



Report of the 2020 Annual General Meeting of MIDI p.l.c.

The following is a report of the Annual General Meeting (the “AGM”) of MIDI p.l.c. (C15836) (the “Company”) held remotely on the 1st October 2020 at 1500 hours.

Present:

Members representing 146,371,707 votes were present by proxy.

The Meeting was chaired by Alec A. Mizzi, Chairman of the Company.

In attendance:

Joseph Bonello	Director
David G. Curmi	Director
David Demarco	Director
Joseph A. Gasan	Director
John Mary sive Jimmy Gatt	Director
Alan Mizzi	Director
Joseph Said	Director
Mark Portelli	Chief Executive Officer
Jesmond Micallef	Chief Financial Officer
Ivan Piccinino	Senior Project Manager
David Valenzia	Territory Senior Partner, PwC – External Auditors
Fabio Axisa	Partner, PwC – External Auditors
Catherine Formosa	Company Secretary

Apologies:

Mark A. Weingard	Director
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Introduction by the Chairman

The Chairman stated that the AGM was held remotely due to the ongoing health risks and concerns associated with the COVID-19 pandemic, and in accordance with the relevant provisions set out in the Companies Act (Public Companies – Annual General Meeting) Regulations, 2020 (Legal Notice 288 of 2020) (the “Regulations”). Shareholders were requested to send their proxy to the Chairman of the Meeting and could also indicate how they wished the Chairman of the Meeting to vote on their behalf. Shareholders were also asked to send any questions which they wished to be answered during the Meeting.

The Chairman stated that members representing 146,371,707 votes were present by proxy.

The Company Secretary confirmed that, in accordance with the provisions of the Regulations and the provisions of Article 60 of the Company’s Memorandum and Articles of Association, a quorum was established.



The Chairman explained how the Meeting was going to be conducted.

The Chairman then invited the Company Secretary to read the notice convening the AGM.

Chairman's address and CEO's report

The Chairman stated that it was being proposed that the Chairman's address to shareholders and the CEO's report found in pages 4 to 15 of the Annual Report sent to shareholders be taken as read.

Questions from Shareholders and replies

The Chairman stated that the Company received 5 questions from the shareholders to be answered during the Meeting. The Chairman asked the Company Secretary to read the questions which were then answered by the CEO.

Question 1: The outbreak of COVID-19 had a widespread impact on various sectors of the economy. In your view, what has been the impact on property development and sale of residential units? Can you disclose how the level of inquiries in recent months compares with last year and previous years despite your limited availability of residential units? What are your expectations for the remainder of this year and in 2021?

Answer 1: *With the outbreak of the COVID-19 pandemic, during the latter part of Q1 2020, demand for residential property experienced an abrupt contraction. Although the Company only has three units in the Q2 apartment block which are available for sale, the pipeline of enquiries began to improve from Q3 2020.*

In fact, the Company has recently entered into a promise of sale agreement for the sale of one of the remaining Q2 units for €3.9M and this together with the resultant profit will be accounted for during the financial year of 2021.

Question 2: When do you expect to complete a new Environment Impact Assessment (EIA) for Manoel Island? Could you provide an updated timeline for this project including the submission of a fresh outline development permit application? In the publication of Interim Results there are conflicting timelines with an indication of both Q4 2020 and Q1 2021. Please clarify.

Answer 2: *The updated EIA for the development of Manoel Island will be submitted to the Environment and Resources Authority during Q4 2020 and a fresh Outline Development Application will be submitted to the Planning Authority prior to year end.*

Question 3: Following the termination of discussions with the Tumas Group in December 2019, do you plan to undertake the Manoel Island project on your own or are you still searching for viable strategic partners? How has COVID impacted your decision in this respect?

Answer 3: *The Company remains fully committed to the Manoel Island project and the possibility of undertaking the development with a strategic partner is not excluded.*



Question 4: The Bond Prospectus (dated 28 June 2016) states that the emphyteusis deed signed with the Government of Malta specified that “The entire development shall be substantially completed by the 31 March 2023 (article 8.1.4).” Furthermore, the Prospectus also stated that parts of Manoel Island could take up to 6 years to be completed which indicates that the Company is unlikely to substantially complete the project by March 2023. In this regard, did you start negotiations with Government on the possibility of extending this deadline?

Answer 4: *The deadline to substantially complete the development by March 2023 is subject to extension, in terms of the provisions of the Emphyteutical Deed, in cases of delays caused by delays in the issue of building permits and delays caused by events outside the Company’s control. Furthermore, in terms of the Emphyteutical Deed the consequences for any delay are limited to a financial penalty during the first three years. In the meantime, discussions have commenced with Government to extend this deadline.*

Question 5: How material could the impact be on the local property market from the potential grey-listing of Malta?

Answer 5: *As the different sectors of the economy are interconnected any impact on the financial sector is likely to impact the property sector.*

Resolutions

The Chairman stated that the Meeting would then proceed to the approval of the Resolutions as set out in the Notice to Shareholders.

Resolution 1: Ordinary Resolution

The Chairman introduced the First Ordinary Resolution which seeks approval of the Audited Financial Statements for the financial year ended 31 December 2019 and the Report of the Directors and the Auditors as set out in the Annual Report and which are being presented to the Meeting for its approval.

The Chairman continued that it was being proposed that the Directors’ Report which was sent to the shareholders as part of the Annual Report is taken as read.

Fabio Axisa, Audit Partner read the auditors’ unqualified opinion as found on page 44 of the Annual Report.

The Company Secretary read the First Resolution:

That the Audited Financial Statements for the financial year ended 31 December 2019 and the Report of the Directors and the Auditors thereon as set out in the Annual Report be and are hereby approved.

The Chairman stated that the following votes were received by proxy in relation to the First Resolution:

146,360,707 votes	-	in favour
0 votes	-	against
11,000 votes	-	abstentions.

IT WAS RESOLVED that the Audited Financial Statements for the financial year ended 31 December 2019 and the Report of the Directors and the Auditors thereon as set out in the Annual Report be and are hereby approved.



Resolution 2: Ordinary Resolution

The Chairman stated that the Second Resolution relates to the appointment of the auditors. In terms of the Statutory Audit Regulation, the engagement of external auditors is subject to a maximum engagement period of ten years, although such period may be extended for a further ten year period where a public tendering process for the audit is conducted in accordance with the Statutory Audit Regulation. Since upon the completion of the FY2019 audit, PricewaterhouseCoopers as external auditors would have been in office for a period of ten years, the Company issued a tender for the engagement of external auditors. The tender process was overseen by the Audit Committee and resulted in a recommendation to re-appoint PricewaterhouseCoopers as the Group's external auditors, which recommendation was endorsed by the Board. The re-appointment of PricewaterhouseCoopers as the Company's external auditors will be proposed at the 2020 Annual General Meeting. Subject to the approval of the shareholders, PricewaterhouseCoopers will undertake the audit of the MIDI Group for the year ending 31 December 2020.

The Company Secretary read the Second Resolution:

That the re-appointment of PricewaterhouseCoopers, of 78, Mill Street, Qormi, Malta as auditors of the Company be hereby approved and that the Directors are hereby authorised to fix their remuneration.

The Chairman stated that the following votes were received by proxy in relation to the Second Resolution:

146,360,707 votes	-	in favour
0 votes	-	against
11,000 votes	-	abstentions

IT WAS RESOLVED that the re-appointment of PricewaterhouseCoopers, of 78, Mill Street, Qormi, Malta as auditors of the Company be hereby approved and that the Directors are hereby authorised to fix their remuneration.

Resolution 3: Ordinary Resolution

The Chairman stated the Third Resolution relates to the maximum annual aggregate remuneration for all Directors. No changes to the maximum amount are being proposed.

The Company Secretary read the Third Resolution.

That €75,000 be established as the maximum annual aggregate remuneration for all Directors in line with the previous year.

The Chairman stated that the following votes were received by proxy in relation to the Third Resolution:

146,350,707 votes	-	in favour
10,000 votes	-	against
11,000 votes	-	abstentions.

IT WAS RESOLVED that €75,000 be established as the maximum annual aggregate remuneration for all Directors in line with the previous year.



Resolution 4: Ordinary Resolution – Special Business

The Chairman stated that the Fourth Resolution relates to the approval of the Remuneration Policy for the Board of Directors to the Company. Following recent amendments to Chapter 12 of the Listing Rules implementing the relevant provisions of Directive (EU) 2017/828 (the Shareholders' Rights Directive II), listed entities are required to have in place a remuneration policy with respect to directors and the CEO. Shareholders have the right to vote on such policy and if approved, any remuneration shall be undertaken in accordance with the approved policy. In furtherance of this requirement, the Company's Board of Directors, in consultation with the Remuneration Committee have established a remuneration policy for directors of the Company and the CEO which is being proposed for the Shareholders' approval at the AGM and which was attached to the Circular to Shareholders as Appendix 1. This Remuneration Policy supersedes any remuneration policies for directors which the Company had in place and will remain in effect for a period of four years, that is, until the Annual General Meeting in 2024, unless in the case of material changes it is brought earlier to the General Meeting for shareholders' approval.

The Company Secretary read the Fourth Resolution.

That the Remuneration Policy for the Board of Directors of the Company as set out in the Circular to Shareholders dated 9 September 2020 be hereby approved.

The Chairman stated that the following votes were received by proxy in relation to the Fourth Resolution:

146,350,707 votes	-	in favour
10,000 votes	-	against
11,000 votes	-	abstentions.

IT WAS RESOLVED that the Remuneration Policy for the Board of Directors of the Company as set out in the Circular to Shareholders dated 9 September 2020 be hereby approved.

Resolution 5: Extraordinary Resolution

The Chairman stated that the Fifth Resolution (an extraordinary resolution) is proposing amendments to the Company's Memorandum and Articles of Association as follows:

- Changes to Article 6 of the Memorandum and Article 102(3) of the Articles of Association. The proposal is to increase the maximum number of directors which may be appointed by the Board of Directors itself (i.e. without the requirement that the appointment of such director be ratified by a members' resolution taken at a general meeting of the Company) from the current maximum of one (1) director to two (2) directors. The reason for this change is to enable the Board to co-opt up to a maximum of two directors, particularly where the Board feels it necessary, from time to time, to address skills, experience or knowledge gaps on the Board. The proposed consequential change in the maximum number of directors set out in Article 6 of the Memorandum from the current nine (9) to ten (10) directors is meant to cater for this eventuality that the Board of Directors co-opts two (2) directors to the Board.



- Change to Article 137 of the Articles of Association. Following the changes undertaken to Article 180 of the Companies Act, Cap. 386 of the laws of Malta, it is permissible for the annual report of a company to be placed on the company's website without the need of mailing a printed hard copy to the shareholders, provided that (i) the Memorandum and Articles of the relative company do not state otherwise, (ii) notice of the general meeting at which the annual report is to be laid for approval has been sent to the shareholders; and (iii) the shareholders are informed that the annual report is on the website and that they may nonetheless ask for a hard copy to be mailed to them. By amending this Article as proposed, going forward the Company will be able to make the annual report available to its shareholders in any form or manner as may be required or permitted by law including therefore, by placing the annual report on its website.

In the Circular to Shareholders, a table was provided showing the current Articles compared to the new Articles as being proposed.

The Company Secretary read the Fifth Resolution.

That amendments to specific articles of the Memorandum and Articles of Association of the Company, be hereby approved as follows:

(i) That Article 6 of the Memorandum of Association be deleted and replaced by the following:

The administration and management of the Company shall be vested in a Board of Directors consisting of not less than five (5) and not more than ten (10) directors.

(ii) That Article 102(3) of the Articles of Association be deleted and replaced by the following:

The Board of Directors of the Company may appoint a maximum of two (2) additional Directors to the Board of Directors of the Company without the requirement that the appointment of such Directors be ratified by a members' resolution taken at a General Meeting of the Company. Directors so appointed by the Board in terms of this sub-article (3) shall hold office until the end of the Annual General Meeting following the relative appointment. The Directors so appointed may be withdrawn or replaced by the Board of Directors at any time.

(iii) That Article 137 of the Articles of Association be deleted and replaced by the following:

A copy of the profit and loss account and balance sheet together with a copy of the Directors' Report and the Auditors' report which are to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or annexed thereto) shall, not less than twenty one (21) days before the date of the General Meeting, be sent, provided or made available in any form or manner as may be required or permitted by law, to every person entitled to receive the aforesaid documents in terms of the Act, any other law or regulation as may be in force and applicable to the Company from time to time or these Articles. Provided that this Article shall not require a copy of these documents to be sent, provided or made available as aforesaid to any person whose address the Company is not aware.



The Chairman stated that the following votes were received by proxy in relation to the Fifth Resolution:

146,358,207 votes	-	in favour
2,500 votes	-	against
11,000 votes	-	abstentions.

The Chairman stated that in terms of Article 2 of the Articles of Association of the Company extraordinary resolutions require the assent of not less than 75% in nominal value of the shares represented and entitled to vote at the meeting and not less than 51% in nominal value of the shares conferring the right to attend and vote at a general meeting. The said two majorities have both been achieved.

IT WAS RESOLVED that amendments to specific articles of the Memorandum and Articles of Association of the Company, be hereby approved as follows:

(i) That Article 6 of the Memorandum of Association be deleted and replaced by the following:

The administration and management of the Company shall be vested in a Board of Directors consisting of not less than five (5) and not more than ten (10) directors.

(ii) That Article 102(3) of the Articles of Association be deleted and replaced by the following:

The Board of Directors of the Company may appoint a maximum of two (2) additional Directors to the Board of Directors of the Company without the requirement that the appointment of such Directors be ratified by a members' resolution taken at a General Meeting of the Company. Directors so appointed by the Board in terms of this sub-article (3) shall hold office until the end of the Annual General Meeting following the relative appointment. The Directors so appointed may be withdrawn or replaced by the Board of Directors at any time.

(iii) That Article 137 of the Articles of Association be deleted and replaced by the following:

A copy of the profit and loss account and balance sheet together with a copy of the Directors' Report and the Auditors' report which are to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or annexed thereto) shall, not less than twenty one (21) days before the date of the General Meeting, be sent, provided or made available in any form or manner as may be required or permitted by law, to every person entitled to receive the aforesaid documents in terms of the Act, any other law or regulation as may be in force and applicable to the Company from time to time or these Articles. Provided that this Article shall not require a copy of these documents to be sent, provided or made available as aforesaid to any person whose address the Company is not aware.

Election of Directors

The Chairman informed the Meeting that at the Annual General Meeting, all the Directors of the Company retire from office in terms of the Articles of Association of the Company. In line with the Articles, the Company issued adverts calling for the nomination of persons to be appointed directors. The Company received eight (8) valid nominations, one of which was subsequently withdrawn. Accordingly: (a) in terms of the Articles, since there are less nominations than vacancies, namely seven (7) nominations for eight (8) vacancies, no election will take place and the seven (7) nominees will automatically take office as directors; and (b) no resolution is required at this Meeting as the directors are duly appointed pursuant to the Articles.



The Board of Directors is therefore composed of 7 directors as follows:

Joseph Bonello

David G. Curmi

Joseph A. Gasan

John Mary sive Jimmy Gatt

Alan Mizzi

Alec A. Mizzi

Joseph Said

There being no further business to discuss the Chairman declared the Meeting closed at 1545 hours.