



COMPANIES ACT, 1995
LIMITED LIABILITY COMPANY

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF
CLASS FINANCE P.L.C.



MEMORANDUM OF ASSOCIATION

OF

CLASS FINANCE P.L.C.

Company Registration Number *C 94741*

1. Name

The name of the company is Class Finance p.l.c. (hereinafter referred to as the "Company").

2. Status

The Company is a public limited company in terms of the Companies Act, 1995 (hereinafter referred to as the "Act").

The liability of the Shareholders is limited in the case of each Member to the amount, if any, unpaid on the Shares of the Company.

3. Registered office

The Registered Office of the Company is situated at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta, or at such other place in Malta as the Board of Directors may, from time to time, determine.

4. Objects

The objects of the Company are as follows:

- (a) To acquire and invest in any company, financial institution and any other legal entity through any form of financial instrument, and to divest any such holdings as the Company may, from time to time, determine.
- (b) To subsidise and provide assistance to companies and other similar entities, with capital, credit, means or resources for the execution of any work, undertaking, project or enterprise.
- (c) To acquire, purchase, draw, accept, endorse, issue, discount or execute bonds, bills of exchange, promissory notes, warrants and other negotiable and transferable instruments via any medium, including any Maltese or overseas stock exchanges, as well as to generally carry on any business of a finance company.
- (d) To raise or borrow money from time to time, in such manner as the Company may think fit, and in particular by the issue of debentures, bonds or other rights, and to secure the repayment of any money borrowed or raised and interest thereon as may be considered fit, including hypothecation, charge or lien upon the whole or any part of the Company's Assets; and also by a similar hypothecation, charge or lien, to secure and guarantee the

performance of any debt, liability or obligation of the Company or any other party, without prejudice to any regulatory or legal restrictions imposed on the Company in such cases in terms of any Applicable Law.

- (e) To acquire, invest, sell and dispose of any local and foreign derivative instrument, including any futures, swaps, options, repurchase agreements, reverse repurchase agreements and convertible instruments.
- (f) To own, manage and in any way dispose of trade marks, patents and other intellectual property and property rights.
- (g) To purchase, take by title of lease, exchange or by any other means acquire any movable or immovable property under any title whatsoever and for any purpose including development or resale and to deal in any freehold, leasehold or other property for any estate or interest whatsoever.
- (h) To lend and advance money or give credit to any person or company and to secure, without any limit, any debt, obligation of any third party, including, if deemed appropriate, by granting hypothecary or other forms of security over the Company's assets.
- (i) To provide and carry on any other services or business within the scope of the present objects which can be advantageously carried on by the Company in connection with or as ancillary to the general business of the Company as above described and to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the Company.

The objects specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly they shall not be limited or restricted by reference to or inference from the terms of any other objects clause. In the event of any ambiguity, this clause shall be construed in such a way as to widen and not to restrict the powers of the Company.

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

5. Powers

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

- (a) To procure the Company to be registered or recognised in any part of the world outside Malta.
- (b) To hold and operate any bank accounts with any local or foreign bank and to hold any such investments through such institutions that are conducive to attaining any of the aforementioned objects.
- (c) To apply for, promote and obtain any privilege, concession, licence or other authorisation or right of any government or other authority for enabling the Company to carry any of its objects into effect or for any purpose which may seem expedient, and, oppose any proceedings or applications which the Company may think desirable to obtain and to carry out, exercise or comply therewith.
- (d) To appoint agents of the Company in any part of the world.
- (e) To subcontract any of its work, engagements, contracts or instructions.

- (f) To enter into any partnership, joint venture or into any agreement or arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any transaction or business which is similar to the business of the Company and which the Company is authorised to carry on or engage in and to take or otherwise acquire and hold Shares or stocks in or securities of any such company and to subsidise or otherwise assist any such person or company.
- (g) To borrow without any limit in connection with the Company's business, and to secure the repayment of such monies borrowed or any other obligation by granting hypothecary or other forms of security over any movable or immovable property of the Company.
- (h) To establish, acquire, conduct, improve, develop, purchase, take on lease, maintain and operate offices, buildings, garages, warehouses and other accommodation or facilities for and in connection with the Company's business.
- (i) To purchase, take by title of lease, or otherwise acquire any immovable or movable property which the Company may deem necessary or convenient for its business.
- (j) To sell, lease, hypothec or otherwise dispose of the whole or any part of the property of the Company.
- (k) To invest, lend and deal with moneys of the Company, not immediately required, in such investments, or upon such securities, including personal security other than the Shares of the Company, or without security and in such manner as may from time to time be determined.
- (l) To lend and advance money or give credit to such persons and on such terms as may seem expedient to the Company, only for the purpose of and in relation to, the business of the Company.
- (m) To sell, improve, manage, develop, lease, mortgage, dispose of or otherwise deal with all or any part of the property and rights of or under the control or subject to any right in favour of the Company.
- (n) To sell the undertaking, property and rights of the Company or any part thereof, for such consideration as the Company may think fit and in particular for cash, Shares, stocks, debentures, debenture stock, securities or property of any other company constituted or to be constituted whether or not having objects similar or in part similar to those of the Company.
- (o) To guarantee the payment of any moneys by, or the performance of any contracts, liabilities, obligations or engagements of any associated company or any other company or any person with or to any other company or person and to become liable or responsible for money and to undertake obligations of every kind and description upon such terms as may from time to time be in the interest of the Company.
- (p) To draw, make, accept, endorse, execute and issue, discount and sell, promissory notes, bills of exchange, bills of lading and other negotiable and transferable instruments.
- (q) To 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 and privileges that may seem conducive to the Company's objects or any of them.
- (r) To 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 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 or debenture stock or securities so received.

- (s) To 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.
- (t) To grant pensions, allowances, gratuities and bonuses to the Officers, ex-Officers, employees or ex-employees of the Company or the dependants or connections of such persons.

6. Authorised capital

The authorised share capital of the Company is four hundred and eight thousand six hundred fifty euros (€408,650) consisting of forty thousand eight hundred sixty-three (40,863) Class "A" Ordinary Shares of ten euros (€10) each and (2) Class "B" Ordinary Shares of ten euros (€10) each.

7. Issued capital

The issued share capital of the Company is four hundred and eight thousand six hundred fifty euros (€408,650) consisting of forty thousand eight hundred sixty-three (40,863) Class "A" Ordinary Shares of ten euros (€10) each and (2) Class "B" Ordinary Shares of ten euros (€10) each, subscribed and paid-up as follows:

Shareholder	Number of Shares held	Class and type of Shares held
CLASS HOLDING LTD a company registered in Malta, bearing registration number C 89428 and having its registered office situated at UBT 13/14, San Gwann Industrial Estate, San Gwann SGN 3000, Malta	4,698	Class "A" Ordinary 25% paid-up
	36,165	Class "A" Ordinary 100% paid-up
CONTACT LENSES LIMITED a company registered under the laws of Malta, bearing Registration Number C 4750 and having its Registered Office situated at 17, The Strand, Sliema, SLM 1025, Malta	1	Class "B" Ordinary 25% paid-up
OPTIMAL SUPPLIES INTERNATIONAL LIMITED a company registered under the laws of Malta, bearing Registration Number C 3444 and having its Registered Office situated at 142/144, Melita Street, Valletta VLT 1123, Malta	1	Class "B" Ordinary 25% paid-up
Total	40,865	

The "A" Ordinary Shares shall carry one voting right per share, the right to receive dividends from the profits/reserves available for distribution as well as the right to receive any payment on the winding-up of the Company.

The “B” Ordinary Shares shall carry the right to receive—pari passu with the “A” Ordinary Shares—any payment on the winding-up of the Company but shall not carry voting rights nor any right to receive dividends from the profits/reserves available for distribution.

8. Directors

The administration of the Company shall be vested in a Board consisting of not less than three (3) Executive Directors and not more than nine (9) Directors.

The Directors of the Company are:

- ❖ **Cyril Joseph Gabarretta**, holder of Maltese ID No. 587746M and residing at Metropole Apartment 303, Triq Sir Adrian Dingli, Sliema SLM 1902, Malta, as Executive Director;
- ❖ **Kerstien-Cyril Gabarretta**, holder of Maltese ID No. 0023373M and residing at La Lumaca, Triq San Frangisk Ta' Assisi, Bahar Ic-Caghaq, Naxxar NXR 5250, Malta, as Executive Director;
- ❖ **Robert Aldo Tua**, holder of Maltese ID No. 0174748M and residing at 32, Triq Il-Kbira, Attard ATD 1028, Malta, as Executive Director;
- ❖ **Maurice Zarb Adami**, holder of Maltese ID No. 1024644M and residing at Crystals, Triq Wied Anglu, Birguma, Naxxar NXR 4210, Malta, as Executive Director;
- ❖ **John Grech**, holder of Maltese ID No. 659848M and residing at Wakatipu, Trejqa Albert M. Cassola, Swieqi SWQ 3260, Malta, as Non-Executive Director;
- ❖ **Robert Ebejer**, holding Maltese ID Number 312669M and residing at Il-Muftieh, Triq San Patrizju, Zabbar ZBR 1951, Malta, as Non-Executive Director.

9. Company Secretary

The Secretary of the Company is:

- ❖ **Anton Magro**, holding Maltese ID Number 340685M and residing at Apartment B7, 'Ocean Gardens', Triq Is-Sikka, Bahar Ic-Caghaq, Naxxar NXR 5169, Malta.

10. Legal representation of the Company

The legal representation of the Company shall be vested in any three (3) Executive Directors jointly.

In addition and without prejudice to the aforesaid the Board may, from time to time, appoint any other person or persons to represent the Company in a specific case or cases.

11. Judicial representation of the Company

The judicial representation of the Company shall be vested in any three (3) Executive Directors jointly.

In addition and without prejudice to the aforesaid, the Board may, from time to time, appoint any other person or persons to represent the Company in a specific case or cases.

12. Definitions

Words used in this Memorandum of Association and not defined herein shall have the meanings set out in the Articles of Association.

Certified True Copy of Original



Anton Magro (ID No: 340685M)
Company Secretary

ARTICLES OF ASSOCIATION OF CLASS FINANCE P.L.C.

Company Registration Number *C 94741*

Part I - INTERPRETATION

Defined terms

1. In these Articles, where the context permits, the following terms shall have the following meanings:
 - *“Act”* means the Companies Act XXV of 1995 (Chapter 386 of the Laws of Malta).
 - *“Applicable Laws”* means all laws, statutes, regulations, ordinances, codes, rules, guidelines, orders, permits, tariffs and approvals—for the time being in force—that apply to the Company or its business.
 - *“Articles”* means these Articles of Association of the Company as originally drafted or as from time to time amended or restated.
 - *“Auditor”* is a certified public accountant holding a practising certificate in auditing in terms of the Accountancy Profession Act (Chapter 281 of the Laws of Malta), or any firm of auditors so duly licensed in terms of the said act.
 - *“Beneficial Owner”* shall have the meaning assigned to it under the Prevention of Money Laundering and Funding of Terrorism Regulations, 2017 (S.L. 373.01).
 - *“Board”* means the Board of Directors of the Company.
 - *“Classed Share”* means a Share belonging to a specific category of Shares carrying any specific rights which distinguish it from any other category, type or class of Shares, as further defined in the Memorandum or Articles of the Company.
 - *“Corporate Advisor”* means the person admitted to the Prospects MTF marketplace and appointed by the Company to provide corporate advisory services under these Rules.
 - *“Debenture”* means such a medium - to long-term debt instrument, secured or unsecured, used to borrow money at a fixed rate of interest.
 - *“Exchange”* means Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta

- *"Executive Director"* means any Director with management responsibilities who has been either expressly appointed as such by a Shareholders' Resolution or expressly indicated as such within the Memorandum.
- *"Income Tax Act"* means the Income Tax Act (Chapter 123 of the Laws of Malta).
- *"Directors"* means the members of the Board, or any one of them, for the time being.
- *"Fair value"* means the value of Shares given by the Auditors of the Company on the basis of the last audited accounts.
- *"Malta"* has the same meaning as assigned to it by the Constitution of Malta.
- *"Memorandum"* means the Memorandum of Association of the Company as originally drafted or as from time to time amended or restated.
- *"Non-Executive Director"* means any Director without responsibilities for daily management or operations of the Company who has been either expressly appointed as such by a Shareholders' Resolution or expressly indicated as such within the Memorandum;
- *"Notice"* means a notice in writing of any kind;
- *"Officer"* in relation to the Company, includes a Director, manager or Company Secretary. The term does not include an Auditor.
- *"Ordinary Share"* means the common category of Shares bearing no special rights or restrictions attached to them unless subdivided into classes with such different rights or restrictions.
- *"Person"* means an individual, a corporation, a trust, the estate of a deceased individual, a partnership or an unincorporated association that may, according to law, be the subject of rights and obligations.
- *"Prospects MTF Market"* means the market regulated as a multilateral trading facility operated by the Exchange for start-up and growth of small to medium enterprises to float their Securities.
- *"Register of Debentures"* means the register containing the list of the holders of debentures in the Company, updated on an ongoing basis and kept in pursuance of article 124 of the Act. Such register may be kept in manual or digital format at all times.
- *"Register of Members"* means the register containing the list of the owners of the Company's Shares, updated on an ongoing basis and kept in pursuance of article 123 of the Regulations. Such register may be kept in manual or digital format at all times. *"Register of Beneficial Owners"* means the register containing the particulars of the Beneficial Owners of the Company. Such register may be kept in manual or digital format at all times.
- *"Related Party"* means a party having the ability to, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions.
- *"Related Party Transactions"* means transactions involving a Related Party.
- *"Rules"* means the rules issued by the MSE, in exercise of the powers conferred on it by the Financial Markets Act (Chap. 345 of the Laws of Malta) regulating the Prospects MTF market.
- *"Securities"* means Shares or Debentures issued by the Company.

- *“Share”* means a share issued or to be issued by the Company.
 - *“Share Certificate”* means the legal document that certifies ownership of a specific number of Shares in the Company.
 - *“Share Option Register”* means the register of the holders of share options that, upon exercise, entitle the holders to subscribe for Shares. Such register may be kept in manual or digital format at all times.
 - *“Share Register”* means the register, updated on an ongoing basis, containing the list of the issued share certificates together with the details of the shares represented whereby and the name of their owners. Such register may be kept in manual or digital format at all times.
 - *“Shareholder”* or *“Member”* means a person whose name is entered in the Register of Members as the holder of one or more Shares.
 - *“Voting Member”* means any Shareholder holding Shares carrying the right to attend and vote at a general meeting.
2. Whenever the singular or plural number, or the masculine, feminine or neuter gender is used in these Articles, it shall equally, where the context admits, include the others.

Interpretation

3. Unless the context otherwise requires, other words or expressions contained in these Articles or in the Memorandum bear the same meaning as in the Act as in force on the date when the Memorandum and the Articles become binding on the Company.
4. Any reference to monetary values in these Articles is, unless otherwise stated, a reference to the currency in which Shares shall be issued according to the provisions of the Memorandum.
5. The Regulations contained in Part I and Part II of the First Schedule (hereinafter referred to as the First Schedule) of the Act shall apply to the Company save so far as they are excluded or varied hereby.

Part II - DIRECTORS AND OTHER OFFICERS

Appointment of the Directors

6. The first Directors are appointed by the Memorandum.
7. Subsequent Directors are appointed, in accordance with section 139(4) of the Act, by ordinary resolution of the Company in general meeting.
8. Where the holders of a particular Classed Shares have the right to appoint one or more Directors in terms of the Memorandum and Articles, such appointment shall be made by a Member or Members holding in the aggregate more than fifty per cent (50%) in nominal value of the Shares represented and entitled to vote at the meeting of the holders of the such Classed Shares.
9. A Company must give at least fourteen (14) days notice to its shareholders to submit names for the election of Directors. Notice to the Company proposing a person for election as a Director, as well as the latter's acceptance to be nominated as Director shall

- be given to the Company not less than fourteen (14) days prior to the date of the meeting appointed for such election.
10. An election of Directors shall take place every year. All Directors, except the Managing Director shall retire at least once every three (3) years, but shall be eligible for re-election.
 11. Without prejudice to the provisions of the Act, the office of a Director shall *ipso facto* be vacated:-
 - i. if, by notice in writing to the Company, he resigns from the office of Director; or
 - ii. if he absents himself from the meetings of the Directors for a continuous period of three (3) calendar months without leave of absence from the Directors and the Directors pass a resolution that he has, by reason of such absence, vacated office; or
 - iii. 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
 - iv. if he is prohibited by or under any law from being a Director; or
 - v. if he is removed from office pursuant to the Articles or the Act; or
 - vi. if he becomes of unsound mind, or is convicted of any crime punishable by imprisonment or is declared bankrupt during his term of office.
 12. A Director may be removed before the expiration of his period of office by a resolution taken at a general meeting of the Company and passed by a Member or Members having the right to attend and vote, holding in the aggregate Shares entitling the holder or holders thereof to more than fifty per cent (50%) of the voting rights attached to Shares represented and entitled to vote at the meeting. The above provision shall apply notwithstanding anything to the contrary contained in these Articles or in the Memorandum or in any agreement between the Company and the Director.
 13. Any person appointed by the Directors to fill a casual vacancy or as an addition to the board will hold office only until the next following annual general meeting of the Company, and will be eligible for re-election.

Directors' powers and responsibilities

14. In terms of section 137(3) of the Act, the Directors are responsible for the management of the Company's business, including the right to borrow money through, *inter alia*, the issuance of debentures and bonds and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and generally have the power to transact all business of whatever nature not expressly reserved by the Memorandum and Articles or by any provisions in any law for the time being in force to be exercised by the Company in general meeting.
15. A Director shall not be disqualified by his position as Director from entering into any contract or arrangement with the Company. A Director may hold any other places of profit under the Company.
16. The maximum annual aggregate emoluments of the Directors, and increases thereto, shall from time to time be determined by ordinary resolution of the Company in general meeting, where Notice of the proposed aggregate emoluments and any increase has been given in the Notice convening the meeting. Such emoluments shall be deemed to accrue from day to day. 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 Directors or general meetings of the Company or in connection with its business.

17. The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.
18. Regulations 57 to 63 (both inclusive) of Part I of the First Schedule of the Act shall not apply and any reference to retirement by rotation shall be disregarded.
19. Subject to Article 20 below, the Directors may be empowered by the Company, either in its annual general meeting or in its extraordinary general meeting, to propose and issue any new Shares, whether for cash or other consideration and whether with or without premium, up to the maximum value of the authorized share capital of the Company, within such terms and conditions as may be determined at the discretion of the Directors. This permission shall be effective and valid for five (5) years from the registration of the Articles with the Registry of Companies, and the Company may, in general meeting by ordinary resolution, renew such permission for further maximum periods of five (5) years each.
20. The Company shall not issue Shares such that such issue would dilute a substantial interest without prior approval of the shareholders in general meeting.
21. Unless the shareholders approve in a general meeting, or as otherwise permitted under the Rules, no Director shall participate in an issue of Shares to employees.

Chairman

22. The Directors may elect from amongst themselves a chairman and determine the period for which he is to hold office.
23. Any Director may be appointed as chairman even if covering other posts within the Company, provided that he must be at all times an individual.
24. If the Directors have appointed a chairman, the chairman shall chair Board meetings and general meetings of the Company if present and willing to do so.
25. If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within five (5) minutes of the time at which a meeting was due to start, the meeting must appoint another individual (any Director in case of Board meeting and any person in case of general meeting of the Company) to chair it, and the appointment of the chairman of the meeting must be the first business of such meeting.
26. The person chairing a Board meeting or a general meeting of the Company in these Articles is referred to as "the chairman of the meeting".

Proceedings of Directors

27. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit.
28. A Director may, and the Company Secretaries on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give Notice of a meeting of Directors to any Director for the time being absent from Malta.
29. The quorum necessary for the transaction of the business of the Directors shall be three (3) Executive Directors.

30. If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes.
31. Questions arising at any meeting shall be decided by a majority of votes and each Director shall have one vote.
32. If the numbers of votes for and against a proposal are equal, the chairman or other Director chairing the meeting shall have a casting vote. But this does not apply if, in accordance with the Articles, the chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.
33. A resolution in writing signed by all the Directors shall be valid and effective for all purposes as if had been passed at a Board meeting duly convened and held.

Managing Director or Directors

34. The Directors may from time to time appoint one or more Managing Directors from amongst themselves delegating to him or them any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw or vary any of such powers.
35. Each such appointment shall be for such period and on such terms as the Directors think fit, and, subject to the terms of any agreement entered into in any particular case, the Directors may revoke such appointment.
36. A Managing Director shall receive such remuneration as the Directors, subject to the approval of the Company in general meeting, may from time to time determine.

Committee

37. The Directors may also appoint a Committee consisting of one or more persons selected from among themselves delegating to it any of their powers. Any such delegation may be made subject to any condition or requirement as the Directors may impose and may be made either collaterally with or to the exclusion of their own powers, and the Directors may from time to time revoke, withdraw, alter or vary all or any of such powers.
38. Any such committee shall, subject to any of the said conditions or requirements, regulate its own proceedings, in so far as possible in like manner as if its meetings were meetings of the Directors.
39. The Directors shall establish and maintain an audit committee having at least three (3) members, one of whom shall be appointed as chairman and the majority of which, including the chairman, shall be non-executive Directors independent of the Issuer, its substantial shareholders and any guarantor of the Company's Debentures listed on the Prospects MTF Market, if any.
40. 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, and any amendments thereto, shall, on admission to the Prospects MTF Market and thereafter, be subject to the review and approval of the Corporate Advisor and the Exchange.
41. In the case where the Company has issued Debentures on the Prospects MTF Market, which Debentures are guaranteed by a company forming part of the same group of

companies as the Company, the terms of reference of the audit committee shall extend to the business of the Company and the guarantor.

42. 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 Rules towards the Exchange and the Prospects MTF Market pending the appointment of a new audit committee member, while keeping the Exchange informed of developments leading to a new audit committee member in accordance with the applicable Rule;
 - iii. ensure that the Directors engage the services of another Audit Committee Member within three (3) months of such termination.
43. 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 promptly notify the Exchange of any matters relating to the audit committee mandate as appropriate where any such information is conducive to securing the best interests of the Prospects MTF Market and Debenture holders.
44. Subject to Articles 42 and 43 above, where the Company is unable to set up a duly constituted audit committee, the Exchange may suspend trading of the Company's Securities listed on the Prospects MTF Market in accordance with the Rules.
45. The audit committee shall regulate its own proceedings and meet as often as necessary within its terms of reference, but it shall ensure it always meets once every three (3) consecutive calendar months in a year.

Company Secretary

46. The first Company Secretaries are appointed by the Memorandum while subsequent Company Secretaries are to be appointed by the Directors.
47. Only a person who appears to have the requisite knowledge and experience to discharge the related functions shall be appointed as Company Secretary.
48. The Company Secretaries shall hold office until such time as he resigns or is removed from office by the Directors.
49. The Company Secretaries 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 and the Share Register;
 - iv. the Register of Beneficial Owners;
 - v. the Register of Company Officers;
 - vi. the Register of Debentures; and
 - vii. such other registers and records as the Company Secretaries may be required to keep by the Board.

50. The Company Secretaries shall ensure that proper notices are given of all meetings, and that all returns and other documents of the Company are prepared and delivered in accordance with the requirements of the Act.
51. Any Company Secretary, as well as any Officer, is empowered to sign any document or proceeding requiring authentication by the Company.

Indemnity

52. Every Officer or agent of the Company shall be indemnified out of the assets of the Company against all losses and liabilities, to the extent allowed by section 148 of the Act, which he may incur in the execution of his duties of office or otherwise in relation thereto.
53. This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
54. The Board may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Director and in respect of any loss or liability which has been or may be incurred by a Director in connection with his duties or powers in relation to the Company and any associated company.

Part III - SHARES AND DISTRIBUTIONS

Shares

55. Any Shares (whether part of the original capital or any increase in capital) before they are issued are to be offered to the existing holders of Classed Shares pro rata to the number of Classed Shares held by each such holder.
56. In respect of a Share held jointly by several persons, the name of only one (1) of such persons shall be entered in the Register of Members. Such person, who shall be nominated by the joint holders, shall for all intents and purposes be deemed to be the Shareholder and shall be responsible for any calls made thereon.
57. If at any time there are Classed Shares in issue, unless otherwise provided by the terms of issue of the said Classed Shares, the rights attaching to any such Classed Shares may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths (3/4) of the particular Classed Shares in issue and of the holders of not less than three-fourths (3/4) of the particular Classed Shares which may be adversely affected by such variation.
58. Shares in the Company may be pledged by their holder in favour of any person as security for any obligation in accordance with Section 122 of the Act.
59. The Company is authorised to acquire its own Shares in accordance with Section 106 and 107 of the Act.

Calls on Shares

60. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their Shares, whether on account of the nominal value of the Shares or by way of premium. A call may be revoked or postponed as the Directors may determine.

61. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
62. If a sum called in respect of a Share is not paid before or on the date appointed for payment thereof, the person from whom the sum is due shall pay annual interest thereon from the day appointed for payment thereof to the time of actual payment at such rate not exceeding two (2) percentage points over the Central Bank of Malta minimum discount rate as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
63. 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.
64. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
65. 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 annual interest at such rate not exceeding two (2) percentage points over the Central Bank of Malta minimum discount rate, as may be agreed upon between the Directors and the Members paying such sum in advance.

Share Certificates

66. Every Member is entitled to a certificate issued in his name specifying at least the following:
 - i. the Member's name and address;
 - ii. in respect of how many Shares, of what category and class, it is issued;
 - iii. the nominal value of those Shares;
 - iv. whether the Shares are partly or fully paid and the related amount or percentage paid up; and
 - v. any distinguishing consecutive numbers assigned to it.
67. No certificate may be issued in respect of Shares of more than one category or class.
68. If more than one person holds a Share, only one certificate may be issued in respect of it.
69. The Board may appoint a third party as Issuing Entity of the Share Certificates and such entity will be in charge of issuing the certificates for and on behalf of the Company and affixing its own seal on each Share Certificate in issue as guarantee of the originality of the same. Only the Share Certificates bearing the seal of the Issuing Entity shall be recognized and considered as fully valid and representative of the Shares stated therein.
70. Each Share Certificate shall be in any case endorsed by the Company Secretary or a Director.
71. If a Share Certificate is damaged or defaced, or said to be lost, stolen or destroyed, its rightful owner is entitled to be issued with a replacement certificate in respect of the

same Shares. A Shareholder exercising the right to be issued with such a replacement certificate:

- i. may at the same time exercise the right to be issued with a single certificate or separate certificates;
- ii. must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- iii. must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

Ordinary Shares

72. Unless otherwise expressly provided in the terms of issue or in the Memorandum or Articles, each Ordinary Share confers upon the Shareholder the right to:

- i. one (1) vote at any general meeting of the Company;
- ii. an equal share in any dividend paid by the Company from its distributable reserves;
- iii. an equal share in the distribution of the surplus assets of the Company on its liquidation; and
- iv. call special meetings on matters of importance to the Company.

PROVIDED that all calls payable by the Member or due from him in respect of his Shares in the Company have been paid.

Preference Shares

73. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Issuer.

74. Each Preference Share confers upon the Shareholder

- i. the entitlement to receive Notice of a general meeting of the Company, to attend and call them and to vote thereat where the said meeting is convened for the purposes of a) reducing the capital of the Company, or (b) winding up the Company, or c) where the proposition to be submitted directly affects their rights and privileges, or d) when the dividend on their Shares is in arrears by more than six (6) months;
- ii. a right that any annual dividends available for distribution shall be paid preferentially on these Shares before other categories of Shares;
- iii. the entitlement, in case of winding up, to arrears of dividend before anyone else is paid;
- iv. unless pursuant to (i) above, no voting rights.

75. Preference Shares may be subdivided into classes with different rights attached to them.

Other categories of Shares

76. The Company may issue any further categories of Shares such as redeemable Shares, founders' Shares, employees' Shares or any other classification.

77. All these other categories of Shares may be subdivided into classes with different rights attached to them.

Securities Listed on the Prospects MTF Market

78. All Securities of a particular class admitted to Prospects MTF Market shall carry equal rights.
79. Where an application for admission is made in respect of any particular class of a Security:
- i. 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
 - ii. 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.
80. For each class of Securities forming the subject of such admission, ensure that the said Securities:
- i. rank *pari passu*;
 - ii. are fungible;
 - iii. are freely transferable and fully paid-up;
 - iv. are denominated in Euros or any other convertible currency acceptable to the Exchange;
 - v. are unconditionally allotted; and
 - vi. are validly issued under the Company's Memorandum and Articles of Association or equivalent constitutional documents.
81. The Company shall ensure that holders of shares admitted to the Prospects MTF Market enjoy rights that at least satisfy the requirements defined in the Rules and that all facilities and information necessary for holders of all Securities to exercise their rights are available in Malta, while preserving data integrity and authenticity.
82. There shall be no restriction on the right to transfer Securities which are authorised as admitted to the Prospects MTF Market.

Transfer *inter vivos* of Shares

83. Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor. The Shares are transferable only on the books of the Company by the holder hereof in person or by duly authorized attorney upon surrender of the related Share Certificates. The Company may retain any instrument of transfer which is registered.
84. Any holder of Shares wishing to transfer his Shares must first offer them for sale to the other holders of the same category or class of Shares at their Fair value. Such offer is to be made through the Board which, within thirty (30) days of receipt of such offer, is to transmit it by registered mail to the Shareholders, together with the Auditor's report establishing the Fair value of such Shares, allowing each holder of the same category or class of Shares fourteen (14) days to indicate the number, if any, he is willing to purchase.

Any Member not replying to the offer by registered mail within the specified period will be considered to have declined the said offer.

85. The other holders of the same category or class of Shares shall have the right to purchase such Shares and should more than one (1) Shareholder desire to take up the offer such Shares shall be distributed amongst them in proportion as nearly as may be to the number of the same category or class of Shares held by each.
86. In the event that the Shares are taken up by existing Members, they may pay the relevant consideration upon execution of the transfer in question or they may be allowed to pay the consideration in five (5) equal annual instalments payable the first on transfer and the others one year after and so forth. All balances shall bear interest at two per cent (2%) per annum. This clause is without prejudice to any other agreement or understanding entered into by the contracting parties.
87. In the event of the whole of the said offer not being taken up by the holders of the same category or class of Shares under the preceding article, the proposing transferor may at any time within three (3) months after the expiration of the said thirty (30) days, beginning on the date of the Transfer Notice, sell the Shares not taken up to any person, at a price not lower than the Fair value.

Transmission *causa mortis* of Shares

88. In the case of Shares transmitted *causa mortis*, the procedures and the restrictions provided for in the aforementioned Articles which refer to transfer *inter vivos* of Shares shall not apply.

Dividends and reserve

89. The Company in general meeting may declare dividends, which, however, must in no case exceed the amount, if any, recommended by the Board.
90. 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.
91. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they deem 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 deem fit. The Directors may also, without placing the same to reserve, carry forward any profits which they may think prudent not to distribute.
92. Subject to the rights of persons, if any, entitled to Shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this regulation as paid on the Share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid provided that any amount paid up in advance of calls on any Share may carry interest.
93. 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.

94. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company Notice in writing to that effect, but if the Share has more than one holder or more than one person is entitled to such Share, the Notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the Share.
95. No dividend shall bear interest against the Company.

Capitalisation of profits

96. The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members.

Part IV - DECISION-MAKING BY SHAREHOLDERS

General meetings

97. The general meetings of the Company shall be of two types: the "annual general meeting" and the "extraordinary general meeting". Where the share capital of the Company is divided into different categories or classes of Shares, the general meetings may be separate according to the different rights or restrictions attached to each category or class of Shares.
98. An annual general meeting shall be held once in every year and shall, at all times, be held in Malta.
99. No business shall be transacted at a general meeting except that stated in the Notice convening it and unless a quorum of Members is present in person or by proxy when the meeting proceeds to business. Holders of more than fifty per centum (50%) of the paid up value of Shares carrying the right to attend and vote at the meeting shall form a quorum.
100. The instrument appointing a proxy shall be in writing and shall be presented to the Chairman of the meeting at which it is to be used. A proxy need not be a Member of the Company and in no case may a Member of the Company appoint more than one (1) proxy.
101. Decisions upon the following matters shall be taken at a general meeting of the Company:
 - i. approval of the Annual Balance Sheet and Profit and Loss Account and of the Directors' Report and of the Auditors' Report;
 - ii. declaration of dividends;
 - iii. alterations, revocations and additions to the Memorandum and Articles;
 - iv. increase or reduction of the authorised capital;
 - v. appointment and removal of Directors and of Auditors of the Company, PROVIDED that the first Auditors shall be appointed by the Board.

- vi. fixing of the remuneration payable to Directors, Managing Directors, Committee, Chairman and Auditors of the Company, PROVIDED that the remuneration of the first Auditors of the Company shall be fixed by the Board;
 - vii. unless otherwise permitted by applicable law, the entry into of an agreement not in the ordinary course of business and exceeding the class tests thresholds referred to in these Rules
 - viii. in general, decisions on all questions which in terms of this agreement are reserved to the general meeting of the Company or which the Board may place before it: PROVIDED that no decision taken by the general meeting shall invalidate any prior act of the Board which would have been valid if the decision had not been taken.
102. Ordinary resolutions shall be passed by a number of Voting Members holding in the aggregate Shares entitling the holder or holders thereof to more than fifty per cent (50%) of the voting rights attached to the Shares represented and entitled to vote at the general meeting.
103. Extraordinary resolutions shall be passed by a number of Voting Members holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the Shares represented and entitled to vote at the meeting and at least fifty-one per cent (51%) in nominal value of all the Shares entitled to vote at the meeting. If one, but not both, of the aforesaid majorities is obtained, another meeting may be convened within thirty (30) days and, at this second meeting, the proposed extraordinary resolutions shall be passed by a number of Voting Members holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the Shares represented and entitled to vote at the general meeting.
104. Directors may attend and speak at general meetings, whether or not they are Shareholders, as well as further persons not being Members may be permitted by the chairman of the meeting to attend and speak at a general meeting.
105. In the event of any conflict between the minority and controlling shareholders of the Company which cannot be reasonably settled between the same, Arbitration proceedings shall be sought with the Malta Arbitration Centre and any such decision taken by the latter shall be deemed final and conclusive. One (1) Arbiter shall be appointed by mutual agreement of the minority and controlling shareholders, and in the event of an agreement not being sought for the appointment thereof, the Malta Arbitration Centre shall appoint same at its discretion.
106. The Company shall:
- i. design proxy forms in a manner which allows a holder of such Securities to indicate how he/she would like his/her proxy to vote in relation to each resolution and includes details on how holders of such Securities may exercise their rights by proxy;
 - ii. send the proxy form with the Notice convening a meeting of holders of the said Securities;
 - iii. provide for two-way voting on all proposed resolutions (except for procedural resolutions) as well as any other voting procedure in election of Directors;
 - iv. 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;

- v. 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
 - vi. 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.
107. Regulations 36, 45 and 48 of the First Schedule of the Act shall not apply to the Company.

Part V - ADMINISTRATIVE ARRANGEMENTS

Notice

108. Regulations 81 and 82 of Part I of the First Schedule of the Act shall not apply to the Company.
109. Any Notice shall be served by ordinary post or by e-mail and shall be deemed to have been served seven (7) days immediately following that on which it was posted or sent respectively.
110. Any Notice sent by ordinary post to any Member or Officer shall be served to the Member's or Officer's address stated in the up-to-date Register of Members or Register of Officers of the Company respectively.
111. Any Notice sent by electronic means to any Member or Officer shall be served to the Member's or Officer's e-mail address stated in the up-to-date Register of Members or Register of Officers of the Company respectively.
112. Fourteen (14) days' Notice shall be given to the Members in respect of every Shareholders' general meeting. The Notice shall contain information as to the place, date and hour of the meeting and in case of special business, the general nature of that business. Any notice of the 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..
113. Fourteen (14) days' Notice shall be given to a Director in respect of an intended resolution to remove him as Director.
114. Seven (7) days' Notice shall be given to Directors in respect of any Board meeting.
115. The above Notice period may be waived or reduced by the unanimous consent of the Members or the Directors as the case may be.
116. Upon or following admission of any of its securities to the Prospects MTF, the Company shall provide electronic communication to all holders of admitted securities of all information required to be disclosed under the Rules and/or applicable law.

Accounts

117. In respect of each accounting period of the Company the Directors shall lay before the Company in general meeting for its approval copies of the annual accounts of the Company for that period.

118. There shall be annexed to the annual accounts, the Auditors' report as specified in article 179 of the Act and the Directors' report as specified in article 177 of the Act.
119. The Auditors' report shall be read before the Company in general meeting, and be open to the inspection of any Member.
120. A printed or electronic copy of the profit and loss account and balance sheet including any Directors' report attached thereto, will, at least fourteen (14) days prior to the general meeting of the Company, be delivered or sent by post/electronically to every member. If copies of the annual accounts are sent less than fourteen (14) days before the date of the meeting, the annual accounts shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by all the members entitled to attend the meeting who received them late.
121. The Company shall prepare accounting information 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, in line with the Rules and applicable law.

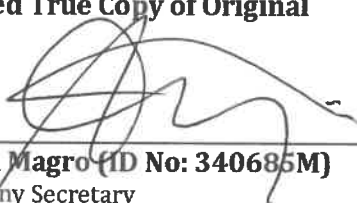
Winding Up

122. 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 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.
123. 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.

Amendment to Memorandum and Articles

124. Notwithstanding anything further contained in the Memorandum or Articles of Association of the Company, any amendments thereto shall only be effected after such written approval is sought and obtained by any such regulatory authority as may be required in terms of any law currently in force in Malta and applicable to the Company, The Company shall procure that the Company's appointed Corporate Advisor provide an explanation to the said amendments In the event that any such approval, as necessary, is granted and if required by law to do so, the Company shall forward a circular to its shareholders containing the information as may be prescribed in terms of law.
125. In the case where the Company's securities are listed on the Prospects MTF Market, the Company shall:
 - i. not delete, amend or add to any terms of its Memorandum or Articles of Association of the Company unless prior written authorisation has been sought and obtained from the Exchange;
 - ii. procure that the Company's appointed Corporate Advisory provides an explanation thereon to the Exchange.

Certified True Copy of Original

A handwritten signature in black ink, appearing to read 'Anton Magro', is written over a horizontal line.

Anton Magro (ID No: 340685M)
Company Secretary