  
Is-Swieqi,  
Malta  
Maltese ID Card No: 94573M

Without prejudice and in addition to the aforesaid, the Board of Directors may, from time to time, in particular case or cases or classes of cases, by means of an *ad hoc* Board resolution, delegate such representation to any person or persons to represent the Company on such deeds or documents or for such other purpose as may be specified on the said resolution, either with or without concurrent delegation for any of the above purposes.

## **9. STATUS**

The company is a public limited company and the provisions of the Companies Act (Cap. 386 of the Laws of Malta) shall be applicable accordingly.



**Mr. Andrew Debattista Segond**  
Shareholder



**Mr. Andrew Debattista Segond**  
*For and on behalf of*  
**Smartcare Holdings Ltd**  
Shareholder

**ARTICLES OF ASSOCIATION**  
**OF**  
**SMARTCARE FINANCE 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. In the Company's Memorandum of Association and in the Articles the following terms shall have the meanings given to them hereunder unless the context requires otherwise:
- a) The "Act" and the "CA" mean the Companies Act (Cap. 386 of the Laws of Malta).
  - b) The "**Company**" means this company; and the "**company**" includes any commercial partnership.
  - c) The "**Articles**" means the Company's Articles of Association.
  - d) "**Debt Securities**" means debentures, including debenture stock, loan stock, bonds and other instruments creating or otherwise acknowledging indebtedness of the Company, but excluding such instruments that are issued as debt securities but that afford the holder thereof an option or right to convert such instruments into Equity Securities of the Company.
  - e) The "**Directors**" means the Directors of the Company.
  - f) "**Equity Securities**" means shares in the Company of whatever class and other securities of the Company affording the holder thereof a right to subscribe for, or to convert the securities into, shares in the Company.
  - g) "**Exchange**" means the Malta Stock Exchange as established by Cap. 345 of the Laws of Malta.
  - h) "**Listed**" means listed or quoted on the Exchange.
  - i) "**Listing Rules**" means the listing rules issued by the Listing Authority under the Financial Markets Act (Chapter 345 of the Laws of Malta).
  - j) "**Malta**" has the same meaning as assigned to it by Section 124 of the Constitution of Malta.
  - k) "**Member**" means a person registered by the Company as the holder of Equity Securities other than preference shares.
  - l) "**Office**" means the registered office of the Company.
  - m) "**Prospects MTF List**" means the list prepared and published by the Exchange as the list indicating the companies admitted to the Prospects MTF Market in accordance with the Prospects MTF Rules.
  - n) "**Prospects MTF Market**" means the market regulated as a multilateral trading facility operated by the Exchange providing a venue for start-up and growth for small to medium-sized enterprises to float their capital (including equity or debt) on the market.
  - o) "**Prospects MTF Rules**" means the rules issued by the board of directors of the Exchange, in exercise of the powers conferred on it by the Financial Markets Act (Chapter 345 of the laws of Malta), regulating the Prospects MTF Market.
  - p) "**Record date**" means the day falling thirty (30) days immediately preceding the date set for the general meeting to which it relates.

- q) **"Subsidiary Company/ies"** means a company which is a subsidiary of the Company within the meaning of the CA.

Defined terms may be used in the singular or plural as required by the context.

### **3. SHARE CAPITAL AND RIGHTS**

- 3.1.1 Without prejudice to any special rights previously conferred on the holders of any of the existing Equity Securities or class thereof, any Equity Securities in the Company may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors may from time to time determine. The Company shall ensure that all facilities and information necessary for holders of admitted securities to exercise their rights are available in Malta, while preserving data integrity and authenticity.
- 3.1.2 The Company shall not issue Equity Securities such that such issue would dilute a substantial interest without prior approval of the Members in general meeting.
- a) Subject to the provisions of the Act and any relevant resolution of the Company, all Equity Securities from time to time un-issued 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.
  - b) Pursuant to and in accordance with the Act, the Directors shall be generally authorised to exercise during the prescribed period (as hereinafter defined) all the powers of the Company to allot relevant Equity Securities up to an aggregate nominal amount equal to the prescribed amount (as hereinafter defined).
  - c) Pursuant to and within the terms of the said authority and in accordance with the Act, the Directors shall be empowered during the prescribed period to allot wholly for cash Equity Securities not exceeding in nominal amount the limit stated in subparagraph 3.1 (d) below.
  - d) The aggregate nominal amount of Equity Securities allotted wholly for cash during each prescribed period pursuant to the power in this paragraph shall not exceed the authorised share capital of the Company.
  - e) The said authority and the said power shall allow the Company before the expiry of a prescribed period to make an offer or agreement which would or might require the allotment of Equity Securities after such expiry and the Directors may, notwithstanding such expiry, allot Equity Securities in pursuance of such offer or agreement.
  - f) Unless the Members approve in a general meeting, or as otherwise permitted under the Listing Rules and/or the Prospects MTF Rules, as applicable, no Director shall participate in an issue of Shares to employees.

For the purpose of this article:

"prescribed period" means in the first instance the period expiring five years after the date of the adoption of the Articles and shall include any other period (not exceeding five years on any occasion) for which the authority conferred by subparagraph 3.2 below is renewed or extended by ordinary resolution stating the prescribed amount for such period;

"prescribed amount" shall, for the first prescribed period be the amount of authorised share capital less the amount of the issued share capital of the Company at that time and for any other prescribed period shall be the amount stated in the relevant ordinary resolution.

- 3.1. The Directors may if they so deem fit, cause any of the Equity Securities or Debt Securities of the Company, irrespective of their class, whether issued or to be issued pursuant to these Articles, to be listed.
- 3.2. Subject to the provisions of the Act any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be



redeemed on such terms and in such manner as the Company, before the issue, may by ordinary resolution determine.

- 3.3. Where an application for admission is made in respect of any particular class of a security: (a) if none of the securities of that class are already admitted, the application must relate to all securities of that class, issued or proposed to be issued; and (b) if some of the securities of that class are already admitted, the application must relate to all further securities of that class issued or proposed to be issued. Admission shall be sought for all further issues of a class of securities already admitted prior to allotment of a new issue.
- 3.4. Where an application for admission is made in respect of any particular class of a security the Company shall ensure that holders of admitted shares enjoy rights that at least satisfy the requirements defined in the Prospects MTF Rules. Furthermore, for each class of securities forming the subject of such admission, the Company shall ensure that all the securities within that class so admitted are duly authorised according to the Company's Memorandum and Articles of Association and all necessary statutory and other authorisations for the creation and issue of such securities in terms of any applicable system of law and are: (i) ranking *pari passu*; (ii) fungible; (iii) freely transferable and fully paid-up; (iv) denominated in Euro or any other convertible currency acceptable to the Exchange; (v) unconditionally allotted; and (vi) validly issued under the Company's Memorandum and Articles of Association.
4. The rights attached to any class of Equity Securities as is currently in existence, or other classes of Equity Securities that may be created in the future, may (unless otherwise provided by the terms of issue of those Equity Securities), whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Equity Securities of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Equity Securities of that class. To every such separate general meeting the provisions of the Articles relating to general meetings shall apply.
5. Unless otherwise provided in the terms and conditions of issue thereof, all Equity Securities in the Company shall be freely transferable.
6. The Company may exercise the power of paying commissions or of making discounts or allowances provided it complies with the requirements of the Act. Such commission's may be satisfied by the payment of cash or the allotment of Equity Securities, whether partly or fully paid up, or a combination of both.
- 7.1. In respect of an Equity Security held jointly by several persons the joint holders may nominate one of them as their representative and his name will be entered in the register of members. Such person shall for all intents and purposes be deemed, vis-a-vis the Company, to be the registered holder of the Equity Security so held. In the absence of such nomination, and until such nomination is made the person first named on the register in respect of such Equity Security shall for all intents and purposes be deemed to be the registered holder of the same.
- 7.2. In respect of a Debt Security held jointly by several persons the joint holders may nominate one of them as their representative and his name will be entered in the register of Debt Securities. Such person shall for all intents and purposes be deemed, vis-a-vis the Company, to be the registered holder of the Debt Security so held. In the absence of such nomination, and until such nomination is made the person first named on the register in respect of such Debt Security shall for all intents and purposes be deemed to be the registered holder of the same.
- 8.1. Subject to the provisions of this Article and unless the Members in General Meeting approve otherwise 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 the new Equity Securities which is as nearly as practicable equal to the proportion in nominal value held by him of the aggregate Equity Securities in issue in the Company immediately prior to the new issue of Equity Securities; and
- (b) shall not allot any of them to any person upon the expiration of any offer made to existing Members in terms of Article 8.1(a). Any such Equity Securities not subscribed for by the existing Members pursuant to Article 8.1(a) may be offered for subscription to the general public under the same or other conditions which however cannot be more favourable to the public than an offer made under 8.1(a).

- 9.1 Whenever there are preference shares in issue, the holders thereof shall have the same rights as Members in receiving notices, reports, financial statements and in attending General Meetings.
- 9.2 Without prejudice to any rights that may be granted to persons holding preference shares in the relative terms of issue, such persons shall not, as holders of preference shares, have the right to attend and vote at General Meetings except on a resolution:
- (a) for the purpose of reducing the capital of the Company; or
  - (b) for the purpose of winding up of the Company; or
  - (c) for the purpose of any proposal submitted to the meeting which directly affects their rights and privileges; or
  - (d) for the purpose of effecting the dividend on preference shares when the dividend on their shares is in arrears for more than six (6) months.
- 9.3 Unless otherwise provided in the terms of issue of preference shares, on any resolution where, in terms of the provisions of Article 9.2 preference Members are entitled to vote, each preference share shall entitle its holder to one vote.
10. The Company may, subject to such restrictions, limitations and conditions contained in the Act, acquire its own Equity Securities.

## **CERTIFICATES**

- 11.1 With the exception of listed Equity Securities and listed Debt Securities of the Company every person whose name is entered as a Member in the register of Members shall be entitled to receive free of payment, within two months after allotment or lodgement of a transfer duly stamped, or within such other period as the terms and conditions of issue may provide, a certificate for all his Equity Securities in a particular class, or several certificates, each for one or more Equity Securities upon payment of €12 (twelve euro) for every certificate after the first, or such sum as the Directors shall from time to time determine. Provided that in the event of a Member transferring part of the Equity Securities 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 an Equity Security to anyone 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 Equity Securities and class, if any, to which it relates and the nominal value thereof.
- 11.2 The provisions of Article 11.1 shall *mutatis mutandis* apply to certificates required to be issued by the Act or other applicable law in connection with other securities, including Debt Securities, issued by the Company.
- 12.1 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 €12 (twelve euro) or such sum as the Directors shall from time to time determine. 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.
- 12.2 For listed Debt Securities or listed Equity Securities of the Company, the holder thereof shall be entitled to receive from the Central Securities Depository of the Exchange a document evidencing his registration as a Member or the holder of Debt Securities of the Company in the number of Equity Securities or Debt Securities held, or such other evidence as may from time be prescribed by or under any applicable rules or regulations.

## **CALLS ON EQUITY SECURITIES**

- 13.1 The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their Equity Securities and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days' notice specifying the time/s and place for payment) pay to the Company at such times and place so specified, the amount called on his Equity Securities. A call may be made payable by instalments.
- 13.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be required to be paid by instalments.
14. The joint holders of an Equity Security shall be jointly and severally liable for the payment of calls thereon.
15. If a sum called in respect of an Equity Security 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 shall however be at liberty to waive, whether in whole or in part, the payment of such interest.
- 16.1 Any sum which by the terms of issue of an Equity Security becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Equity Security or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment, all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 16.2 The Directors may not differentiate between the holders of Equity Securities of a class in respect of which a call or calls are, or are to be, made as to the amount of calls to be paid and the times of payment.
- 16.3 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 Equity Securities 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.
17. 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 Equity Security held by him, together with interests and expenses, if any.

#### **TRANSFER AND TRANSMISSION OF EQUITY SECURITIES**

- 18.1 All transfers of listed Equity Securities shall be subject to the rules and regulations of the Exchange from time to time. There shall be no restriction on the right to transfer Equity Securities which are authorised as admissible to Listing.
- 18.2 An Equity Security other than listed Equity Security shall be transferred by an instrument in writing and by following the procedure set out in Article 19 hereof. The instrument of transfer of any such Equity Security 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 until the name of the transferee is entered in the register of Members in respect thereof. In no case may a part of an Equity Security constitute the object of a transfer.
- 18.3 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in anyone calendar year.
- 19.1 If any Member (hereinafter referred to as the "Transferring Member") wishes to transfer his Equity Securities or any of them, he shall inform the Directors by a notice in writing (hereinafter referred to as

the "Transfer Notice") specifying the number of Equity Securities to be transferred, the name of the proposed transferee and the sum estimated by the Transferring Member to be the value of such Equity Securities;

The Transferring Member shall not be entitled to revoke a Transfer Notice without the consent in writing of the Directors.

- 19.2 The receipt by the Directors of a Transfer Notice shall constitute an authority to them to offer for sale the Equity Securities specified therein at a fair valuation to be ascertained as follows:
- (a) At the Company Auditor's estimated valuation, unless the estimated valuation as determined by the Transferring Member is considered by the Directors to be a fair one. In order to assess the fair valuation, the Auditor shall consider the latest audited accounts provided these are not more than eighteen months old, and all material and relevant developments which may have a bearing on the financial situation of the Company.
- 19.3 At the Company Auditor's estimated valuation, unless the estimated valuation as determined by the Transferring Member is considered by the Directors to be a fair one, in order to assess the fair valuation, the Auditor shall consider the latest audited accounts provided these are not more than eighteen months old, and all material and relevant developments which may have a bearing on the financial situation of the Company,
- 19.4 On the expiration of the thirty (30) days referred to in Article 18.3, the Board of Directors shall allocate the said Equity Securities to Members willing to purchase. If the requests for Equity Securities exceed the number for sale, the Directors shall apportion the Equity Securities to the Members who hold Equity Securities in the class of Equity Securities being sold in proportion to the purchasing Member's existing Equity Securities of the same class. Where no Members within the same class are willing to purchase then the Directors shall allocate the said Equity Securities amongst Members holding other classes of Equity Securities in proportion to the purchasing Members' existing holding of Equity Securities in other classes.
- 19.5 The Transferring Member shall complete and execute transfer instruments of the said Equity Securities in accordance with the allocation by the Directors and shall surrender to the Company any certificates issued with respect to the Equity Securities.
- 19.6 If the Board of Directors shall be unable, within three (3) months of receipt of the Transfer Notice, to find the purchasers for all of the Equity Securities amongst the Members, the Board shall notify the Transferring Member who shall be entitled to sell all the said Equity Securities to the person named in the Transfer Notice even though such person is not a Member of the Company and at any price, being not less than the fair valuation referred to in Article 19.2 unless consent is received from all other shareholders, which may be agreed by the Transferring Member and the said person.
- 19.7 No restriction on the transfer of Equity Securities shall apply and Equity Securities may be freely transferred in the following two cases:
- (a) Where a Member intends to transfer shares to his or her spouse or direct descendants;
  - (b) Where the proposed transfer of Equity Securities is approved in writing by all the other Members.
- 20.1 Equity Securities which are not listed may be freely transmitted "cousa mortis" only in the following cases:
- (a) In favour of any other Member;
  - (b) In favour of the spouse of the deceased Member;
  - (c) In favour of any descendant or ascendant in the direct line of the deceased Member;
  - (d) Where the deceased is a spouse of a Member, and the Equity Securities formed part of the Community of Acquests between the spouses, in favour of any descendant in the direct line of the Members whose spouse has died.

In the case of the death of a Member, his Equity Securities 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 Equity Securities shall devolve from any liability in respect of any Equity Security held by him or them or to which he or they are entitled.

- 20.2 Where the Equity Securities are subject to usufruct the provisions of Article 20.1 shall only apply if both usufructuary and bare owner are beneficiaries from the relative transmission with the terms of the said Article.
- 20.3 Where Equity Securities, which can be freely transmitted in terms of this Article 20 are subject to usufruct the right to attend and vote at General Meetings and the right to receive notice for meetings shall vest only in the usufructuary
- 20.4 Transmissions of Equity Securities "causa mortis" not falling under Articles 20.1 to 20.3 shall be regulated, mutatis mutandis, in the manner set out in Article 19 hereof as if the Equity Securities, which cannot be freely transmitted, were Equity Securities which cannot be freely transferred.
- 21.1 Any person becoming entitled to a listed Equity Security in consequence of the death of a Member Shall, upon producing such evidence of his entitlement as the Exchange may from time to time require, have the right to be registered himself as the holder of the Equity Security.
- 21.2 Any person becoming entitled to an Equity Security other than a listed Equity Security in consequence of the death of a Member shall, upon producing such evidence of his entitlement as the Directors may from time to time require, have the right to be registered himself as the holder of the Equity Security or to make such transfer thereof as the deceased Member would himself have been entitled to make.
- 21.3 In the case of Equity Securities other than listed Equity Securities, if a person becoming so entitled shall elect to be registered as a Member, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall evidence his election by executing to that person a transfer of the Equity Securities. All the provisions relating to the transfer of Equity Securities in the Articles shall be applicable to such transfer. PROVIDED that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Equity Securities, 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 Equity Securities until the requirements of the notice have been complied with.

#### **FORFEITURE OF EQUITY SECURITIES**

23. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any call or part thereof remains unpaid, require payment of so much of the call or instalment as is unpaid, together with any interests which may have accrued, by means of a notice which shall also name a further day (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before, the time appointed, the Equity Securities in respect of which the call was made will be liable to forfeiture.
24. If the requirements of such notice as aforesaid are not complied with, any Equity Security in respect of which the notice has been given, may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. The Member shall however retain the right to all dividends declared before the call was made and which have not been paid, as well as the right to dividends declared after the call but before the date of forfeiture in which latter case however, his right shall only extend proportionately up to the amount actually paid by him. This shall be without prejudice to any subtraction, from such dividends due to him, of all sums of money payable by him to the Company on account of calls or otherwise in relation to Equity Securities of the Company as provided in the Articles.
25. A forfeited Equity Security 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 Equity Security on any sale or disposal thereof and may execute a transfer in favour of the person to whom the Equity Security is sold or disposed of, who shall thereupon be registered as a holder of the Equity Security. At any time before a sale or disposal, the forfeiture may be cancelled on such terms as the Directors may deem fit.

PROVIDED that while forfeited Equity Securities remain with, or under the control of, the Company they shall be subject to the provisions of section 109 of the Act.

26. A person who shall have forfeited Equity Securities shall cease to be a Member in respect of the forfeited Equity Securities, 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 Equity Securities. His liability shall however cease if and when the Company shall have received payment in full of all such moneys in respect of the Equity Securities.

#### **CONVERSION OF EQUITY SECURITIES INTO STOCK**

27. The Company may by extraordinary resolution convert any paid-up Equity Securities into stock and re-convert any stock into paid-up Equity Securities of any denomination, provided that in the case of listed Equity Securities it shall comply with the rules and regulations of the Exchange as in force from time to time in making any such conversion or re-conversion.
28. 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 Equity Securities 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 Equity Securities from which the stock arose.
29. 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 Equity Securities 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 Equity Securities, have conferred that privilege or advantage.
30. Such of the Articles as are applicable to paid up Equity Securities shall apply to stock, and the terms Equity Security and Member therein shall include "stock" and "stockholder".

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

31. Subject to the provisions of the Act and unless otherwise provided in 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.

#### **REGISTER OF MEMBERS**

- 32.1 Unless otherwise provided for in any law, rule or regulation, the register of Members for listed Equity Securities or any other register for listed Equity Securities and/or listed Debt Securities shall be kept at the Exchange.
- 32.2 The register of Members for Equity Securities other than listed Equity Securities and any other register to which Article 32.1 does not apply shall be kept at the Office.
- 32.3 Any register referred to in articles 32.1 and 32.2 shall be available for inspection in terms of law.

#### **GENERAL MEETINGS**

- 33.1 Subject to the provisions of the Act the annual general meetings of the Company shall be held at such time and place as the Directors shall appoint.
- 33.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
34. The Directors may convene an extraordinary general meeting whenever they think fit. if at any time there are not sufficient Directors capable of acting to form a quorum for a meeting of the Directors, any Director, or any two Members of the Company holding at least ten per cent (10%) of the Equity Securities conferring a right to attend and vote at general meetings 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 and shall give notice thereof as provided below. Furthermore, the conduct of the said meeting shall be as provided below.

35. A general meeting of the Company shall be deemed not to have been duly convened unless at least 14 (fourteen) days' notice shall have been given in writing to all Members entitled to receive such notice. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it was given, and shall specify the place, the day and the hour of the meeting, and in case of special business, the general nature of that business, and shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such special business. The Company shall support electronic communication to all holders of admitted securities of all information required to be disclosed under the Listing Rules and/or the Prospects MTF Rules and/or applicable law, prior to, upon or following admission of any of its securities to the Official List of the Exchange or the Prospects MTF List, as applicable.
- 36.1 Notice of every general meeting shall be given to:
- (a) every registered Member except 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 or auditors for the time being of the Company.  
Without prejudice to the provisions of Article 9.1 of the Articles, no other persons shall be entitled to receive notice of general meetings.
- 36.2 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.
37. All business shall be deemed special that is transacted at an extraordinary general meeting, and also that is transacted at an annual general meeting with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and the auditors, the election of Directors, the appointment of auditors and the fixing of the remuneration of Directors and the auditors. Any notice of a meeting called to consider extraordinary business shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business.
38. 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 Members holding in the aggregate not less than 51% of the nominal value of the Issued Equity Securities entitled to attend and vote at the meeting, shall constitute a quorum.
39. If within half an hour from the time appointed for the commencement of the meeting, a quorum is not present, the meeting, howsoever called, shall stand adjourned to the same day in the next week, at the same time and place or 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 Member or Members present shall constitute a quorum.
40. The Chairman of the board of Directors shall preside as chairman at every general meeting of the Company or, if there is no such chairman, or if he shall not be present within twenty (20) minutes from the time appointed for the commencement of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting. At the commencement of any general meeting, whether annual or extraordinary, the chairman may set the procedure which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the Members.
41. At the commencement of any general meeting, whether annual or extraordinary, the chairman may set the procedure which shall be adopted for the proceedings of that meeting. Such procedure shall be binding on the Members.
42. 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.

43. 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 of the meeting; 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 one-tenth of the total voting power of all Members having the right to vote at that meeting; or
  - (iv) a Member or Members present in person or by proxy holding Equity Securities conferring a right to vote at the meeting, being Equity Securities on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the Equity Securities 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 together with an entry to that effect in the minute book, 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 Member or Members holding in the aggregate at least the required majority as aforesaid.

The demand for a poll may be withdrawn.

44. Except as provided in Article 46 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.
45. 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.
46. A poll demanded on the election of the chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. No notice need be given of a poll not taken immediately.
47. Subject to any rights or restrictions for the time being attached to any class or classes of Equity Securities, on a show of hands every Member present in person shall have one vote, and on a poll every Member shall have one vote for each Equity Security carrying voting rights of which he is the holder.
48. No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of Equity Securities have been paid.
49. 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.
- 50.1 Every person entered into the register of members kept by the Company shall, subject to the provisions of article 50.2, be entitled to appoint one person to act as proxy holder to attend and vote at a general meeting instead of him. The proxy holder shall enjoy the same rights to participate in the general meeting as those to which the Member thus represented would be entitled.
- 50.2 Where a person whose details are entered into the register of members is holding shares for and on behalf of third parties, such Member shall be entitled to grant a proxy to each of his clients or to any third party designated by a client. The said Member shall be entitled to cast votes attaching to some of the shares differently to others.



- 50.3 The instrument appointing a proxy shall be deposited at the registered office of the Company or at any other place in Malta as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or in the case of a poll, not less than forty-eight (48) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. The provisions of this article 50.3 shall apply mutatis mutandis to the revocation of the appointment of the proxy.
- 50.4 Any person acting as a proxy holder may hold a proxy from more than one Member. Where a proxy holder holds proxies from several Members he may cast votes for a certain Member differently from votes cast for another Member.
- 50.5 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 shareholders in favour of a resolution and by others against the same resolution shall have one vote for and one vote against the resolution.
51. A form of instrument of proxy shall be in such form as may be determined by the Directors which would allow a Member appointing a proxy to indicate how he would like his proxy to vote in relation to each resolution. A form of instrument of proxy shall be in the following form or in such form as near thereto as circumstances permit:

*"I/we \_\_\_\_\_ of \_\_\_\_\_ being a Member/Members of the above-named company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the annual/extraordinary general meeting of the company, to be held on the \_\_\_\_ day of \_\_\_\_ 20\_\_ and at any adjournment thereof.*

*This form is used in favour of/against the resolution.\**

*Unless otherwise instructed, the proxy will vote as he/she sees fit.*

*\*Delete whichever is inapplicable."*

- 52.1 The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 52.2 Where a Member specifies in the proxy form how his proxy is to vote, the proxy form itself shall constitute the vote.
- 52.3 A Proxy shall include details on how holders of securities admitted to the Prospects MTF List may exercise their rights by proxy, including proxy forms that must satisfy the following requirements as appropriate: (i) be sent with the notice convening a meeting of holders of securities admitted to the Prospects MTF List and entitled to vote at the meeting; (ii) provide for two-way voting on all proposed resolutions (except for procedural resolutions) as well as any other voting procedure in election of Directors; (iii) state that a holder of securities is entitled to appoint a proxy of his own choice and provide a space for insertion of the full name of such proxy and identification details as required; (iv) state that if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so, how he votes; and (v) where the resolutions to be proposed include the re-election of retiring Directors, the proxy forms shall allow shareholders to vote for individual candidates irrespective of whether they are new candidates or retiring incumbents of the post.
- 53 An extraordinary resolution shall be a resolution which complies with Section 135 of the Act, namely a resolution which:
- (i) has been taken at a general meeting of which notice specifying the intention to propose the text of the resolution as an extraordinary resolution and the principal purpose thereof has been duly given; and
  - (ii) has been passed by a Member or Members having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent in nominal value of the Equity Securities represented and entitled to vote at the meeting and at least fifty-one per cent in nominal value of all the Equity Securities entitled to vote at the meeting:

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

Equity Securities represented and entitled to vote at the meeting. However, if more than half in nominal value of all the Equity Securities having the right to vote at the meeting is represented at that meeting, a simple majority in nominal value of such Equity Securities so represented shall suffice.

## **DIRECTORS**

- 54.1 The administration and management of the Company shall be conducted by the Directors.
- 54.2 All Directors of the Company shall be individuals.
- 54.3 At the first meeting of the Directors following an annual general meeting the Directors shall appoint one of their number to be Chairman.
- 55.1 The Directors of the Company shall be appointed by the Members in the annual general meeting of the Company. An election of Directors shall take place every year. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Without prejudice to clause 56, the procedure for the appointment of Directors shall be as follows:
  - 55.2 Any Member or number of Members who in the aggregate hold not less than 51% of the voting rights in the Company shall be entitled to nominate fit and proper persons for appointment as a Director of the Company. Rights for the appointment of Directors are proportionate and cumulative. The Company must give at least fourteen (14) days' notice to the Members to submit names for the election of Directors. Notice to the Company proposing a person for election as a Director, as well as the latter's acceptance to be nominated as Director, shall be given to the Company not less than fourteen (14) days prior to the date of the meeting appointed for such election.
  - 55.3 In addition to the nominations that may be made by Members pursuant to the provisions of article 55.2, the Directors themselves or a committee appointed for the purpose by the Directors, may make recommendations and nominations to the Members for the appointment of Directors at the next following annual general meeting.
56. The chairman of the Board of Directors shall be appointed by majority vote of the Members of the Company.
57. Any Director may be removed at any time by the Company in general meeting.
58. The director who is to be removed in accordance with Article 57 shall be given the opportunity of making representations to the general meeting at which a resolution for his removal is to be taken.
59. Without prejudice to the provisions of the Act, 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 a continuous period of three (3) calendar months without leave of absence from the Directors and the Directors pass a resolution that he has, by reason of such absence, vacated office; or
  - (c) if he violates the declaration of secrecy required of him under the Articles and the Directors pass a resolution that he has so violated the declaration of secrecy; or
  - (d) if he is prohibited by or under any law from being a Director; or
  - (e) if he is removed from office pursuant to the Articles or the Act; or
  - (f) if he becomes of unsound mind, or is convicted of any crime punishable by imprisonment, or is declared bankrupt during his term of office;

- (g) if any approval or consent required by the person to act as director of the Company by any regulatory body, listing authority or Exchange is withdrawn.

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

- 60.1 Subject to the provisions of Articles 55 and 57, any vacancy among the Directors may be filled by the co-option of another person to fill such vacancy. Such co-option shall be made by the Board of Directors. Any vacancy among the Directors filled as aforesaid, shall be valid until the conclusion of the next annual general meeting, wherein such person shall be eligible for re-election.
- 60.2 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 of the Company then, notwithstanding the provisions regulating the quorum for meetings of the Directors, the remaining Directors may continue to act notwithstanding any vacancy in their body, provided they shall, with all convenient speed, and under no circumstances later than three months from the date upon which the number of Directors has fallen below the minimum, convene a general meeting for the sole purpose of appointing/electing the Directors.
- 61.1 A Director may by letter addressed to the Chairman of the board of Directors appoint an alternate director to act instead of him at meetings of the Directors and may at any time by letter addressed to the Chairman remove such alternate director. An existing Director may be appointed as an alternate to another Director in which case his rights as alternate, including the right to vote, shall be additional to his rights as Director.

The alternate director need not be a serving Director of the Company.

- 61.2 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.
62. The Directors may delegate any such powers, authorities and discretions to committees or working groups, composed of persons of their body or other persons appointed by them, to deal with any matter which the Directors may deem fit. In appointing such committees and/or working groups the Directors may give specific or general terms of reference as they deem fit to enable that committee or working group attain the aims for which it has been duly constituted.
63. The aggregate emoluments of all Directors in anyone financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Company in general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact.

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or other committee appointed under Article 62, or general meetings of the Company or in connection with the business of the Company.

64. If any Director, being willing, shall be called upon to sit on any committee or working group of the Company or to perform other services related to the operations of the Company but which fall outside the scope of the ordinary duties of a Director, the Company may remunerate, as determined by the Directors, such Director, in addition to or in substitution of his remuneration as Director. The Directors of the Company may hold such other office with the Company apart from the office of Director, and be remunerated therefore, as the Directors may from time to time determine.
65. A Director shall not be required to have a shareholding qualification, but this notwithstanding, a Director who is not a Member shall be entitled to attend and speak at general meetings of the Company; however, except as provided for in the Articles, he shall not be entitled to vote.
66. Subject to the applicable provisions of the Articles, the Directors may exercise all the powers of the Company to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue Equity Securities and Debt Securities on such terms, in such manner

and for such consideration as they think fit, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Provided that the Members in general meeting may, from time to time, restrict and limit the aforesaid powers of the Directors, in such manner as they may deem appropriate.

67. The Directors shall exercise their powers subject to the Articles, the Act, the rules and regulations of the Listing Authority and/or the Exchange in force from time to time and to such regulations, not inconsistent with the aforesaid, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
- 68.1 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Company shall declare the nature of his interest at a meeting of the Directors pursuant to the provisions of the Act.
- 68.2 A Director shall not vote on any contract or arrangement or any other proposal in which he has a material interest.
- 68.3 The Directors may, subject to obtaining the approval of the Members in general meeting, pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premia for the purchase or provision of any such gratuity, pension or allowance.
69. 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;
  - (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors.
70. The Directors shall meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a simple (51%) majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. The Chairman may at any time summon a meeting of the Directors. The Secretary shall, on the written requisition of not less than two (2) Directors, summon a meeting of the Directors.
71. No business shall be transacted at any meeting of the Directors unless a quorum of Directors is present, in person or through alternates or by phone conference, at the time when the meeting proceeds to business; save as herein otherwise provided, the quorum shall be three (3) Directors. If within half an hour from the time appointed for the commencement of the meeting, a quorum is not present, the meeting, howsoever called, shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors present may determine (such Directors constituting a quorum for such purpose only) and if at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, two (2) Directors shall constitute a quorum.
72. Notice of every meeting of the board of Directors shall be given to all Directors of the Company and, save as hereinafter provided, shall in no case be of less than three (3) days. Notice of meetings of Directors to any Director for the time being absent from Malta shall be given at his address in Malta (or last known address) and at his address abroad (provided that such Director has duly informed the Company of such latter address.) Such notice shall not be required if (i) it is waived by a decision of all Directors entitled to receive notice of and vote at a meeting of the Directors; (ii) a meeting is called by the Chairman as a matter of urgency, provided that the Chairman shall have noted the urgency of the meeting in the notice and the general nature of the urgent business to be discussed. A Director may give his consent to the waiver of notice in (i) by way of fax, telex, e-mail or other means of readable communication.
73. If at any time the Chairman is not present within thirty (30) minutes after the time appointed for a meeting of the Directors, the Directors may choose one of their number to chair the meeting.

- 74.1 Without prejudice to the provisions of Article 62, the Directors may from time to time appoint one or more of their body to the office of Managing Director for such period, not exceeding such Director's term of office as a Director, and on such terms and conditions as they deem fit, and subject to any agreement entered into in any particular case, may revoke such appointment. The appointment of a Managing Director shall be automatically terminated if he ceases for any cause to be a Director.
- 74.2 The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers. Furthermore, in the event that any of the Company's Equity Securities or Debt Securities are listed, the Company shall establish and maintain an Audit Committee in accordance with all applicable terms set out in the Listing Rules and/or the Prospects MTF Rules, as applicable.
- 74.3 The Audit Committee to be established and maintained in accordance with the immediately preceding paragraph 74.2 shall be composed entirely of Directors and have at least three (3) members, one of whom shall be appointed as chairman. The majority of such members, including the Chairman of the Audit Committee, shall be independent non-executive Directors. The terms of reference for the Audit Committee shall include the exclusive power of vetting all related party transactions in advance, and that its decisions on such vetting shall be final and conclusive. Such terms of reference shall be reviewed by the Corporate Advisor and submitted to the Exchange for review. Where for any reason the appointment of a member of the Audit Committee is being terminated, the Company and/or the outgoing Audit Committee member shall: (i) separately and immediately give notice to the Exchange of such intended termination together with reason(s) therefor; (ii) still fulfil without delay, their responsibilities under the applicable rules towards the Exchange and the marketplace pending the appointment of a new Audit Committee member, while keeping the Exchange aware of developments leading to a new Audit Committee Member in accordance with the Prospects MTF Rules; and (iii) ensure that its Board of Directors engages the services of another Audit Committee Member within three months of such termination (any new Audit Committee Member shall contact an outgoing Audit Committee Member in order to obtain a view about the reasons for termination and, where appointed, take appropriate measures to discharge Audit Committee responsibilities in a timely manner, including that of considering whether to keep the Exchange duly and promptly informed on matters relating to the Prospects MTF Company's audit committee mandate, as appropriate, where any such information is conducive to securing the best interests of the market and investor protection).
75. The board of Directors shall have power to transact all business of whatever nature not expressly reserved by the Memorandum of Association of the Company or by the Articles to be exercised by the Company in general meeting or by any provision contained in any law from the time being in force.
76. A resolution in writing signed by all the Directors for the time being entitled to receive notice of and to attend and vote at a meeting of the Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.
77. Any resolution as is mentioned in article 76 may consist of several documents in the like form each signed by one or more of the Directors.

## **SECRETARY**

78. Without prejudice to the provisions of the Act regulating the appointment and functions of the secretary of the Company, the appointment or replacement of the secretary and the conditions of holding office shall be determined by the Directors. The secretary shall be responsible for keeping:
- a) the minute book of general meetings of the Company;
  - b) the minute book of meetings of the board of Directors;
  - c) the register of Members;
  - d) the register of Debt Securities; and
  - e) such other registers and records as the secretary may be required to keep by the board of Directors.

The secretary shall apply his best endeavours to:

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

## **DIVIDENDS & RESERVES**

79. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
80. 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.
81. No dividend shall be paid otherwise than out of the profits of the Company available for distribution.
82. Without prejudice to the relevant provisions of the Act, the Directors may, before recommending any dividend, set aside out of the profits of the Company 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 Equity Securities of the Company) as the Directors may from time to time think fit. The Directors may also, without placing the same to reserve, carry forward any profits which they think prudent not to divide.
83. Subject to any rights of persons, if any, entitled to Equity Securities with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Equity Securities in respect whereof the dividend is paid but no amount paid or credited as paid on the Equity Securities in advance of calls shall be treated for the purpose of this regulation as paid on the Equity Securities. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Equity Securities during any portion or portions of the period in respect of which the dividend is paid; but if any Equity Security is issued on terms providing that it shall rank for dividend as from a particular date, such Equity Security shall rank for dividend accordingly.
84. 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 Equity Securities of the Company.
85. Any dividend or other moneys payable in respect of an Equity Security may be paid by cheque or warrant sent through the post and directed to the registered address of the holder or, in the case of an Equity Security held jointly by more than one person, to the registered address of the person named in the register of Members;

PROVIDED that where the address of a Member is not known the dividend is to be kept by the Company for collection by the Member entitled to such dividend or for remittance when the address of the said Member is made known to the Company;

PROVIDED FURTHER that, in the case of an Equity Security held by joint holders, any one of such holders may give an effective and valid receipt for all dividends and payments on account of dividends and payments in respect of such Equity Security. Every such cheque or warrant shall be made payable to the person to whom it is sent and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person or persons entitled to the money represented thereby.

- 86.1 No dividend shall bear interest against the Company.
- 86.2 Any amount paid up in advance of calls on any Equity Security may carry interest but will not entitle the holder of the Equity Security to participate in respect of such amount in any dividend.

## **ACCOUNTS**

- 87.1 The Directors shall from time to time determine whether and to what extent, time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to

the inspection of Members not being Directors. 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.

- 87.2 The Directors shall cause a printed copy of the profit and loss account and balance sheet, together with any Directors' and auditors' report attached thereto, in any such form as the Listing Authority and/or the Exchange, as applicable, may from time to time determine to be delivered or sent by post to every Member of the Company and other persons entitled to receive notices of general meetings, at least fourteen (14) days prior to each annual general meeting.
- 87.3 The Directors shall cause accounting information to be prepared under International Financial Reporting Standards (IFRS). Where such information is prepared under an alternative Generally Accepted Accounting Principles (GAAP), such deviation shall be reported and explained.

## **CAPITALISATION OF PROFITS**

88. Without prejudice to the relevant provisions of the 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 Equity Securities held by such Members respectively or paying up in full unissued Equity Securities or Debt Securities of the Company to be allotted, distributed and credited as fully paid up to and amongst such Members in the proportion aforesaid, and the Directors shall give effect to such resolution;

PROVIDED that for the purposes of this Article a share premium account and a capital redemption reserve fund may only be applied in the paying up of Equity Securities to be issued to Members as fully paid up Equity Securities;

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.

## **NOTICE**

- 89.1 A notice may be given by the Company to any Member either personally or by sending it by post to his registered address in Malta, or if he has no such registered address in Malta, to the address, if any, supplied by him to the Company to receive notice thereat. Where a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying and mailing a letter containing the notice, and to have been effected at the expiration of twenty-four (24) hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.
- 89.2 A notice may be given to the joint holders of an Equity Security by giving the notice to the holder of such Equity Security first named in the register of Members.
90. Any notice required to be given by the Company to the Members or any of them, and not expressly provided for by the Articles, shall be sufficiently given if given by advertisement.
- 91.1 Any notice required to be or which may be given by advertisement need be advertised not more than once in two daily newspapers, one in the Maltese language and one in the English language.
- 91.2 If postal services in Malta shall be curtailed or suspended so that the Company is unable to give effective notice by post of a general meeting, notice may be given by advertisement as provided in the preceding paragraph and shall be deemed to have been given on the day of publication therein mentioned. In such event the Company shall as soon as practicable (and, if able to do so, prior to the date of the general meeting) send notice by post to all the Members entitled to receive notice.
92. The signature to any notice to be given by the Company may be written or printed.

## **SECRECY**

93. Without prejudice to the provisions of the Professional Secrecy Act (Cap. 377 of the Laws of Malta), every Director, secretary, auditor and employee of the Company shall observe strict secrecy with regard to all dealings, transactions and other matters of a confidential nature of and concerning the Company and with regard to all transactions of the Company with its customers, the state of their accounts and matters relating thereto, except when required or authorised to disclose particulars thereof by the Directors, the person to whom such matters relate, or by law and except in so far as may be necessary in order to comply with any of the provisions of the Articles; and every Director, secretary, auditor or employee shall sign an undertaking to the above effect in such form as the Directors may from time to time prescribe.

#### **WINDING-UP**

94.1 All holders of ordinary shares shall rank "par passu" upon any distribution of assets in a winding up. The holders of preference shares of the Company 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.

94.2 Unless the Members in general meeting approve otherwise, upon the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator. Any amount which the Directors propose to pay to a liquidator shall be notified to all Members at least seven (7) days prior to the meeting at which it is to be considered.

#### **INDEMNITY**

95. Every Director, Managing Director, agent or secretary, and in general each officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings related to the Company's business or affairs, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted.

#### **GENERAL**

96. In the event that any of the Company's Equity Securities are listed, unless otherwise permitted under applicable law, the Company shall obtain the consent of an equity shareholders' meeting before it enters into any agreement not in the ordinary course of business and exceeding the class tests thresholds referred to in the Listing Rules and/or the Prospects MTF Rules, as applicable.

97. In the event that any of the Company's Equity Securities or Debt Securities are listed, no deletion, amendment or addition to any of the Articles shall have effect unless prior written approval has been sought and obtained from the Listing Authority and/or the Exchange, as applicable, for such deletion, amendment or addition. Furthermore, any changes to the Company's Memorandum and Articles of Association shall be submitted for prior written approval by the Exchange, supported by an explanation thereon by the Company's appointed Corporate Advisor, as applicable.

  
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**Mr. Andrew Debattista Segond**  
Shareholder

  
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**Mr. Andrew Debattista Segond**  
*For and on behalf of*  
**Smartcare Holdings Ltd**  
Shareholder