

Today the twenty-
first of May of
the year two
thousand and seven

No.: 6

DEED OF
FOUNDATION

Before me Doctor Cora Vella, Chief Notary to Government, personally came and appeared as identified by the documents hereunder mentioned:

The Honourable Tonio Fenech, Parliamentary Secretary in the Ministry of Finance, son of the late Carmelo Fenech and of Helen nee' Zarb, born in and residing at Birkirkara, (Identity card number 200669(M)) duly authorized to appear hereon on behalf of the "Government of Malta", -hereinafter referred to as the "*Government of Malta*", by virtue of a document herewith attached and marked document "A", related papers are marked Notary to Government number twenty-two stroke two thousand and seven (Not 22/07).

Kenneth Farrugia, General Manager of Valletta Fund Services Limited, son of Vincent Victor Farrugia and of Angela nee' Falzon born in Attard and residing at Mtarfa, (Identity card number 18267(M)) who is duly authorized to appear hereon on behalf and in representation of the Malta Investment Funds Association, Malta Association of Fund Managers and Administrators, College of Stockbroking Firms, hereinafter referred to as the "*MIFA-MAFMA-CoS*".

① Anthony known as Tonio Depasquale, Chief Executive Officer of "Bank of Valletta plc", son of Emmanuel Depasquale and of Melita nee' Calleja born in Birkirkara and residing at Attard (Identity card number 944148(M)) who is duly authorized to appear hereon on behalf and in representation of the Malta Bankers Association hereinafter referred to as the "*MBA*".

David Curmi, Chief Executive Officer of MiddleSea Valletta Insurance public limited company, son of Joseph Curmi and of Ophelia nee' Sammut born in Hamrun and residing at Sliema (Identity card number 477759(M)) who is duly authorized to appear hereon on behalf and in representation of the Malta Insurance Association and the Association of Insurance Brokers hereinafter referred to as the "*MIA-AIB*".



Andrew Manduca, Certified Public Accountant, son of the late Paul Manduca and of Isabel nee' Earley born in Sliema and residing at San Pawl tat-Targa (Identity card number 221954(M)) who is duly authorized to appear hereon on behalf and in representation of the Institute of Financial Services Practitioners hereinafter referred to as the "**IFSP**".

-hereinafter all collectively referred to as the "**Founders**".

"MIFA-MAFMA-CoS", "MBA", "MIA-AIB" and "IFSP" are hereinafter collectively referred to as the "**Industry**".

Whereas the Founders wish to constitute and establish an autonomous non-profit making foundation for such aims and with such functions as hereunder mentioned.

Now therefore by virtue of this deed, the Founders hereby constitute and establish a foundation to be called "**FinanceMalta**", hereinafter referred to as the "**Foundation**", having as its main, general and overarching objective that of promoting Malta as a quality financial business centre, in accordance with the statutory rules contained in this deed, as laid down hereunder;

STATUTE

1. In virtue of this deed, there shall be established a Foundation which shall have the name of "**FinanceMalta**".

Interpretation

2. In this Statute, unless the context otherwise requires:-

"*Board of Governors*" means the Board of Governors as established under clause six (6) hereof;



“*Chairman*” means the Executive Chairman of the Foundation and of the Board of Governors appointed under clause twelve (12) hereof;

“*Foundation*” means FinanceMalta foundation established by virtue of this deed.

“*Fund*” means the FinanceMalta fund established under clause twenty-one (21) hereof; and

“*Statute*” means the present document.

Objects

3. The objects, aims and purposes for which FinanceMalta is established are:-

- (i) to co-ordinate closely with relevant industry players in order to promote and market regulated and other business areas, such as investment services, mutual funds, trustee services, insurance, and banking, and to determine the most appropriate method and manner of doing this;
- (ii) to assist practitioners to market the Malta concept and advantages (financial or otherwise) in order to attract foreign direct investment in the following areas:
 - a. intra group financing operations (group treasury);
 - b. international trading operations - managing the administration / logistics of a company's exports;
 - c. holding companies for European Union (EU)/non-EU subsidiaries;



- d. location for intellectual property so that royalties flow to and from Malta;
- e. holding overseas immovable property;
- f. investment portfolio/trading;
- g. back office operations and call centres
- h. services connected with the aviation sector such as private aircraft management , aircraft leasing operations, aircraft financing;
- i. the attraction of Malta to captive insurance companies, insurance companies, back-office insurance services and insurance out-sourcing;
- j. the attraction of Malta as a domicile for investment funds in the provision of administration and investor services;
- k. the promotion of the local capital market by attracting overseas companies/institutions to list their financial instruments on the local market and the provision in Malta of trading, clearing, settlement and custody services in respect of financial instruments;
- l. other services offered by the financial services sector; and
- m. other consultancy, management, planning, estate agency and other ancillary services in support of and conducive to the practical needs of operators within the financial services sector in Malta



- (iii) to raise Malta's profile as a quality finance centre, both locally and internationally;
- (iv) to implement and refine the brand strategy and road map developed for the financial services industry;
- (v) to promote ownership of the Malta brand among all stakeholders;
- (vi) to create business and networking opportunities for firms operating in the sector;
- (vii) to promote private sector investment in the industry;
- (viii) to feed off the success in one area to attract investment from the same entity but into another area and creating more initial opportunities upfront if initial investment spans different areas;
- (ix) to synergize the different investment sub-sectors pushing them to complement each other rather than compete with each other;
- (x) to build on the expertise and success of the different investment sub-sectors in order to attract business to the other investment sub-sectors;
- (xi) to do all such other things and undertake or carry on any actions that may be ancillary, incidental, related to or connected with any of the above actions as the Foundation may in its absolute discretion deem appropriate, necessary, convenient or expedient to undertake, embark upon, engage in or carry on;



Address

4. The address of FinanceMalta shall be situated at "Garrison Chapel", Castille Place, Valletta and any such other address, including postal or electronic worldwide web and electronic mail addresses, as the Board of Governors may from time to time determine and set up.

Nature of the Foundation

5. The Foundation shall be an autonomous body corporate of a non-profit-making nature with a distinct legal personality and without prejudice to the generality of the foregoing, but subject to the provisions of this Statute, it shall be capable:-

- (i) of entering into contracts of acquiring, holding and disposing of any services or property, movable and immovable, tangible or intangible, by any title whatsoever; and
- (ii) of suing or of being sued in any legal, arbitration, conciliation, dispute resolution or mediation proceedings;

Board of Governors

6. Subject to the provisions of this Statute, the Foundation shall be governed by a Board of Governors.

7. Without prejudice to the generality of the preceding clause, the functions of the Board of Governors shall be:-



- (i) to attain to the best of its abilities the objects of the Foundation;
- (ii) to establish the policies and devise business plans and strategies that are conducive to the attainment of the Foundation's objects;
- (iii) to manage the finances of the Foundation;
- (iv) to draw up regular financial statements;
- (v) to draw up and publish regular progress reports at least once a year;
- (vi) to take all reasonable steps towards ensuring that all funds contributed and/or raised are prudently utilized for the realization of the Foundation's objects or for any of its projects; and
- (vii) to do all such other things and carry on such other activities not inconsistent with any clauses of this Statute as may be necessary to achieve the Foundation's objects or to fulfil the functions of the Board of Governors.

8. The Board of Governors may collaborate or act in conjunction with any individual, organisation or body or association of persons to achieve the aims and objects of the Foundation.

Composition of the Board of Governors

9. The Board of Governors shall consist of not less than four (4) and not more than eight (8) members. The Founders shall be entitled to appoint members on the Board of Governors as follows:-



- (i) four members appointed in representation of the Government of Malta, Ministry of Finance;
- (ii) one member appointed in representation of the Malta Investment Funds Association, Malta Association of Fund Managers and Administrators and the College of Stockbroking Firms;
- (iii) one member appointed in representation of the Malta Bankers Association;
- (iv) one member appointed in representation of the Malta Insurance Association and the Association of Insurance Brokers; and
- (v) one member appointed in representation of the Institute of Financial Services Practitioners.

10. The first Governors shall be:-

- a. Joseph Zammit Tabona (Identity Card Number 191444[M]), Professor Joseph Bannister (Identity Card Number 778145[M]), Doctor Michael Xuereb (Identity Card Number 20961[G]) and Alan Caruana (Identity Card Number 53665[M]), in representation of the Ministry of Finance within the Government of Malta;
- b. Kenneth Farrugia (Identity Card Number 18267[M]) in representation of the Malta Investment Funds Association, Malta Association of Fund Managers and Administrators and the College of Stockbroking Firms;



- c Anthony sive Tonio Depasquale (Identity Card Number 944148[M]) in representation of the Malta Bankers Association;
- d David Curmi (Identity Card Number 477759[M]) in representation of the Malta Insurance Association and the Association of Insurance Brokers; and
- e Kevin Valenzia (Identity Card Number 422156[M]) in representation of the Institute of Financial Services Practitioners.

Governors' Term of Office, Appointment, Alternate Governors and Casual Vacancy

11. (i) Governors shall remain in office for a period of three (3) years.
- (ii) A Governor's term of office may either expire at the end of the said term of three years from their initial appointment or when a Governor resigns or is otherwise removed from office by the Founder appointing him or her on the Board of Governors.
- (iii) Unless they would have resigned or removed from office, Governors shall be eligible for re-appointment.
- (iv) Appointment to the Board of Governors shall take effect following the expiry of the period of office of the retiring members of the Board, after written nomination by letter addressed to the Chairman of the Board, issued by the Founders entitled to appoint a member of the Board.



(v) A Founder shall be entitled to nominate an Alternate Governor to substitute the Governor appointed by it at any meeting of the Board. In the absence of a Governor, an Alternate Governor shall assume all the powers of the Governor whom he or she is expressly empowered to substitute at a validly convened meeting of the Board. If the Founder appoints its Alternate Governor, it shall do so by letter addressed to the Chairman of the Board of Governors.

(vi) In the event of any casual vacancy during the term of office of a Governor, such vacancy shall be filled only by the Founder which shall have appointed such former Governor who has not continued in the office of Governor thereby bringing about the casual vacancy.

12. (i) The first Chairman of the Board of Governors shall be Joseph Zammit Tabona, holder of Identity Card Number 191444[M].

(ii) At its first meeting, the Board of Governors shall appoint any one of its members as Deputy Chairman who shall assume all the powers and duties of the chairman in the event of any absence of the latter.

(iii) The Board of Governors shall subsequently appoint a Chairman and a Deputy Chairman from among its members no later than at its first meeting following the Governors' appointment or re-appointment as the case may be.

(iv) In the event of absence of either the Chairman or the Deputy Chairman at any duly convened Board meeting, the Board of Governors shall appoint a chairman from amongst the members present for the mere purpose of presiding over the proceedings of that particular meeting.



13. The quorum for a meeting of the Board of Governors shall be five (5) Governors present in person, through their Alternate Governors or by proxy. Where a quorum has not been reached, the business that was meant to be considered may be considered at another meeting that shall be held within seven days from the first scheduled meeting. At such adjourned meeting, two Governors, one representing the Government of Malta and another representing the Industry, shall constitute a valid quorum for the consideration of the business outstanding from the first scheduled meeting.

Unless otherwise required by this Statute, decisions shall be taken by a simple majority of the Governors present at a meeting of the Board. Every Governor shall be entitled to one (1) vote and in case of a parity of votes, the Chairman shall have a casting vote.

14. A Resolution in writing signed by all the Governors for the time being holding office as members of the Board of Governors shall be as valid and effective as if it had been passed at a meeting of the Board of Governors duly convened and held. Such a Resolution shall be deemed duly passed even if the various Governors express their adherence to the Resolution in different documents and even if such adherence or adherences shall be expressed through facsimile or electronic transmission provided that the text of the Resolution is identical in each separate document.

15. A Governor or Alternate Governor in his stead, entitled to attend and vote at a meeting of the Board of Governors, may with the express written consent of the Founder appointing him or her, appoint another person as his or her proxy to attend and vote instead of him or her at any meeting of the Board of Governors. A proxy so appointed shall have the same rights as any other member during the meeting, provided the Founder has expressed such written consent in the same



instrument of proxy. Proxies may be given by means of a facsimile or electronic transmission addressed to the Chairman.

16. The Board of Governors shall meet as often as may be necessary. It shall keep proper records of its meetings and otherwise be free to regulate its own affairs.

17. The Board of Governors shall appoint a Secretary who shall have such powers and functions as the Board may from time to time assign to him/her.

18. The legal and judicial representation of the Foundation shall vest in the Chairman of the Board of Governors or in such other member or members, in his stead, as may be duly appointed by the Board of Governors for such purpose or purposes as may be specified.

19. The Government of Malta shall determine and pay out of its own funds any remuneration, honoraria and emoluments, if any, that may be paid to the Chairman so long as he is appointed on the Board of Governors by the Ministry of Finance within the Government of Malta. If the Chairman is a Governor appointed by the Industry, any such remuneration, honoraria and emoluments shall be determined by the Board of Governors and paid from the assets of the Fund. Any entitlement to remuneration, honoraria and emoluments by any other Governor for services rendered to FinanceMalta shall not be at the charge of the Fund.

Financial Provisions

20. The Board of Governors shall consider and approve financial estimates and budgets for any recurrent or capital expenditure as the Board may deem fit to incur



in engaging in or in pursuance of its activities towards the attainment of its objects.

21. The Government of Malta will endow the Foundation with capital funding amounting to one hundred thousand Malta Liri (Lm100,000). This funding shall have a financial year ending on the thirty-first (31st) December of any calendar year except for the first (1st) financial year which shall run from the date of execution of the Agreement and Memorandum of Understanding setting up the Foundation up to the thirty-first (31st) December of the year two thousand and seven (2007). In subsequent financial years the Ministry of Finance within the Government of Malta commits itself to provide annual contributions, as early as possible at the start of every such subsequent financial year and in any case not later than the thirty-first (31st) of the month of January of every such year, of one hundred thousand Malta Liri (Lm100,000).

22. The Industry, via the Institute of Financial Services Practitioners, will be seconding at its expense, two employees to be placed at the disposal of FinanceMalta.

23. It is further agreed that should FinanceMalta require funding in excess of one hundred thousand Malta Liri (Lm100,000) financed by Government as mentioned hereinabove, then such excess shall be funded by activities of the Foundation and contributions that may be derived through the Industry.

24. Whenever FinanceMalta requires funding in excess of two hundred thousand Malta Liri (Lm200,000) in any financial year, such excess shall be funded in equal shares between the Government of Malta and the Industry.



25. All monies paid or contributed to the Foundation shall be placed to the credit of a Fund, which shall be known as the "*FinanceMalta Fund*". The monies standing to the credit of FinanceMalta Fund shall be used and applied solely for the purposes of the Foundation. No disbursements out of the Fund shall be paid except in fulfilment of the Foundation's objects and as approved by the Board of Governors.

26. The Board of Governors shall have its annual accounts audited. The Foundation shall publish its annual audited accounts after they approved as mentioned hereunder.

Executive Staff and other outworkers

27. FinanceMalta may engage such executive members of staff and other outworkers, as the Board of Governors may deem necessary from time to time, whether on a definite or indefinite term basis. Any member of staff seconded to FinanceMalta by any of the Founders shall at all times be under the responsibility of the Chairman.

Annual General Meeting

28. The Founders shall be entitled to attend an Annual General Meeting of FinanceMalta which shall be called by the Board of Governors by written notice addressed to the Founders giving notice of the appointed date, time and place for the holding of such Meeting together with the agenda of the business to be considered at such Meeting and any relevant accompanying papers in consideration of the announced business. Such Notice shall be given with a minimum of fourteen days from the date of such Meeting. The auditors shall be



appointed by the Founders at the Annual General Meeting and they shall also fix the auditors' remuneration.

29. At such Annual General Meeting, the Board of Governors shall be in attendance and shall present an Annual Report of the activities, current status and future prospects of the Foundation together with the Audited Financial Statements and the Auditors' Report thereon. The Auditors shall receive the Notice of the Annual general meeting and shall be entitled to attend and provide any comment they deem appropriate in respect of their audit. The Annual Audited Accounts shall be submitted for the consideration and approval of the Founders. Unless the Founders appoint an ad hoc chairman at a duly convened general meeting, the Chairman of the Board of Governors shall preside over the proceedings of such meeting and shall ensure that Minutes of the proceedings are duly kept.

30. The quorum for an Annual General Meeting shall be five (5) Founders present in person or by proxy. Where a quorum has not been reached, the business that was meant to be considered may be considered at an adjourned Annual General Meeting that shall be held within seven days from the first scheduled meeting. At such adjourned Annual General Meeting, the Founder or Founders present shall form a valid quorum for the consideration of the business outstanding from the first scheduled meeting.

31. Unless otherwise required by this Statute, decisions shall be taken by a simple majority of the Founders present at the Annual General Meeting. Every Founder shall be entitled to one (1) vote and in case of a parity of votes, the Chairman shall have a casting vote.



Amendment to the Statute

32. The Foundation shall be governed by the rules contained in this Statute which may be amended, varied, modified or otherwise changed or revoked, as the Founders may from time to time resolve at an Extraordinary General Meeting of the Foundation. A Resolution amending, varying or revoking any rules contained in this Statute shall require the support of not less than three-fourths (3/4ths) of the Founders expressed at such an Extraordinary General Meeting for which written Notice shall have been duly given to the members duly entitled to attend, with the relevant draft Extraordinary Resolution of amendment, variation or revocation as the case may be accompanied with a relevant and appropriate explanatory memorandum outlining the scope and purpose of the draft Extraordinary Resolution. Unless varied by this paragraph, all matters relating to the holding and conduct of proceedings at an annual general meeting of the Founders contained hereinabove shall *mutatis mutandis* also apply to the holding of an Extraordinary General Meeting.

Duration, winding-up and distribution of assets

33. FinanceMalta shall be deemed to have been established for all effects and purposes of law and of these rules today the twenty first of May of the year two thousand and seven, and shall remain in being unless wound up by an Extraordinary Resolution supported by not less than fifty percent (50%) of the Founders at an Extraordinary General Meeting duly convened as provided hereinabove. Upon the winding up of FinanceMalta, for whatever reason, all its remaining net assets shall accrue in favour of the Ministry of Finance within the Government of Malta.



This deed the import whereof has been duly explained by me, the undersigned Notary, to the parties hereto, according to law has been done, read and published in Malta, Saint Julians, Portomaso at the Hilton Hotel.

- ① these words cancelled.
- ② one word cancelled and substituted by "the late Samuel"
- ③ words added "the late"

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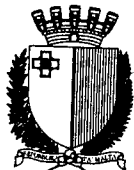
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Chief Notary to Government



MEMORANDUM

To Hon. Lawrence Gonzi, K.U.O.M., LL.D., M.P. Date Wednesday, 09 May 2007
Prime Minister

From Tonio Fenech Parliamentary Secretary Ministry of Finance
File

Subject: Endorsement of Finance Malta statute

Dear Sir,

In your capacity Prime Minister and Minister of Finance, kindly authorise me to endorse the Finance Malta statute (latest draft copy attached). This will formalise the Finance Malta partnership with the finance industry as set out in the statute.

The Finance Malta address will be the Stock Exchange – Garrison Chapel initially. Also, the first board members who will be appointed on behalf of Government on setting up Finance Malta are:

- Mr. Joseph Zammit Tabona, in his capacity as Chairman of the Malta Stock Exchange. Mr. Zammit Tabona is also expected to preside over Finance Malta.
- Professor Joseph Bannister (MFSA)
- Dr Michael Xuereb (MFSA)
- Mr. Alan Caruana (MFIN)

Should you agree to go ahead with this statute the signing ceremony is expected to be held on 21st May 2007.

Lawrence Gonzi
L. Spawale
AK



Lawrence Gonzi

approved by Law
10/5/07

Lawrence Gonzi