



Middlesea Insurance p.l.c.

Registered address:
Middle Sea House, Floriana FRN 1442, Malta.

Postal address:
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Registration Number: C5553

MSI/CF/MSE00612

28 March 2012

The following is a Company Announcement issued by Middlesea Insurance p.l.c., pursuant to the Listing Rules of the Malta Financial Services Authority.

Quote

Middlesea Insurance p.l.c., will be convening its 31st Annual General Meeting for Friday 20 April 2012 at 11:00 a.m. at the Westin Dragonara Resort in St. Julians, Malta. The following ordinary and extraordinary resolutions are being presented for the consideration of shareholders:-

Ordinary Resolutions

1. to consider and approve the Accounts for the year ended 31 December 2011 and the reports of the Directors and Auditors thereon;
2. to declare a final gross dividend of €0.01c per share as recommended by the Board of Directors;
3. to reappoint PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration;
4. to elect Directors in accordance with Article 97(5) of the Company's Articles of Association (N.B. The number of nominations for directors received by the Company matches the number of vacancies and consequently the nominees, namely Gaston Debone Grech and Paul Testaferrata Moroni Viani will be automatically elected as directors and there is no need for an election);
5. to approve the maximum annual aggregate emoluments of Directors at €250,000 in the line with the previous year.

Extraordinary Resolution

Resolution: To amend specific articles of the current Articles of Association in line with the details provided in the Circular to Shareholders.



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ARTICLES OF ASSOCIATION

Article 2 to insert the following wording (highlighted in blue)

“**Founder Members**” means each of Bank of Valletta plc and MAPFRE Internacional S.A.;

“**Extraordinary Resolution**” shall have the meaning attributed to it by article 135 of the Act; provided that for such time as the Founder Members between them hold at least seventy-five per cent (75%) of the total issued share capital of the Company, or where either Founder Member holds at least 25 per cent of the total issued share capital of the Company, it shall mean a resolution which:

- (a) 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
- (b) 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 seventy-five per cent (75%) in nominal value of the shares represented and entitled to vote at the meeting and at least seventy-five per cent (75%) in nominal value of all the shares entitled to vote at the meeting:

Provided that, if one of the aforesaid majorities is obtained, but not both, another meeting shall be convened within thirty days in accordance with the provisions for the calling of meetings to take a fresh vote on the proposed resolution. At the second meeting the resolution may be passed by a member or members having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five per cent (75%) in nominal value of the shares represented and entitled to vote at the meeting. However, if more than half in nominal value of all the shares having the right to vote at the meeting is represented at that meeting, a simple majority in nominal value of such shares so represented shall suffice.

Article 6 to insert the following wording (highlighted in blue)

Any increase in the issued share capital of the Company shall be decided upon by an **Ordinary Extraordinary** Resolution but notwithstanding the above, the Company may by **Ordinary Extraordinary** Resolution authorise the Directors to issue shares up to the amount specified as the Authorised Share Capital of the Company, which authorisation shall be for a maximum period of five (5) years and is renewable for further periods of five (5) years each.

The Directors may, if they so deem fit, cause any or all of the equity securities of the Company, whether issued or to be issued pursuant to these Memorandum and Articles of Association, to be quoted and listed on the Exchange.



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Article 7 to insert the following wording (highlighted in blue)

- (1) The Directors shall not, without the prior approval by **Ordinary Extraordinary** Resolution of the Company in General Meeting, issue or allot Equity Securities for the purpose of transferring a controlling interest in the Company or if such controlling interest is the result of issue or allotment.
- (2) The Directors in issuing and allotting Equity Securities shall not without the prior approval through **Ordinary Extraordinary** Resolution of the Company in General Meeting:
 - (a) issue and allot any of the Equity Securities on any terms to any person unless an offer has first been made to each Member to issue and allot to him at least on the same terms, a proportion of those Securities which is as nearly as practicable equal to the proportion in nominal value held by him of the aggregate of shares in the Company, and
 - (b) issue and allot any of Equity Securities to any person before the expiration of any period of offer made to Members (being a period of not less than 14 days) in terms of the above paragraph or before a negative or positive reply from all such Members is given.
- (3) Any such Securities which are not subscribed by the Members as aforesaid may be offered for subscription to the general public under the same or other conditions which however cannot be more favourable than the original offer;

PROVIDED that a Member shall have the right to assign to another person his right to accept an offer to subscribe to shares in terms of this Article and any such assignee shall for the purposes of this Article be deemed to be a Member.

- (4) A Director cannot participate in an issue of shares to employees of the Company except with the sanction of the Company in General Meeting.

Article 65 to insert the following wording (highlighted in blue)

- 65A. Notwithstanding any other provision of these Articles and without prejudice to any statutory provision requiring that a resolution is passed as an Extraordinary Resolution, all matters set out in Article 65B below (“Shareholder Reserved Matters”) are matters which are being reserved for decision by the shareholders and any decision on any such matter (a) for such time as the Founder Members between them hold at least 75% of the total issued share capital of the Company, or where either of the Founder Members holds at least 25% of the total issued share capital of the



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Company shall only be validly determined by the shareholders if passed as an Extraordinary Resolution; or (b) in all other cases by Ordinary Resolution.

- 65B. The Shareholder Reserved Matters to which article 65A refers are the following:
- a) any decision with respect to a change to the memorandum or articles of association of the Company;
 - b) any decision with respect to any increase in the issued share capital of the Company;
 - c) any decision with respect to any reduction in the issued share capital of the Company;
 - d) any decision with respect to the payment of any dividend where such dividend exceeds 65 per cent of the retained profits for the immediately preceding financial year; and
 - e) any decision with respect to the sale, lease, assignment or disposal of the whole or any material part of the Company's business, undertaking property and/or assets or any decision on a transaction or series of transactions the economic effect of which is the same or similar to any of the afore-mentioned.

Article 84 to insert the following wording (highlighted in blue)

84A. Notwithstanding any other provision of these Articles all matters set out in Article 84B below ("Board Reserved Matters") shall only be validly determined: (a) for such time as the Founder Members between them are entitled to appoint at least six (6) directors pursuant to the provisions of article 97(2), or either of them is entitled to appoint at least 2 directors pursuant to the provisions of article 97(2) if at least nine-tenths ($\frac{9}{10}$) of the directors present at that meeting shall vote in favour of a resolution proposed on such matter; or (b) in all other instances by simple majority.

- 84B. The Board Reserved matters to which article 84A refers are the following:
- (a) Any decision with respect to the approval or otherwise of the appointment or engagement of members of the senior executive management of any company or other business in which the Company is a shareholder and with respect to which the Company is entitled to make, consent or approve such appointment or engagement; provided that if the qualified majority required pursuant to article 84A is not achieved but a simple majority of directors is achieved for a particular resolution in respect of the afore-mentioned, the directors shall refer the final decision with respect to the appointment or engagement of the member or



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members of senior management to the board of directors of the company or business to which such appointment or engagement relates;

- (b) Any decision with respect to the approval or otherwise of the adoption of or changes to the business plan of any company or other business in which the Company is a shareholder and with respect to which the Company is entitled to make, consent or approve the adoption of or changes to that other company's business plan;
- (c) The acquisition of any new business or the disposal of any business of the Company or any material part thereof, or the entry into of any transaction which has the same or similar economic effect, where the consideration exceeds the value of ten million Euros (€10,000,000);
- (d) Any capital expenditure of the Company in any one financial year in excess of five million Euros (€5,000,000);
- (e) The incorporation or registration of subsidiaries or other companies and the opening of branches outside Malta or the conduct of business which entails the assumption of material risks outside Malta;
- (f) Any decision with respect to the issue of shares in the Company save where a decision is proposed to the directors as a consequence to regulatory requirements;
- (g) Any decision on any matter or transaction in which a Related Party may have a material interest.

For the purposes of these Articles "Related Party" shall mean:

- a) any person that has the power or authority pursuant to these articles to appoint a Director as a director of the Company pursuant to article 97(2);
- b) any company or undertaking in which a person mentioned in paragraph (a) above has a controlling interest;
- c) the spouse or immediate descendant or ascendant of a Director.

Article 88 to insert the following wording (highlighted in blue)

- (1) Subject to the provisions of the Act, a Director may hold any other office or place of profit under the Company, except that of Auditor, in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange.
- (2) No Director or intending Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with



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regard to his tenure of any such other office or place of profit or any such acting in a professional capacity or as a vendor, purchaser or otherwise. Subject to the provisions of the Act and save as therein provided no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be liable to be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relation thereby established, but he shall declare the nature of his interest in accordance with the Act.

- (3) Save as herein provided, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever (including those mentioned in paragraph (2) above) in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. For the purposes of this article 88 the term “material interest” shall be construed as including but is not limited to an interest of a value which is in excess of five per cent (5%) of the Company’s profit before tax in the financial year immediately preceding that in which the proposed transaction is to be resolved upon at a meeting of directors. ~~A Director shall not be counted in the quorum at a Meeting in relation to any resolution on which he is debarred from voting.~~
- (4) A Director, shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.
- (5) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (6) If any question shall arise at any Meeting as to the materiality of a Director’s interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the Meeting and his ruling in relation to any other Director shall be final



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and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

- (7) Subject to the provisions of the law the Company may at any time by **Ordinary Extraordinary** Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.
- (8) Where by virtue of any of the provisions of paragraphs (2), (3), (4) and (5) of this article 88 a Director is prohibited from voting on a matter by virtue of an interest in any matter or transaction, such prohibition shall likewise apply in cases where the matter or transaction refers to a transaction between the Company and a person connected to such director (a “**Related Party**”) or the matter is one in which a Related Party is interested.
- (9) Where under the provisions of this article 88 a Director shall not be allowed to vote and the matter or the transaction which is to be resolved upon by the Board falls within the provisions of article 84B, then the provisions of article 84A requiring a qualified majority of the Directors for the valid and proper passing of a resolution shall *mutatis mutandis* apply to the remaining directors who can properly vote on such resolution.

Unquote

Shareholders on the Company’s register at the Central Securities Depository of the Malta Stock Exchange as at close of business on the 20 March 2012 (the Record Date), will receive notice of the Annual General Meeting together with a copy of the Annual Report and Financial Statements. All the respective documentation for the Annual General Meeting together with the Audited Financial Statements for the year ended 31 December 2011, are available for viewing at the registered office of the Company at Middle Sea House, Floriana, Malta and on the Company’s website at www.middlesea.com

By Order of the Board


Carlo Farrugia
Company Secretary