

Circular to Shareholders

Annual General Meeting – 22 May 2024

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, No. 1, Triq Ewvin Cremona, Floriana, FRN1281, Malta (the “**Company**”). It is intended to explain to the Company’s Shareholders the nature of special business that is being submitted before the Shareholders at the upcoming Annual General Meeting of the Company, being held on the 22 May 2024 (the “**AGM**”).

Important Information

This Circular, which contains information about matters being proposed as special business at the AGM is being sent to all persons appearing on the register of members of the Company maintained by the Malta Stock Exchange as at close of business on the 22 April 2024 (the “**Shareholders**”).

This Circular is being issued and dispatched in furtherance of Rule 6.1.11 of the Capital Markets Rules of the Malta Financial Services Authority (the “**Capital Markets Rules**”) and in compliance with Rule 6.2 and Rule 6.39 of the said Capital Markets Rules.

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 affected for transmission to the purchaser or transferee.

All the Directors of the Company as on the date hereof, namely, Nasser Al Awadhi, Saqib Saeed, Huda Buhumaid, Deepak S. Padmanabhan and Cory Greenland (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 on matters being proposed as special business at the AGM. Shareholders who are in doubt as to what action to take are advised to consider seeking the advice of an appropriate independent advisor before taking any decision on the matter.

1. Introduction

In addition to the ordinary business being proposed at the Company’s forthcoming AGM, the Board of Directors is also placing before the Shareholders the following agenda items as special business:

- (i) an Ordinary Resolution relating to the approval of the updated Remuneration Policy of the Company;
- (ii) an Ordinary Resolution relating to the approval of the annual emoluments of Directors; and
- (iii) a discussion regarding the Company’s Remuneration Report for the year ended 31 December 2023.

Further information on these agenda items is provided hereunder.

Agenda Item 5 – Special Business - Ordinary Resolution - Remuneration Policy

Text of the proposed ordinary resolution:

“That the Remuneration Policy of the Company as set out in the Circular to Shareholders dated 21 March 2024 be hereby approved.”

Explanatory Note: The Company maintains a Remuneration Policy for its Directors as would contribute to its business strategy, long-term interests and sustainability in accordance with Chapter 12 of the Capital Markets Rules. The Company’s current Remuneration Policy was approved by the General Meeting of Shareholders on the 29 July 2020.

In terms of Capital Markets Rule 12.26I, issuers of securities authorised to listing on a regulated market are required to submit their remuneration policy to a vote by the general meeting at least every four years. The Board of Directors is submitting its Remuneration Policy, which is attached to this Circular as Appendix 1, before the AGM for approval. The Board of Directors has undertaken a process to review and update the Remuneration Policy. As amended, the Policy makes reference to the process undertaken by the Board of Directors for the review thereof, taking into consideration the voting patterns of Shareholders. The Policy also encompasses a new section detailing the Company’s policy with respect to remuneration paid to its Chief Executive Officer. Other amendments include updates in the designation of applicable legal instruments and stylistic changes.

It is the view of the Company’s Board of Directors that pursuant to the updated Remuneration Policy, the Company can continue to attract and motivate the right professionals as would assist in the achievement of its business strategies for the benefit of all its Shareholders.

Agenda Item 6 – Special Business - Ordinary Resolution - Emoluments of Directors

Text of proposed ordinary resolution:

“To establish the maximum annual aggregate emoluments of the Directors at €200,000 in line with the previous year.”

Explanatory Note: In terms of the Company’s Articles of Association, the Company’s general meeting is required to establish the maximum annual emoluments of directors. The Board of Directors of the Company is recommending that the maximum aggregate emoluments of Directors for the year ending 31 December 2024 be set at two hundred thousand Euro (€200,000), in line with the previous year.

The proposed aggregate emoluments are deemed by the Board of Directors to be fair and reasonable and would result in the Company attracting and retaining professional and qualified persons as would assist in the achievement of its operational objectives and business strategies in an increasingly competitive environment.

Agenda Item 7 - Discussion on the Remuneration Report

The Board of Directors is also submitting before the Shareholders, for a discussion, the Company’s Remuneration Report for the year ended 31 December 2023 (the **“Report”**). The relative agenda item provides as follows:

“That the Remuneration Report of the Company for the year ended 31 December 2023 be submitted for discussion in accordance with Rule 12.26L of the Capital Markets Rules of the Malta Financial Services Authority.”

Explanatory note: For the purposes of Directive 2013/34/EU of the European Parliament and of the Council of the 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, the Company qualifies as a small undertaking and thus, as an alternative to an advisory vote, the Board of Directors is submitting the Report before the AGM for discussion.

The proposed discussion is set to encourage further shareholder engagement as it grants the Company’s Shareholders the opportunity to express their views on the Report during the AGM. A report on the manner in which the discussion held at the AGM would have been taken into account by the Company will be provided in the remuneration report for the following reporting period.

The Report, which has been drawn up in accordance with Capital Markets Rule 12.26K, is available on the Company’s website www.maltaproperties.com.mt as part of the Company’s Annual Financial Report for the year ended 31 December 2023. It provides a comprehensive overview of the remuneration paid to the Company’s Directors and Chief Executive Officer during the reporting period. The Report is intended to provide increased corporate transparency and accountability and better shareholder oversight with regard to the remuneration paid by the Company to persons charged with its management.

Documents available for inspection

The following documents or certified copies thereof will be made available for inspection at the Company’s principal place of business, located at 53, The Mediterranean Building, Abate Rigord Street, Ta’ Xbiex, XBX1122, 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 Consolidated Financial Statements for the year ended 31 December 2023; and
- (c) The Company’s half-yearly report for the period ended 30 June 2023.

Directors’ Recommendation

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

Date: 21 March 2024

Approved and issued by Malta Properties Company p.l.c., with registered office at The Bastions, No.1, Triq Emvin Cremona, Floriana, FRN 1281, Malta.

Appendix 1 – Remuneration Policy

1. Introduction and Scope

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

This Policy describes the components of remuneration paid to the Company's management and senior executives and how this contributes to the Company's business strategy for its long-term benefit and sustainable value creation. On the basis of this Policy, the Company can continue attracting and retaining talented, professional and qualified persons as would assist in the achievement of its business strategies 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 Shareholders;
- alignment of the interests of persons entrusted with the management of the Company with the interests of Shareholders;
- motivation and retention of the best professionals;
- securing internal equality and external competitiveness.

2. Regulatory Framework, Shareholder Participation and Review Process

This Policy is drawn up in accordance with the requirements set out in Directive (EU) 2017/828 of the European Parliament and of the Council of the 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, as transposed into Chapter 12 of the Capital Markets Rules issued by the Malta Financial Services Authority.

The Policy was approved by the Shareholders at the Company's annual general meeting held on the 29 July 2020. In accordance with the Company's commitment to keep the Policy under review and in furtherance of Capital Markets Rule 12.26I requiring companies having equity securities admitted to listing on a regulated market to submit their remuneration policies to a vote at their general meeting at least every four years, in the first quarter of 2024, the Board of Directors initiated a process for the review of the Policy. Amongst others, the process took into account of the views and voting patterns of the Shareholders with respect to the Policy and the Company's remuneration reports issued since its coming into effect. The process resulted in the Board of Directors proposing a number of updates to the current Policy. The most salient update refers the introduction of provisions with respect to remuneration payable to the Chief Executive Officer.

The updated Policy was approved by Board of Directors on the 21 March 2024 and will be submitted for the consideration of the Company's 2024 AGM.

If approved by the AGM, the Policy, as updated, will become effective from the 22 May 2024 and will be made available on the Company's website for as long as it remains in force.

3. Management of Conflicts of Interest

It is the opinion of the Board of Directors that any risk of a conflicting interest in the drawing up of this Policy is mitigated since the Policy is being submitted before the Company's general meeting for approval. Similarly, in accordance with the Articles of Association, the maximum annual aggregate emoluments received by the Board of Directors and any increases thereto are established by the general meeting.

4. Remuneration of Directors

It is the Company's policy that Directors are paid such remuneration as would attract persons having the right qualities, relevant experience and ability to contribute to the management of the Company's affairs. Remuneration payable shall also reflect the level of responsibility and dedication demanded by the role. Together with other relevant economic data, the Company's employment practices and remuneration payable to its senior executives shall be taken into account in the determination of the Company's remuneration policy for its Directors.

The maximum annual aggregate of emoluments payable to Directors, as well as any increases thereto are determined by the general meeting of Shareholders.¹ The Board of Directors, in turn, retains responsibility to allocate, from such amount, a fixed fee to each Director.

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 falls within the maximum annual aggregate emoluments of Directors established by the Company in the general meeting.²

Directors shall be entitled to certain non-cash 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 to the business of the Company.³

¹ Article 81.1, Articles of Association

² Article 83, Articles of Association

³ Article 81.3, Articles of Association

Directors shall not be entitled to profit sharing, share options, pension benefits or any other remuneration. Remuneration shall not be linked to the Company's share price or performance.

Directors are appointed in accordance with the Company's Articles of Association, which provide that all Directors, except the Chairman, shall hold office from the end of one annual general meeting until the end of the next following general meeting.⁴ The Chairman shall be appointed for such period determined by the appointing member, who also has the right to remove or replace the appointee at any time.⁵ Directors may be removed or replaced in the manner set out in the Articles of Association.⁶

Where a board member takes up an executive role within the Company, the relative terms of service, including remuneration, shall be regulated by a service contract determined in accordance with the Company's ordinary practice. Remuneration payable to any such Director/s may either be fixed, or may include a variable component.⁷ The fixed and variable components shall be balanced in a way as is reasonable and appropriate.

5. Remuneration of the Chief Executive Officer

The Company's day to day business operations and administration are managed by the Chief Executive Officer ('CEO'). In accordance with Capital Markets Rule 12.2A, this Remuneration Policy shall be extended to encompass the Company's CEO.

The Company's Remuneration Policy with respect to its CEO shall be designed in a manner as would assist in the recruitment and retention of a qualified and professional who can steer the Company's short and long-term business plans forward. It shall take into account the CEO's assigned functions and responsibilities, whilst also considering local market practice for roles of similar scope and responsibility. In determining the remuneration of the CEO, the Board shall also consider the remuneration paid to other senior executives within the Company so as to ensure consistency of remuneration practices across the Company.

The CEO's remuneration shall be made up of a fixed element and a variable element. The fixed component shall constitute a basic remuneration awarded for the performance of the CEO's executive function. It shall reflect the officer's experience and knowledge and the responsibilities pertaining to the role. The fixed component shall not be linked to variable parameters or to the results achieved by the Company.

The variable component shall comprise an incentive that reflects the business performance of the Company as well as the individual's performance measured on 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 the Shareholders' interest. These objectives include targets for operating income and growth as well as measures for diversification and development, financing and treasury management and governance processes. The Board shall evaluate the fulfilment of financial criteria by comparing the targeted levels to realised outcomes. Assessment of non-financial objectives shall be made through a subjective assessment of the CEO's performance exercised in a reasonable manner. The variable element shall be structured to provide an appropriate balance between the fixed and variable elements of the CEO's remuneration. The Company shall not have the possibility to reclaim any variable remuneration awarded.

By way of non-cash benefits, the CEO shall be entitled to health insurance, accommodation allowance, car allowance and telephone expenses. The CEO is currently not entitled to profit sharing or share options, pension benefits, early retirement schemes or payments linked to termination of engagement.

6. Effective Period

If approved by the Shareholders at the Company's AGM, the updated Remuneration Policy shall apply for a maximum period of four (4) years from the 22 May 2024. In accordance with the provisions of the Capital Markets Rules, any material amendments made to the Policy during the effective period will require general meeting approval.

⁴ Article 96.1, Articles of Association

⁵ Article 92.1, Articles of Association

⁶ Article 99, Articles of Association

⁷ Article 113, Articles of Association