

Circular to Shareholders

5th Annual General Meeting

13 March 2020

This circular (the “**Circular**”) is being issued by Malta Properties Company p.l.c., a public limited liability company having Maltese registration number C 51272 and registered office located at The Bastions, Triq Emvin Cremona, Floriana, FRN1281, Malta (the “**Company**”). It is intended to provide the members of the Company with the necessary information as would assist them in making a properly informed decision with respect to an Extraordinary Resolution and two Ordinary Resolutions which are being proposed as special business, together with other ordinary business, for the consideration of, and if deemed fit, approval by the Shareholders at the Company’s 5th Annual General Meeting (the “**AGM**”).

Important Information

This Circular, which contains information about the resolutions being proposed as special business at the AGM, including proposed changes to the Memorandum and Articles of Association of the Company, is being sent to all Shareholders appearing on the register of members of the Company maintained by the Malta Stock Exchange as at close of business on the 28 April 2020 (the “**Shareholders**”).

This Circular is being issued and sent to Shareholders in compliance with the provisions of the Listing Rules issued by the Listing Authority (the “**Listing Rules**”), particularly the requirements set out in Listing Rule 6.2 on the contents of all circulars and Listing Rule 6.16 relating to amendments to the Memorandum and Articles of Association.

Where any or all of the shares held by a recipient of this Circular in the Company have been sold or transferred on the date of receipt of this document, this Circular, the notice of AGM and all other relevant documentation, or copies thereof, should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

All the Directors of the Company as on the date hereof, namely, Deepak Srinivas Padmanabhan, Mohsin Majid, Paul Testaferrata Moroni Viani, Cory Greenland and Sayed Mohamed Mohamed Noor Sharaf (together, the “**Directors**”) accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Circular is important and requires the immediate attention of all Shareholders who shall be required to vote at the AGM. Shareholders are advised that they should consider seeking the advice of an appropriate independent advisor before taking any decision on the matter.

Introduction

In addition to the ordinary business being proposed at the Company's forthcoming AGM, the Directors are also placing before the Shareholders the following resolutions as special business:

- (i) an Ordinary Resolution relating to the Remuneration Policy for Directors of the Company;
- (ii) an Ordinary Resolution authorising the use by the Company of electronic means to circulate certain information to its members; and
- (iii) an Extraordinary Resolution relating to amendments to the Company's Memorandum and Articles of Association.

The resolution relating to the adoption by the Company of a Remuneration Policy for its Directors is being proposed in furtherance of amendments made to the Listing Rules and is envisaged to ultimately contribute to the Company's business strategy, long-term interests and sustainability. The resolution proposing the circulation of certain information to the Company's Shareholders by electronic means has the scope of achieving greater efficiencies in the conveyance of information to Shareholders, whilst the resolution proposing amendments to the Company's Memorandum and Articles of Association is intended to grant the Company increased flexibilities, as explained in further detail below.

Proposed Ordinary Resolution – Special Business

Resolution 6 - Approval of Remuneration Policy for the Directors of the Company

Text of the Ordinary Resolution:

“The Remuneration Policy for the Board of Directors of the Company as set out in the Circular to Shareholders dated 13 March 2020 be hereby approved.”

Explanatory Note: Following recent amendments to Chapter 12 of the Listing Rules, the Company is required to establish a Remuneration Policy with respect to its Directors as would contribute to the Company's business strategy, long-term interests and sustainability. The Shareholders are entitled to vote on such policy. If the policy is approved by the general meeting, the Company shall be required to remunerate its Directors in accordance with the approved policy.

In furtherance of this requirement, the Company's Board of Directors have established a Remuneration Policy for Directors of the Company (hereinafter the **“Remuneration Policy”**), which is being proposed to the Shareholders for their approval at the AGM. The proposed Remuneration Policy is being attached to this Circular as Appendix 1.

Proposed Ordinary Resolution – Special Business

Resolution 7 - Authorisation for the use of Electronic Means for the circulation of certain information to the Company's Shareholders

Text of the Ordinary Resolution:

“That the Company be authorised to use electronic means to circulate certain information as permitted by law to its Shareholders.”

Explanatory Note: The Listing Rules permit companies whose shares are admitted to trading on a regulated market to circulate certain information (that would otherwise be conveyed to Shareholders in printed form) by electronic means, such as publication on the Company's website. The information which may be circulated to Shareholders in this manner is specified in the Listing Rules and includes reports and documents that listed companies are periodically required to issue and circulate to their Shareholders (**“Shareholder Information”**). The use of electronic means may be employed by an issuer once a number of requirements, including attainment of general meeting consent, are satisfied. A member of the Company may choose to continue receiving Shareholder Information in printed form through the postal service, notwithstanding the relative resolution being approved by the general meeting.

The Board of Directors of the Company consider that the adoption of this measure would generate significant cost savings for the Company as it will lower printing and distribution costs, whilst speeding up the provision of information to Shareholders. This would also have a positive effect on the environment since it would contribute to a reduction in paper footprint and lessen the impact that printing and distribution of documents generally have on the environment.

In addition to seeking the AGM's consent by proposing Resolution 7 above, the Board of Directors is also seeking the Shareholder's individual consent on the matter. Together with this Circular, the Company is enclosing a letter requesting the holder's consent to the use of electronic means for the circulation of Shareholder Information.

Proposed Extraordinary Resolution – Special Business

Resolution 8 - Amendments to the Memorandum and Articles of Association of the Company

Text of the Extraordinary Resolution:

“It is hereby resolved to alter the Memorandum and Articles of Association of the Company as follows:

- (i) That article 4.3 of the Memorandum of Association of the Company be deleted and replaced by the following new article 4.3:**

4.3 Nothing in the foregoing shall be construed as enabling or empowering the Company to carry on any activity, business or service which requires a licence or authorisation or is otherwise regulated under any law in force in Malta without such a licence or authorisation from the relevant competent authority and the provisions of Article 77(3) of the Companies Act shall apply.

- (ii) That article 4.4 of the Memorandum of Association of the Company be deleted and replaced by the following new article 4.4:**

4.4 The exercise by the Company of the foregoing objects and powers is subject to such prohibitions and restrictions as are provided by and under the mandatory provisions of any law in force for the time being including, but not limited to, the Companies Act, Chapter 386 of the Laws of Malta, the Investment Services Act, Chapter 370 of the Laws of Malta, the Insurance Business Act, Chapter 403 of the Laws of Malta, the Insurance Intermediaries Act, Chapter 487 of the Laws of Malta, the Banking Act, Chapter 371 of the Laws of Malta, the Financial Institutions Act, Chapter 376 of the Laws of Malta, the Financial Markets Act, Chapter 345 of the Laws of Malta, the Special Funds (Regulation) Act, Chapter 450 of the Laws of Malta, the Trusts and Trustees Act, Chapter 331 of the Laws of Malta and the Company Services Providers Act, Chapter 529 of the Laws of Malta and of any regulations or rules issued thereunder and any amendment, modification or substitution of any such laws, regulations or rules.

- (iii) That article 123 of the Articles of Association of the Company be deleted and replaced by the following new article 123:**

123 All dividends and interest shall belong and be paid to those Members whose names shall be on the Register at such date as the Company by Ordinary Resolution or the Directors may determine notwithstanding any subsequent transfer or transmission of shares. Any cash dividend or other moneys payable in respect of a share shall be paid by electronic means directly to such bank account as may be designated by the holder or, in the case of share held jointly by more than one person, to the account designated by the Member nominated and named in the Register. Should there be no such nomination, the dividend shall be paid into the account designated by the first named joint Member appearing on the Register:

***PROVIDED** that where no account has been designated by the Member, the dividend is to be kept by the Company for collection by the Member entitled to such dividend for payment by electronic means as aforesaid when the account is made known to the Company by the Member. Provided that, in the case of a share held by joint holders, anyone of such holders may give an effective and valid receipt for all dividends and payments on account of dividends and payments in respect of such share. The payment of dividend to any account designated by one of the joint holders shall be deemed to be a good discharge to the Company.*

***PROVIDED** further that nothing in this Article shall preclude the Company from offering to pay dividends to its Members by any other means.”*

- (i) That article 132 of the Articles of Association of the Company be deleted and replaced by the following new article 132:**

132 A copy of the profit and loss account and balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the Auditors’ report and Directors’ report (hereinafter, the profit and loss account, the balance sheet, the Auditors’ report and the Directors’ report shall collectively be referred to as the ‘Annual Accounts’) shall not less than twenty-one (21) days before the date of the Meeting be sent to every Member of the Company entitled to receive notices of General Meetings of the Company and to every other person who is entitled to receive notices of Meetings from the Company under the provisions of the Act or these Articles.

PROVIDED that, the Company shall not be required to send a printed copy of the Annual Accounts to (i) holders of debentures who are not entitled to receive notices of General Meetings of the Company; and (ii) Members of the Company who have been duly given notice of the General Meeting at which the Company's Annual Accounts are to be laid, where the Company has made available to such Members an electronic copy of such Annual Accounts on its website or otherwise, and has informed such Members accordingly. The Company shall provide a printed copy of such Annual Accounts to any of its Members upon written request."

Purpose of the Extraordinary Resolution: Whilst the amendments to the Memorandum of Association of the Company seek to bring the document in line with policy adopted by the Registry of Companies, the proposed amendments to the Articles of Association are intended to provide the Company with a higher degree of flexibility with regards to payment of dividends to Shareholders whilst also aligning the provision relating to circulation of Annual Accounts with the corresponding provision of law.

Explanatory Note: The proposed amendments to Article 4.3 and 4.4 of the Memorandum of Association are intended to reflect a policy adopted by the Registry of Companies requiring companies to use particular language in their objects clause. This is intended to ensure that the objects clause is not interpreted or 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 licence or authorisation being obtained and that in the exercise of its objects and powers, the Company is subject to the mandatory provisions of law.

The Articles of Association of the Company remain unchanged save for two amendments. The amendment to Article 123 is being proposed such that going forward, the Company shall pay cash dividends by electronic means directly to a bank account designated by the Shareholders rather than by cheque or other traditional means of payment. The amendment to Article 132 is intended to align the Company's Articles of Association with the provisions of the Companies Act (Chapter 386 of the Laws of Malta), which provide that unless the Company's constitutive documents require otherwise, a Company shall not be required to circulate a hard copy of its Annual Accounts to its members, if such members have been duly notified of the general meeting at which the Annual Accounts are to be laid and the Company has made available thereto an electronic copy of the Annual Accounts on its website or otherwise and informed them accordingly. Provided that any member of a Company shall have a right to request a printed copy of such Annual Accounts.

Documents available for inspection

The following documents or certified copies thereof will be made available for inspection at the Company's registered office, located at The Bastions, Triq Emvin Cremona, Floriana, FRN 1281, Malta for at least fourteen (14) days from the date of publication of the Circular:

- (a) The Memorandum and Articles of Association of the Company;
- (b) The Company's Annual Report and Accounts for the year ended 31 December 2019;
- (c) The Company's latest half-yearly Financial Report.

Directors' Recommendation

The Directors, having made the necessary considerations, are of the view that the proposed resolutions are in the best interests of the Company and its Shareholders as a whole. The Directors therefore recommend that Shareholders approve the proposed resolutions at the forthcoming AGM of the Company.

Date: 13 March 2020

Approved and issued by Malta Properties Company p.l.c., with registered office at The Bastions, Triq Emvin Cremona, Floriana, FRN 1281, Malta.

Appendix 1 – Remuneration Policy

1. Introduction and Scope

This Remuneration Policy (the 'Remuneration Policy' or 'Policy') sets out the framework for Malta Properties Company p.l.c.'s (hereinafter 'MPC' or the 'Company') policy for the remuneration of its Board of Directors.

This Policy describes the components of such remuneration and how this contributes to the Company's business strategy in the context of its long-term sustainable value creation. On the basis of this Policy, the Company can continue attracting and retaining talented, professional and qualified persons as would assist the Company in the achievement of its business strategy and operational objectives in an increasingly competitive environment.

Geared towards the creation of value for the Company, the Policy is based on the following principles:

- Sustainable value creation for the benefit of all its Shareholders;
- Alignment of the interests of the Company's Directors and its Shareholders;
- Motivation and retention of the best professionals;
- Ensuring internal equality and external competitiveness.

2. Regulatory Framework and Role of the Board of Directors

This Policy has been drawn up by the Company's Board of Directors in accordance with the requirements of the amended Shareholder Rights Directive¹ as transposed into Chapter 12 of the Listing Rules issued by the Listing Authority. It will be presented to the Company's general meeting of Shareholders for its approval. Once approved, the Policy will be made available on the Company's website for as long as it is in force.

The Company's Board of Directors is committed to keeping the Policy under review with a view to ensure its continued alignment with the Company's business strategy. In view thereof, MPC shall submit the Remuneration Policy before its general meeting at least every four years (or earlier, in the case where material amendments thereto are proposed).

It is the opinion of the Company's Board of Directors that there is no risk of a conflicting interest in the drawing up of this Policy since it will be presented to the Company's general meeting for its approval. Likewise, the aggregate remuneration received by the Board of Directors is also approved by the General Meeting. Furthermore, in the process leading to the drawing up and approval of the Policy by the Board, provisions of the Company's Articles of Association relating to conflicts of interest of Directors were followed.

The Board of Directors keeps abreast with the Company's employment practices and the employee's remuneration structure. Together with relevant economic data, these were considered by the Board in the determination of this Policy.

3. Remuneration Policy

The Company's Remuneration Policy is divided in two parts, distinguishing between Directors and Executive Directors as follows:

3.1 Directors

Directors shall be paid a fee which shall be set at a level which will attract persons having the right qualities, relevant experience and ability to contribute to the Company's affairs. It shall also reflect the level of responsibility and dedication demanded by the role.

In accordance with Article 81.1 of the Articles of Association of the Company, the General Meeting of Shareholders shall set the maximum annual aggregate of emoluments payable to Directors, as well as any increase thereto. The Board of Directors shall, in turn, retain responsibility to allocate, from such amount, a fee to each of the Board members.

Remuneration payable to Directors shall be reviewed as and when necessary and shall not be linked to the share price or to the Company's performance. Fees shall be benchmarked against market practice for major local companies of similar size and complexity.

¹ Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement

A director who serves on any committee or who devotes special attention to the business of the Company or who performs services which, in the opinion of the Board are outside the scope of ordinary duties, may be paid such extra remuneration as the Board may determine, provided that such extra remuneration must fall within the maximum annual aggregate emoluments of Directors established by the Company in General Meeting².

Directors shall be entitled to certain benefits, such as coverage under a Directors' and Officers' liability insurance, as the Board of Directors deems appropriate. The Company may also pay all reasonable travelling, hotel and other expenses properly incurred by Directors in attending and returning from meetings of directors, committee meetings or general meetings of the Company or in connection with the business of the Company.³

The Directors shall be appointed in accordance with the provisions of the Articles of Association of the Company. All Directors, save for the Chairman, shall hold office from the end of one annual general meeting until the end of the next following general meeting⁴ and may be removed or replaced by the member/s appointing them in accordance with the provisions of the Articles of Association. The period for the appointment of Chairman is determined by the appointing member, who may also have him removed or replaced at any time⁵.

3.2 Executive Directors⁶

In terms of Article 113 of the Articles of Association of the Company, remuneration payable to an Executive Director shall be regulated by contract and may either be a fixed sum of money or may be composed, fully or partially, of a variable amount, reflecting the business or profit of the Company. Such remuneration may also include the making of provisions for the payment to such Executive Director, his widow or dependants, of a pension on retirement from employment and for participation in pension and life assurance benefits and could include such terms as the Board of Directors may determine.

Any fixed component of such remuneration shall reflect the level of the individual's responsibility, professional qualifications and his role within the Company. In its determination of such, the Board shall consider market data available relating to similar roles within companies of a similar size carrying on a similar business, as well as increases to the remuneration paid to other senior executives within the Company. Remuneration payable may also include certain benefits, such as coverage under a Directors' and Officers' insurance policy.

Any variable component shall be based on an incentive which shall reflect the business or profit of the Company as well as the individual's performance as measured on the basis of the level of achievement over one financial period, of financial and non-financial objectives established by the Board which are consistent with the Company's strategy and aligned with Shareholder interests. The Board evaluates the fulfilment of the criteria by comparing the targeted levels to realized outcomes.

The fixed and variable components shall be balanced in a way as is reasonable and appropriate.

The current Chief Executive Officer's employment contract is for a definite period of time, terminating on the 26 November 2022 and may be terminated by the officer himself by giving 3-months' notice. There is no provision for supplementary pensions, early retirement schemes, or payments linked to termination in the contract.

4. Effective Period

If approved by the shareholders at the Company's Annual General Meeting, this Remuneration Policy shall apply for a maximum period of four (4) years. In accordance with the provisions of the Listing Rules, any material amendment to this Policy during the effective period will require general meeting approval.

² Article 83, Articles of Association of the Company

³ Article 81.3, Articles of Association of the Company

⁴ Article 96.1, Articles of Association of the Company

⁵ Article 92.1, Articles of Association of the Company

⁶ For the purposes of this Policy, the term 'Executive Directors' shall refer to persons who also carry out an executive function within the Company, in addition to their role as members of the Board of Directors of the Company.