

**THE COMPANIES ACT 1995**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**ALPHA VALUE MANAGEMENT LIMITED**

**ADOPTED ON 14<sup>th</sup> November 2018**

**THE COMPANIES ACT 1995**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**ALPHA VALUE MANAGEMENT LIMITED**

**1. NAME**

The name of the Company is **Alpha Value Management Limited**.

**2. PRIVATE COMPANY**

The Company is a private company and the liability of the members is limited.

**3. REGISTERED OFFICE**

The registered office of the Company shall be at No. 11, Level 2, Casal Naxaro, Labour Avenue, Naxxar, NXR 9021 Malta or any other address in Malta as the Board of Directors of the Company may from time to time determine.

**4. OBJECTS**

The objects of the Company are:

- a.) To promote, develop and act as a Maltese Management Company under the Undertakings for Collective Investment in Transferable Securities and Management Companies Regulations, 2004, issued under the Investment Services Act, Cap 370 of the Laws of Malta, and to promote, develop and act as investment manager for other collective investment schemes and other investment companies and products in and from Malta;
- b.) To act as fund administrator pursuant to the administrator-recognition status awarded under section 9A of the Investment Services Act, Cap 370 of the Laws of Malta, thereby being authorised to provide fund administration services, including ancillary and related services, in and from Malta, to collective investment schemes and other investment companies and products, and to other structures, products and arrangements, whether incorporated or unincorporated;
- c.) To provide any other "investment service" as defined by and under the Investment Services Act, Cap 370 of the Laws of Malta, in and from Malta;
- d.) To obtain loans, overdrafts, credits and other financial and monetary facilities without limit and to otherwise borrow or raise money in such a manner as the Company shall think fit, and in particular by the issue of debentures or other rights and to secure the repayment of any money borrowed or raised or any interest thereon as may be considered fit, including hypothecation, charge or lien upon the whole or any part of the Company's property and assets (whether present or future); and also by a similar hypothecation, charge or lien, to secure and guarantee the performance of any debt,

liability or obligation of the Company only when necessary and in relation to the business of the Company;

- e.) To draw, make, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable documents;
- f.) To employ any number of workers for the purposes for which the Company is established and to remunerate any person, firm or Company rendering services to this Company, whether by cash payment, or by the allotment to him or them of shares or securities of the Company credited as paid up in full or in part or otherwise;
- g.) To subscribe for, take, purchase or otherwise acquire and hold shares or other interest in, or securities of any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as, directly or indirectly, to benefit this Company;
- h.) To promote any other company for the purpose of acquiring all or any of the property or of understanding any business or operations which may appear likely to assist or benefit this Company or to enhance the value of any property or business of this Company, and to place or guarantee the placing of, subscribe for or otherwise acquire all or any part of the shares or securities of any such company as aforesaid;
- i.) To amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for full or partly paid-up shares or otherwise) of the undertaking subject to the liabilities of this or any such other company as aforesaid, with or without winding up, or by sale or purchase (for fully or partly paid shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature or in any other manner;
- j.) To carry out such activities as may be ancillary to the above or as may be necessary or desirable to achieve the above objects and that whenever the context so permits this clause shall be construed as to permit the Company to exercise its power without territorial restriction anywhere in the world;
- k.) To purchase, rent or lease, or exchange or otherwise, or dispose of any immovable property;
- l.) To develop, alter, change or improve any immovable properties acquired;

AND IT IS HEREBY DECLARED that the objects set forth in this Clause shall not be restrictively construed but the widest interpretation shall be given thereto. Furthermore, the objects of the Company as specified in each of the foregoing paragraphs of this Clause (except only if and so far as otherwise provided in any paragraph) shall be separate and distinct objects of the Company and shall not in any way be deemed subsidiary or ancillary to any other object or otherwise limited by reference to any other paragraph or the order in which the same occur or the name of the Company.

The Company shall have full power to exercise all or any of the powers and to achieve or to endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub- clauses.

Nothing in the foregoing shall be construed as enabling or empowering the Company to carry on any business, activities or services regulated by the Investment Services Act, Cap 370 of the Laws of Malta, the Banking Act, Cap 371 of the Laws of Malta, the Financial Institutions Act, Cap 376 of the Laws of Malta, the Insurance Business Act, Cap 403 of the Laws of Malta, the Insurance Intermediaries Act, Cap 487 of the Laws of Malta nor the Special Funds (Regulation) Act, Cap 450 of the Laws of Malta or the Trusts and Trustees Act, Cap 331 of the Laws of Malta, without being duly licenced or otherwise in possession of any other appropriate authorization from the respective competent authority.

## **5. SHARE CAPITAL**

5.1 The authorized share capital of the Company is one million shares of Euro 1 each (Euro 1,000,000).

5.2 The issued share capital of the Company is two hundred thousand Euro (Euro 200,000) divided into two hundred thousand (200,000) Ordinary Shares of one Euro (Euro 1) each fully paid up, and which issued share capital is subscribed to in the following manner:

| <u>Subscribers</u>  | <u>Ordinary Shares</u> |
|---|------------------------|
| <b>AVMC CYP HOLDINGS LTD</b><br>6 Georgiou Katsounotou<br>3036 Limassol, Cyprus<br>Registration Number: HE371448  | 195,000 (97.5%)        |
| <b>ROBERTO LORENZINI</b><br>Via Piano di Golferaria,<br>20F, San Marino<br>Malta<br>San Marino ID card no: 150634 | 5,000 (2.5%)           |

Chairman will be Ms Raffaella Maroglio.

## **6. DIRECTORS**

6.1 The affairs of the Company shall be managed by a Board of Directors composed of not less than two (2) and not more than five (5) Directors. The first directors of the Company shall remain in office for one (1) year unless they resign at an earlier date or are removed in accordance with Section 140 of the Companies Act PROVIDED THAT directors shall be eligible for re-appointment at the Company's General Meeting.

6.2 The Board shall be composed of two (2) executive directors and one non-executive director.

The first two (2) executive Directors of the Company shall be:

**RAFFAELLA MAROGLIO**  
17, MANDOLINA  
Triq S. Cannataci  
Is- Swieqi  
Malta  
Italian ID card no: AT8239998

And

**KENNETH SCHEMBRI**  
147A, Triq il-Kbira,  
San Giljan  
Maltese ID Card No.: 0494776M

The first non-executive Directors of the Company shall be:

**ALBERTO LOTTI**  
Lungolago Giuseppe Motta 154  
6815 Melide  
Switzerland  
Swiss ID card No: C5176798

#### **7. COMPANY SECRETARY**

The Company Secretary is:

**GIANELLA GIORDANO** of 40B Ta Cisju, Triq San Pawl, Naxxar, Malta bearing Maltese ID card no 169689M

#### **8. REPRESENTATION OF THE COMPANY**

8.1 The judicial representation of the Company shall vest in **RAFFAELLA MAROGLIO** bearing Italian ID card no. AT8239998, provided that no proceedings may be instituted or otherwise promoted by the Company without the approval of the Board.

8.2 Deeds of whatsoever nature engaging the Company and all other documents purporting to bind the Company, including bank documents, cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by **RAFFAELLA MAROGLIO** bearing Italian ID card no. AT8239998 or by such person or persons as the Board of Directors may from time to time determine. The Board may at any time delegate all or any of its powers to bind the Company to any person, with powers of sub-delegation, under such terms and conditions as the Directors may from time determine.

Signed:



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**AVMC CYP HOLDINGS LTD**  
Registration Number: HE371448



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**ROBERTO LORENZINI**  
San Marino ID card no: 150634

**THE COMPANIES ACT 1995**

**ARTICLES OF ASSOCIATION**

**OF**

**ALPHA VALUE MANAGEMENT LIMITED**

**1. PRELIMINARY**

Regulations for the Management of a Private Company

The Company is established as a private company as defined in the Companies Act, 1995 (hereinafter called "The Act") and accordingly:

- (i) the right to transfer shares is restricted in the manner hereinafter prescribed;
- (ii) the number of members of the Company is limited to fifty;
- (iii) the invitation to the public to subscribe to shares or debentures of this company is prohibited;
- (iv) the company shall not have the power to issue shares to bearer.

Regulations for the Management of a Limited Liability Company

The regulations contained in Part I of the First Schedule to the Act (such Schedule being hereinafter called the "First Schedule") shall apply to the company in so far as they are not excluded or varied hereby.

Regulations 57-61 on the Rotation of Directors are hereby excluded.

The regulations contained in Part II of the First Schedule relating to the management of a private company shall apply to the Company in so far as they are not excluded or varied hereby.

**2. RESOLUTIONS**

A resolution in writing signed by:

- (a) all the members for the time being entitled to receive notice of and to attend and vote at any general meeting of the Company, or
- (b) all the Directors, or if there is only one, the sole Director, appearing as Directors of the Company from time to time in the public register of the Company at the Registry of Companies,

shall be valid and effectual as if it had been passed at a meeting of the relevant body duly convened and held. Several distinct copies of the same document or resolution signed by each of the members or directors shall when placed together constitute one writing for the purposes of this regulation.

### **Ordinary General Meetings**

Any deliberations are only valid if shareholders representing at least half the total shareholding are present, and motions shall be passed if voted for by shareholders having at least 51% of the total shareholding. In case of a deadlock vote than the casting vote will be that of the chairman.

### **Extraordinary General Meetings**

Reference is made to Clause 18 hereof.

## **3. SHARE CAPITAL AND VARIATION OF RIGHTS**

(a) Without prejudice to any special rights previously conferred on the holders of any existing shares or classes of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the company may from time to time by ordinary resolution determine.

(b) Subject to the provisions of Section 115 of the Act any preference shares may, with the sanction of any ordinary resolution, be issued on the terms that they are, or at the option of the company are liable, to be redeemed on such terms and in such manner as the company before the issue of the shares may by extraordinary resolution determine.

(c) If at any time the share capital is divided into different classes of shares, the change of any shares from one class into another or the variation of the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class which is to be changed or the rights attached to which are to be varied, according to the case) may, whether or not the Company is being wound up, be made with the consent in writing of the holders of three-fourths of the issued shares of that class, and the holders of three-fourths of the issued shares of any other class affected thereby. Such change or variation may also be made with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of that class and of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of any other class affected thereby. To every such separate general meeting the provisions of these regulations relating to general meetings shall apply.

(d) The Company may exercise the power of paying commissions or of making discounts or allowances provided it complies with the requirements of Section 113 of the Act. Such commission may be satisfied by the payment of cash of the allotment of fully or partly paid shares or partly in one way and partly in the other.

(e) Every person whose name is entered as a member in the Register of members shall be entitled without payment to receive one certificate for all his shares or several certificates each for one or more of his shares. If a share certificate be defaced, lost or destroyed, it may be renewed on application of the member of such terms (if any) as to evidence and



indemnity and the payment of out-of-pocket expenses of the Company of investigating evidence as the directors think fit.

#### **4. CALL ON SHARES**

(a) The Board of Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares. A call may be revoked, modified or postponed as the Directors may determine. Any member shall be entitled to at least seven (7) days notice.

(b) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(c) Without prejudice to Article 7 hereof, if a sum called in respect of a share is not paid before or on the date appointed for the payment thereof, the person from whom the sum is due shall pay annual interest thereon from the day appointed for payment thereof to the time of actual payment at such rate not exceeding two percentage points over the Central Bank of Malta minimum discount rate as the directors may determine, but the directors shall be at liberty to waive payment of such interest wholly or in part.

(d) Without prejudice to Article 7 hereof, any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(e) The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

(f) The directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding two percentage points over the Central Bank of Malta minimum discount rate, as may be agreed upon between the directors and the members paying such sum in advance.

#### **5. TRANSFER OF SHARES**

(a) If any member wishes to transfer his shares or any of them (hereinafter referred to as the transferor), he shall inform the directors by notice in writing (hereinafter referred to as the transfer notice) specifying the number of shares to be transferred, the name of the proposed transferee being a third party (which proposed transferee shall only be invoked should the remaining existing members refuse or be unable to purchase his shares at a fair price under the provisions of Clause 5 (c) below and PROVIDED THAT the majority of the original subscribers to the Memorandum pass a resolution approving such transferee), and his estimated valuation of each share. A part of a share may not form the object of a transfer.

It is hereby understood that for the purposes of the resolution approving the transferee referred to here-above in this sub-article, the majority required to pass such resolution shall be determined by a show of hands such that each original subscriber to the Memorandum shall be deemed to be entitled to one (1) vote irrespective of the number of shares held by

such subscriber in the Company, PROVIDED THAT in the event of equality of votes the Chairman shall have a second or casting vote.

(b) The receipt by the directors of a transfer notice shall constitute an authority to offer for sale the shares specified therein at a fair valuation to be ascertained as follows:

- i) the transferor's estimated valuation, if considered by the directors to be a fair one;
- ii) at a value placed on them by the auditors where the transferor's valuation is not considered by the directors to be a fair one;
- iii) at a valuation placed on them by any other person whom the directors, with the consent in writing of the transferor, shall appoint where for any reason the auditors shall not make the said valuation.

(c) When a fair value of the shares has been determined in the manner prescribed in Clause 5 (b), the directors shall by notice in writing inform the transferor and shall cause a notice to be sent to every remaining existing member of the Company stating the number and the fair value of the shares for sale and inviting them to state, in writing within thirty (30) days, what number of shares, if any, they are willing to purchase.

On the expiration of the said thirty (30) days, the directors shall first allocate the said shares to the remaining existing members willing to purchase irrespective of the number of shares held by such member. If the requests for shares exceed the number for sale, the directors shall apportion the shares in accordance with such purchasing members' existing shareholdings.

PROVIDED THAT any member may transfer all or any of his shares directly to another existing member of his choice, who accepts to purchase the same, irrespective of the number of shares held by such member, without the need to offer such shares to the other remaining existing members as would otherwise be required as per the provisions of this sub-clause outlined above.

(d) The transferor shall complete and execute transfers of the said shares in accordance with the allocation by the directors and shall surrender to the Company his share certificate. The transferor shall be deemed to remain a holder of the shares until the name of the purchasing member is entered in the Register of Members in respect thereof.

(e) If the directors shall be unable, within two (2) months of receipt of the notice referred to in Clause 5 (a), to find the purchaser for all or any of the shares from amongst the remaining existing members, the transferor shall be entitled to sell the shares to the proposed transferee named in the transfer notice, at the price specified therein, and this for a period of six months commencing from the end of the two months from the notice referred to under Clause 5 (a), so however PROVIDED THAT the majority of the original subscribers to the Memorandum have passed a resolution approving such transferee named in the transfer notice.

(f) Notwithstanding the regulations set out above, no restriction on the transfer or transmission of shares shall apply where such transfers take place whether inter vivos or causa mortis to a lineal descendant or the wife, husband, widow or widower of a member of the Company.

## **6. TRANSMISSION OF SHARES**

Shares are transferable on death of a shareholder to his heirs according to any will or the law. Until such time as the rightful heir is established the estate of the deceased member will be deemed to be the holder of the shares.

## **7. FAILURE TO PAY UP UPON CALL**

Where a member fails to pay up such part of any share after a call has been made to this effect, the Company shall by resolution elect whether to apply the provisions of Article 4 (c) or (d), as the case may be, or otherwise authorize any of the other members to purchase the balance thereof which is the subject of the call.

## **8. MEETINGS OF THE BOARD OF DIRECTORS**

All meetings of the Board of Directors and any general meeting of the members of the Company may be held in any country at the discretion of the Directors.

## **9. GENERAL MEETINGS**

(a) The Annual General Meeting of the Company shall be held at such time and at such place as the Directors shall appoint.

(b) All General Meetings other than the Annual General Meeting shall be called Extraordinary General Meetings.

(c) The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Section 129 of the Act. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum any Director or any two members of the company may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors.

## **10. NOTICE OF GENERAL MEETINGS**

(a) Notice of any general meeting shall be given to all members of the Company, to all Directors, and to the Secretary if any, of the Company.

(b) A general meeting of the Company shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business the general nature of that business, and shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, by the Act and under the regulations of the Company entitled to receive such notices from the Company. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this regulation, be deemed to have been duly called if it is so agreed by all the members entitled to attend and vote thereat.

(c) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## **11. PROCEEDINGS AT GENERAL MEETINGS**

(a) All business shall be deemed special that is transacted at any extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of:

- i. declaring a dividend,
  - ii. declaring that dividends are to be paid on account,
  - iii. the consideration of the annual accounts and balance sheets,
  - iv. the reports of the Directors and auditors,
  - v. the election of Directors in place of those retiring or resigning or being removed,
- and
- vi. the appointment of, and the fixing of the remuneration of, the auditors.

(b) No business shall be transacted at a General Meeting of the Company unless a quorum of members is present at the time the meeting proceeds to business.

(c) Each share shall entitle the member to one vote.

(d) The Chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting.

If at any meeting no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

This requirement shall not apply if the Chairman or members of the Board of Directors are in a country different from that in which the general meeting is being held.

(e) The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

(f) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands.

A declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution:

Provided that where a resolution requires a particular majority in value, the resolution shall not be deemed to have been carried on a show of hands by the required majority unless there be present at the meeting, whether in person or by proxy, a number of members holding in the aggregate the required majority as aforesaid.

(g) In the case of an equality of votes, the Chairman of the meeting at which the show of hands takes place, shall be entitled to a second or casting vote.

(h) Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person or proxy shall have one vote.

(i) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

(j) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

(k) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall, as far as possible, be deposited at the registered office of the Company or at such other place as is specified for the purpose in the notice convening the meeting, not less than twenty-four hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, in order to allow time for the verification of the authenticity of the instrument by the Chairman and in default, saving verifiable proof of the authenticity of the instrument satisfactory to the Chairman, the Chairman shall be entitled, in his sole discretion, to refuse the proxy.

(I) An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances permit:

(name of Company)

“I/We \_\_\_\_\_ of \_\_\_\_\_  
being member/members of the above-named Company, hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_ and/or  
\_\_\_\_\_ of \_\_\_\_\_ as  
my/our joint and several proxy to receive or waive notice of, attend and vote for me/us on  
my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the  
Company, to be held on the day of \_\_\_\_\_ 20 and at any adjournment thereof.”

Signed this day of \_\_\_\_\_ 20

Name:

in the presence of

Name:

**\*OPTIONAL:**

This form is to be used in favour of/against\* the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

\*Strike out whichever is not desired.

(m) Proxies may be given by means of a telex, telefax or cable and the person so appointed shall enjoy all the rights of the person issuing such a proxy provided that the veracity of the source of the telex, telefax or cable is confirmed and accepted by the Chairman of the meeting at which it is produced in accordance with paragraph (l) hereof.

## **12. THE BOARD OF DIRECTORS**

The Board of Directors may only carry out acts of ordinary administration.

(a) The remuneration of the Directors shall from time to time be determined by the Company in a general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all 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 of the Company or in connection with the business of the Company, subject to such Directors obtaining prior written approval for such expenses incurred. The remuneration of Directors shall at no time exceed the amount agreed beforehand in writing between the shareholders and the Directors.

(b) The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.

(c) The Directors shall hold office until such time as they resign or are otherwise removed by the ordinary general meeting.

### **13. PROCEEDINGS AT BOARD OF DIRECTORS**

(a) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Company Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

(b) The quorum necessary for the transaction of the business of the Directors shall be the Director if there is a sole Director, and, should there be two or more Directors, the quorum shall consist of two executive Directors.

(c) Save and subject to the provisions contained in Section 145 of the Act, no Director shall be disqualified by his position as a Director from entering into any agreement or arrangement with the Company, and as a Director may vote and be taken into account for the purpose of forming a quorum in respect of any such agreement or arrangement with the Company in which he may be in any way interested, whether directly or indirectly, and may retain for his own use and benefit all profits and advantages accruing therefrom.

(d) The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding same, the Directors present may choose one of their number to be Chairman of the meeting.

### **14. COMPANY SECRETARY**

(a) The appointment or replacement of the Company Secretary and the conditions of holding office shall be determined by the ordinary general meeting.

(b) The Company Secretary shall be responsible for keeping:

i) the minute book of general meetings of the Company;

ii) the minute book of meetings of the Board of Directors;

iii) the Register of members;

iv) the Register of debentures; and

v) such other registers and records as the Company Secretary may be required to keep by the Board of Directors.

(c) The Company Secretary shall:

i) ensure that proper notices are given of all meetings; and

ii) ensure that all returns and other documents of the Company are prepared and delivered in accordance with the requirements of the Act. The remuneration of the

Company Secretary shall at no time exceed the amount agreed beforehand in writing between the shareholders and the Directors.

**15. BORROWING POWERS**

The borrowing powers of the Company are subject to prior approval by the Board.

**16. DIVIDENDS AND RESERVES**

(a) The Company in general meeting may declare dividends.

(b) The Company in general meeting may decide upon a reserve to be retained out of the profits of the Company before distribution of dividends.

(c) No dividend shall bear interest against the company.

**17. CAPITALISATION OF PROFITS**

The Company in general meeting may resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution, amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution:

Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

Provided further that the Directors may in giving effect to such resolution make such provision by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions.

**18. EXTRAORDINARY RESOLUTIONS**

(a) A resolution shall be an extraordinary resolution where -

- i) it has been taken at a general meeting of which notice specifying the intention to propose the text of the resolution as an extraordinary resolution and the principal purpose thereof has been duly given;

and

- ii) it has been passed by a member or members having the right to attend and vote at the meeting holding in the aggregate not less than 75% per cent in nominal value of the shares represented and entitled to vote at the meeting and at least sixty per cent, in nominal value of all shares entitled to vote at the meeting, with Directors



being required to provide written evidence that they have been instructed by the respective shareholders as regard to any particular vote;

(b) An extraordinary resolution shall be required for:

- i) any changes to the Memorandum of Articles of Association of the Company;
- ii) any increase or reduction of the issued capital of the Company;
- iii) the winding up of the Company;
- iv) Any other matter of an extraordinary nature or indicated as extraordinary by these Articles.

## **19. WINDING UP**

The Company shall be dissolved and consequently wound up in the following cases:

- (a) by extraordinary resolution of the Company, or
- (b) upon the bankruptcy of any member.

If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide amongst the members "in specie" or in kind the whole of any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how much division shall be carried out as between the numbers of different classes of members. The liquidator may, with like sanction, vest the whole or any part of such assets in trusts for the benefit of the beneficiaries as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **20. NOTICES**

Any notice must be served by registered post or telefax or electronic communication (including via email) and shall be deemed to have been served in the case of registered post on the day immediately following that on which it was posted and in the case of a telefax on the day of transmission, and in providing such service it shall be sufficient to prove that the notice was addressed properly and posted or transmitted to such telefax number as may be notified by the shareholders and Directors of the Company.

## **21. MEETINGS BY TELEPHONE**

It shall be permissible for a person to participate at a meeting of the Board of Directors or at any general meeting by means of a telephone link provided the other members or Directors agree. The Chairman, in such cases, shall sign on behalf of the person participating by telephone and shall declare the fact that all persons present have agreed to such participation.

**22. INDEMNITY**

Every managing Director, Director holding any other executive office or other Director, and every agent, auditor or Company Secretary and in general any officer for the time being of the Company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings in which judgement is given in his favour or in which he is acquitted, provided that this liability is not incurred as a result of fault, negligence or error imputable to him.

Signed:



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**AVMC CYP HOLDINGS LTD**  
Registration Number: HE371448



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**ROBERTO LORENZINI**  
San Marino ID card no: 150634