



28<sup>th</sup> December 2004

## COMPANY ANNOUNCEMENT

### QUOTE

Maltacom p.l.c. wishes to announce that on the 22<sup>nd</sup> December 2004, it received a letter from Mr. John J. Gatt, Permanent Secretary at the Ministry for Investment, Industry and Information Technology informing it that as part of the process leading to the disposal by the Government of Malta of its shares in the Company, the said Ministry was seeking its cooperation in line with the Memorandum and Articles of Association of the Company and the provision of Listing Rule 8.90 published by the Listing Authority. In addition to this, the Government of Malta was also seeking the approval of the general meeting to amend the Memorandum of Association by deleting clause 5.2 thereof.

By virtue of the above-mentioned letter dated 22<sup>nd</sup> December 2004, and in accordance with the provision of Article 34 of the Company's Articles of Association, and Section 129 of the Companies Act (Cap 386 of the Laws of Malta), the Government of Malta called on the Maltacom Board of Directors to convene a General Meeting of the Company for the object of considering, and if thought fit approve, the two resolutions hereunder, with Resolution Number 1 being proposed as an Ordinary Resolution and Resolution Number 2 being proposed as an Extraordinary Resolution.

The following is the text of the two resolutions being proposed by the Government of Malta:

### *Quote*

#### *The members:*

- 1. acknowledging the intention of the Government of Malta to sell, transfer or otherwise dispose of all or part of its shareholding in the Company (the 'Proposed Transaction');*
- 2. acknowledging that the Government of Malta's shareholding in the Company falls within the definition of a Substantial Shareholding as defined by the Listing Rules promulgated by the Listing Authority;*
- 3. noting the provisions of Listing Rule 8.90 dealing with transactions involving Substantial Shareholdings;*

4. *acknowledging the requirement of both the Government of Malta as a Substantial Shareholder and any prospective transferee to have access to information which is not in the public domain for the Proposed Transaction to be negotiated and completed;*
5. *taking cognizance of the requirement to ensure that any information disclosed to either the Government of Malta or the prospective transferee remains confidential and is used solely and exclusively in connection with the Proposed Transaction;*
6. *acknowledging that for the Proposed Transaction to take place it is necessary that clause 5.2 of the Company's Memorandum of Association be abrogated.*

*Resolve:*

#### *Resolution 1*

*To grant their consent to the Company to furnish to any bona fide Offeror and to the Government of Malta (and any of their respective advisors) in confidence such information about the Company, including information that may be price-sensitive and confidential, for the purpose and in contemplation of the Proposed Transaction as may be required by such bona fide Offeror, the Government of Malta or their respective advisers to make confirm, withdraw or modify an offer to acquire the shares of the Government of Malta in the company or any part thereof.*

*That for all intents and purposes of law and the articles of association, and particularly the provisions of article 93 of the articles of association, the directors are hereby duly authorised to furnish any information as stated in this resolution under such terms and conditions as may be required in terms of applicable law or regulation and as they consider appropriate and to do all such things as may be necessary or desirable for the better implementation of this resolution.*

#### *Resolution 2 (to be proposed as an extraordinary resolution)*

*That clause 5.2 of the memorandum of association of the Company be and is hereby deleted with effect from such date that the Government of Malta informs the Company in writing that it has entered into an agreement for the sale of all or part of its shares in the company.*

#### *Unquote*

The Maltacom Board of Directors was duly convened on Thursday, the 23<sup>rd</sup> of December, 2004 and after due deliberation unanimously approved to accede to the Government of Malta's request to convene an Extraordinary General Meeting. Furthermore, the Board of Directors also resolved to submit for the consideration and approval of the said Extraordinary General Meeting the following Extraordinary Resolution, namely:

### *Quote*

*The Board of Directors conscious that good corporate governance increasingly dictates clear demarcation lines between the Board of Directors, and the management and the other employees of the Company, proposes the following amendment to ensure that the Board of Directors of the Company will be composed of independent persons who carry out their 'fiduciary duty' basing themselves on principles of accountability, probity and transparency.*

*The Board of Directors' main function is to formulate policy and transmit it to the executives managing the Company, who after proper debate with the Board execute it, and transmit to the other employees of the Company. The Board's other duty is to supervise the work and conduct of the management and employees of the Company. The functions of the two are therefore inherently different and have to be carried out within diverse areas of activity, independently of each other.*

### *Proposes:*

*That with immediate effect clause 55.2 of the Memorandum and Articles of Association of the Company be and is hereby amended to read as follows:*

*The Worker Director shall be appointed by the other Directors on the advice of the Employees of the Company after an election is held from amongst the Employees of the Company. No employee of the Company, other than the Worker Director, shall be eligible for appointment as a Director. The Directors may from time to time make such rules and regulations to provide for the conduct and proper administration of elections amongst the Employees.*

### *Unquote*

The Board of Directors, in conformity with Clause 8.78 of Listing Authority 'Listing Rules' requested, on the 24<sup>th</sup> December 2004, the Authority's permission to amend its Memorandum and Articles of Association.

Said approval was duly granted by the Malta Financial Services Authority Listing Authority by means of a letter dated 27<sup>th</sup> of December 2004.

In the light of the above, the requested Maltacom Extraordinary General Meeting will now be held on Thursday the 27<sup>th</sup> of January 2005 at 11.00 a.m. at the Hilton Malta Conference Centre at St. Julian's, Malta.

All shareholders whose name appears on the Company's Shareholders Register at the close of business on Wednesday, the 29<sup>th</sup> of December 2004, will have the right to be convened for the above-mentioned Extraordinary General Meeting.

For ease of reference Clause 5.2 of the Company's present day Memorandum of Association and Clause 55.2 of the Company's present day Articles of Association, are being reproduced as Annex 1 and Annex 2 respectively of this Company Announcement.

**UNQUOTE**

A handwritten signature in cursive script that reads "Ray Fava". The signature is written in black ink on a light-colored background.

**Raymond Fava**  
**Company Secretary**

## ANNEX 1

**Clause 5.2** No person may, whether directly or indirectly and in any manner whatsoever, acquire or hold a beneficial interest in the ordinary share capital of the Company having voting rights in excess of five per cent of the total issued share capital having voting rights in the Company (the “Prescribed Ceiling”).

The Prescribed Ceiling shall not apply to:

- a. the existing Large Shareholders, provided that such Large Shareholder shall not acquire or otherwise hold any further shares in the Company unless his aggregate shareholding in the Company falls below the Prescribed Ceiling, in which case any acquisition of shares thereafter shall be subject to the Prescribed Ceiling;
- b. an underwriter or sub-underwriter who becomes a Large Shareholder by virtue of the provisions of underwriting or sub-underwriting agreement;
- c. international depository institutions or custodians whose ordinary business is to hold assets in their own name but for the benefit of others; and
- d. persons licensed as custodians in terms of the Investment Services Act 1994

Any person who holds, whether directly or indirectly, Shares in the Company in excess of the Prescribed Ceiling, shall by resolution of the Directors after due verification and investigation, be disenfranchised and divested of any and all voting rights attached to the Shares in excess of the Prescribed Ceiling held by such person.

For the purposes of this clause the term “Large Shareholder” means any shareholder holding in aggregate, Shares in excess of the Prescribed Ceiling.

## ANNEX 2

**Clause 55.2** The Worker Director shall be appointed by the other Directors on the advice of the Employees of the Company after an election is held from amongst the Employees of the Company. The Directors may from time to time make such rules and regulations to provide for the conduct and proper administration of elections amongst the Employees.