

Tigné Mall p.l.c

## **CIRCULAR TO SHAREHOLDERS**

### **2020 Annual General Meeting**

**Dated 12<sup>th</sup> August 2020**

This circular (the “**Circular**”) is being issued by Tigné Mall p.l.c., a public limited liability company having Maltese registration number C35139 and registered office located at Management Suite, The Point Shopping Mall, Pjazza Tigné Point, Sliema, Malta (the “**Company**”). It is intended to provide holders of shares in the Company with such information as would assist them in making a properly informed decision with respect to special business being proposed at the Company’s forthcoming Annual General Meeting (the “**AGM**”).

### **Important Information**

This Circular, which contains information about the resolutions being proposed as special business for approval 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 10<sup>th</sup> August 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 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 members of the Board of Directors of the Company on the date hereof, namely, Alicia Agius Gatt, Caroline Buhagiar Klass, David Demarco, Marzena Formosa and Joseph Zammit Tabona (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 of Tigné Mall p.l.c. 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 placing on the meeting's agenda the following matters as special business:

- (i) an Ordinary Resolution relating to the Remuneration Policy for Directors of the Company;
- (ii) an Ordinary Resolution regarding the proposed use by the Company of electronic means for the circulation of particular information to its members; and
- (iii) an Extraordinary Resolution providing for certain 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 following amendments to the Listing Rules issued by the Listing Authority. The remuneration policy being proposed is envisaged to 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 align the document with current provisions of law and policy, as explained in further detail below.

## **Proposed Ordinary Resolution – Special Business**

### **Resolution 4 - Approval of Remuneration Policy for the Directors of the Company**

**“To approve the Remuneration Policy for the Board of Directors of the Company as set out in the Circular to Shareholders dated 12th August 2020.”**

**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 and chief executive officer as would contribute to the Company's business strategy, long-term interests and sustainability. The Shareholders have a right to vote on such policy, and if approved, the Company shall be required to remunerate its directors and chief executive officer in accordance with the policy approved by the general meeting.

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

## **Proposed Ordinary Resolution – Special Business**

### **Resolution 5 - Authorisation to use electronic means for the circulation of information to Company Shareholders**

**“To authorise the Company to use electronic means to circulate to its shareholders certain information as permitted by law.”**

**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 using 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 even if the resolution proposing the circulation of such information by electronic means is approved by the Shareholders at the AGM.

The Board of Directors of the Company consider that the adoption of this measure would generate significant cost savings for the Company since it would result in lower printing and distribution costs. It would also speed up the process of conveyance of information to the Company’s shareholders. The measure 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 the resolution above, the Board of Directors is also seeking the Shareholder’s individual consent on the matter. In this regard, together with this Circular, the Company is enclosing a letter requesting the shareholder’s consent to the use of electronic means for the circulation of Shareholder Information.

## **Proposed Extraordinary Resolution – Special Business**

### **Resolution 6 – Amendments to the Memorandum and Articles of Association of the Company.**

**“To amend the Memorandum and Articles of Association of the Company as follows:**

- (i) That the last paragraph of the current Article 3 of the Memorandum of Association be deleted and replaced with the following paragraph:**

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

**(ii) That article 136 of the Articles of Association of the Company be deleted and replaced by the following new article 136:**

“A printed 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 known as the ‘Annual Accounts’), shall not less than twenty-one (21) days before the date of the Meeting at which the Annual Accounts are to be laid, be sent to every Member (whether or not he is entitled to receive notices of General Meetings of the Company), to every holder of debentures of the Company (where such holder is 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, but this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one holder in the case of joint holders of shares.

**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 them accordingly. The Company shall however provide a printed copy of the Annual Accounts to any of its Members upon their written request.”

**Purpose of the Extraordinary Resolution:** The objective of this extraordinary resolution is that of aligning the Memorandum and Articles of Association of the Company with the current provisions of the Companies Act (Chapter 386 of the Laws of Malta) and policy adopted by the Malta Business Registry.

**Explanatory Note:** An amendment to the last paragraph of Article 3 of the Company’s Memorandum of Association is being proposed to reflect a policy adopted by the Malta Business Registry requiring the inclusion of such a sub-paragraph in the objects clause of a company. The effect of the amended paragraph is such that nothing in the objects clause of the Company should 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 licence or authorisation being obtained from the relevant competent authority. For the avoidance of doubt, save for the amendment to the last paragraph thereof as explained above, Article 3 of the Memorandum of Association of the Company remains unchanged. The Memorandum of Association is also being updated to reflect the most recent information available at the Malta Business Registry in accordance with statutory notifications made by the Company from time to time.

The Articles of Association of the Company remain unchanged save for an amendment made to Article 136 having the objective of aligning the said article with the provisions of the Companies Act (Chapter 386 of the Laws of Malta) so as to permit the electronic circulation of annual accounts. In terms of the proposed amendment, the Company shall not be required to circulate and deliver a printed copy of its annual accounts to, amongst others, its shareholders who have been given notice of the Company’s general meeting at which the annual accounts are to be laid, so long as an electronic copy of such accounts has been made available to such members on the Company’s website or otherwise and such members have been informed accordingly. Nevertheless, any member of the Company shall have a right to request the Company to provide a printed copy of the 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 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 ending 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 the Shareholders approve the proposed resolutions at the forthcoming AGM of the Company.

Approved and issued by Tigné Mall p.l.c., with registered office at Management Suite, The Point Shopping Mall, Pjazza Tigné Point, Sliema, Malta.

# Appendix 1 – Remuneration Policy

## 1. Introduction

This Remuneration Policy (the 'Policy') has been prepared by Tigné Mall plc's (the 'Company') Remuneration Committee in line with the requirements set out in Chapter 12 of the Listing Rules issued by the Listing Authority.

This Policy has been approved by the Board of Directors and shall be submitted for the consideration and approval of the Company's shareholders at the upcoming Annual General Meeting. Upon approval by the General Meeting, the Policy shall apply for a maximum period of four (4) years and will be available for viewing on the Company's website for as long as it shall remain in force.

By virtue of this Policy the Company can continue to attract, motivate and retain the right individuals as would assist in the implementation of its business strategies for its long-term benefit and sustainability. In line with the Company's objectives of good governance, the Policy aims to deliver fair and transparent remuneration to those persons charged with its management and administration, namely the Directors and the Chief Executive Officer.

The Remuneration Policy is based on a number of core principles, namely the creation of long-term value for the Company's shareholders, the motivation and retention of the Company's management and the alignment of the interests of the Company's management with the interests of its shareholders.

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 submitted before the Annual General Meeting for approval. Likewise, the aggregate remuneration received by the Board of Directors is also subject to approval of the Company's shareholders.

The Remuneration Committee keeps abreast with the Company's employment practices and its employee's remuneration structure. Together with other relevant information on remuneration trends in the sector within which the Company operates, these were considered in the drawing up of this Policy.

## 2. Remuneration of the Board of Directors

The General Meeting shall determine the maximum annual aggregate emoluments payable to the Board of Directors. The Directors allocate from such amount, a fee to each member in recognition of the individual's ongoing responsibilities towards the Company.

All the Directors of the Company shall be entitled to a fixed fee by way of remuneration for holding of the office. Such remuneration shall be benchmarked against companies of similar size operating in a comparable business environment.

Whenever a Director takes up an executive role within the Company, the terms of service for such engagement, including remuneration, shall be regulated by a service contract in line with Company's ordinary practice. Remuneration offered may either consist of a fixed sum of money or may altogether or in part be variable in nature, such as to reflect the Company's business or profitability. Any such variable element shall be structured in a manner similar to the variable element of the remuneration payable to the Company's CEO. Any remuneration paid to any Director by virtue of his/her holding another office in the Company shall not be deemed to form part of such Director's remuneration.

In line with the Company's Articles of Association, the Directors may be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings or otherwise in connection with the business of the Company.

Directors are appointed in accordance with the Company's Articles of Association which provide that the directors shall retire from office at each annual general meeting.

### **3. Remuneration of the Chief Executive Officer**

This Remuneration Policy is extended to include the Company's CEO in line with Listing Rule 12.2A. The day to day administration and operations of the Company are managed by the Chief Executive Officer ('CEO').

The Company's Remuneration Policy with respect to the CEO is designed to attract and motivate a qualified and experienced professional engaged by the Company to execute its short and longer term business plans in a competitive market. In drafting the Company's Remuneration Policy relevant to the CEO's remuneration, the Remuneration Committee considered the CEO's assigned functions and the extensive responsibilities attached to the role. The Board also considered relevant market data relating to remuneration policies adopted by companies of similar size for roles of similar scope and responsibility, and remuneration practices adopted for other senior executives within the Company itself.

The CEO's remuneration is made up of a fixed component and a variable element. The fixed component constitutes a basic remuneration awarded for the performance of the CEO's executive function, reflecting his experience and knowledge, together with the responsibilities and assigned functions of this role. This fixed component is not linked to variable parameters or to the results achieved by the Company.

The variable element is structured as a performance bonus aimed at rewarding the CEO's performance with respect to the achievement of a set of financial and non-financial targets which contribute to the long-term interests and sustainability of the Company. These would typically include EBIDTA targets, liquidity levels, project realization and similar criteria. These targets are established by the Board's Remuneration Committee on an annual basis and may vary from year to year depending on the circumstances of the Company's operations at any given time. The degree of achievement of such targets is also established by the Remuneration Committee. Achievement of financial objectives is measured by a comparison of the targets set and the outcomes realised. Assessment of non-financial objectives is made by the Remuneration Committee through a subjective assessment of the CEO's performance exercised in a reasonable manner. The variable element is structured to provide an appropriate balance between the fixed and variable elements of the CEO's remuneration.

The CEO is entitled to a number of benefits that are typically available to senior business executives including health and life insurance, professional indemnity insurance and a fully expensed Company car. The CEO's employment is of an indefinite nature.

### **4. Effective Period of the Remuneration Policy**

Following approval at the Company's upcoming Annual General Meeting, this Remuneration Policy shall be adopted for a maximum period of four (4) years. The Policy document shall nevertheless be reviewed regularly and any material amendment thereto shall only be adopted following submission to and approval by the General Meeting.