



CIRCULAR TO SHAREHOLDERS – AGM 2024

This circular (the “**Circular**”) is being issued by MIDI p.l.c., a public limited liability company having Maltese registration number C 15836 and registered office located at MIDI p.l.c., North Shore, Manoel Island, Gzira, GZR3016 Malta (the “**Company**”).

The Circular is intended to provide the shareholders of the Company with the necessary information as would assist them in making a properly informed decision with respect to one Ordinary Resolution – Special Business which is being proposed together with other ordinary business, for the consideration of, and if deemed fit, approval by the shareholders of the Company’s Annual General Meeting (the “AGM”) being held on Thursday 27 June 2024 at 1530 hours.

1. IMPORTANT INFORMATION

This Circular, which contains information about the resolution being proposed as special business at the AGM, is being sent to all shareholders appearing on the register of members of the Company maintained by the Malta Stock Exchange as at close of business on the 28 May 2024 (the “**Shareholders**”).

This Circular is being issued and sent to Shareholders in compliance with the provisions of the Capital Markets Rules issued by the Malta Financial Services Authority (the “**Capital Markets Rules**”), particularly the requirements set out in Capital Markets Rule 6.2 on the contents of all circulars.

Where any or all of the shares in the Company held by a recipient of this Circular have been sold or transferred on the date of receipt of this document, this Circular, the notice of AGM and all other relevant documents, or copies thereof, should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This Circular is to be considered as complementary to the ‘Notice to Shareholders’ and should be read in conjunction with the same.

As a Shareholder, this Circular is important and requires your immediate attention. Please consult an appropriate independent professional advisor should you be in doubt as to the import of this document and/or any action required of you.

2. INTRODUCTION

For any queries regarding the upcoming AGM, please contact the Company either by sending an email on agm@midimalta.com or by calling from Monday to Friday during office hours on +365 2065 5500.

3. PROPOSED ORDINARY RESOLUTIONS - SPECIAL BUSINESS

At the Company's forthcoming Annual General Meeting, the Company is placing before the Shareholders three ordinary resolutions, one ordinary resolution as special business in respect of which only an advisory vote is required and two ordinary resolutions as special business as explained below.

RESOLUTION 5: DIRECTORS' REMUNERATION

Resolution 5 will propose:

That €125,000 be established as the maximum annual aggregate remuneration to be paid to the directors of the Company in line with the previous year.

Explanatory Note:

Article 84(1) of the Articles of Association of the Company provides that the maximum aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as from time to time be determined by the Company in General Meeting. The resolution is being included in the Circular because it is an ordinary resolution – special business. There is however no change being proposed in the maximum annual aggregate remuneration to be paid to the directors of the Company and the amount of €125,000 is in line with the amount approved at the annual general meeting held on the 19 June 2023.

RESOLUTION 6: DIRECTORS' REMUNERATION POLICY

Resolution 6 will propose:

That the Directors' Remuneration Policy in terms of the Capital Markets Rules as set out in the Circular to Shareholders included with the Notice to Shareholders be hereby approved.

Explanatory note:

The Directors are placing for approval of the Shareholders the revised Directors' Remuneration Policy. The revised Directors' Remuneration Policy was proposed by the Company's Remuneration and Nomination Committee and approved by the Board. In terms of the Capital Markets Rule 12.26I, issuers shall submit the Directors' Remuneration Policy to a vote by the general meeting at every material change and, in any case, at least every four years. The first Directors Remuneration Policy was approved at the annual general meeting of the Company held on the 1 October 2020.

The current Remuneration Policy refers to non-executive Directors and to the CEO. On the 5 October 2020, the CEO was appointed by the Board as executive director of the Company, and his appointment was reconfirmed by the Board on the 17 June 2021 after the 2021 annual general meeting, on the 16 June 2022 after the 2022 annual general meeting and on the 19 June 2023 after the 2023 annual general meeting. The CEO's appointment as an executive director of the Company has been made in terms of Article 102(3) of the Articles of Association of the Company. The Remuneration Policy as at today does not refer to "executive directors" and it is the Board's view that, although in practice, there have been no changes to the remuneration of the CEO relating to his role as an executive director, primarily because, no additional or separate fees are paid to the CEO by way of Board or Committee fees, the Remuneration Policy should be updated to formally cater for executive directors and their remuneration. No other changes to the Remuneration Policy are being undertaken other than changes which are necessitated in respect of terminology or definitions and to align to the fact that this is an updated version of the Remuneration Policy.

This Remuneration Policy will remain in place for a period of four years, that is until the AGM in 2028, unless it is brought earlier to the Shareholders for approval in case of material changes.

The Remuneration Policy as revised is attached to this Circular as appendix 1.

DECLARATION BY DIRECTORS

All the Directors of the Company, whose names appear below accept responsibility for the information contained in this Circular. To the best knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Circular is in accordance with the facts and does not omit anything which is likely to affect the import of such information.

LIST OF INCUMBENT DIRECTORS

The Directors of the Company as at the date of this Circular are the following:

- Joseph Bonello
- Jacqueline sive Jackie Briffa
- Jonathan Buttigieg
- David Demarco
- Joseph A. Gasan
- Sarah Mamo
- Alec A. Mizzi
- Alfredo Muñoz Perez
- Mark Portelli and
- Joseph Said.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof will be available for inspection at the Company's registered office at North Shore, Manoel Island, Gzira GZR 3016, Malta for at least fourteen (14) days from the date of publication of this Circular:

- a) The Company's current Memorandum and Articles of Association; and
- b) The Company's last Annual Financial Report for year ended 31 December 2023; and
- c) The Company's interim unaudited financial statements for the period 1 January to 30 June 2023.

DIRECTORS' RECOMMENDATION

To the best of their knowledge and belief and to the extent of the circumstances and facts known to them, the Directors' express the view that the above proposed resolution is in the best interest of the Company and of its shareholders. Therefore, the Directors recommend that the Shareholders vote in favour of the said resolution at the forthcoming AGM.

6 June 2024

Approved and issued by MIDI p.l.c., North Shore, Manoel Island, Gzira, GZR3016, Malta

MIDI p.l.c. (the “Company”)

Remuneration Policy for Directors in terms of Chapter 12 of the Capital Markets Rules of the MFSA

The principles of the Company’s Remuneration Policy (the “Policy”) reflect a sound governance process, regulatory compliance as well as sustained and long-term value creation for the Company's shareholders.

Entry into Force and subsequent amendments

1. This Policy was first approved by the Board on the 23 April 2020 and approved by the shareholders’ vote at the 2020 Annual General Meeting of the Company held on the 1 October 2020, upon which date it became effective.

Following recommendations by the Remuneration and Nominations Committee, amendments to the Policy were approved by the Board on the 26 April 2024 and the revised Policy was approved by the shareholders at the 2024 Annual General Meeting of the Company on the 27 June 2024.¹ The revised Policy became effective on the 27 June 2024. Any references to Policy throughout shall refer to the Policy as revised.

Scope

2.1 The Policy is driven primarily by the provisions of Chapter 12 of the Capital Markets Rules of the MFSA (“**Chapter 12**”) which transpose Directive EU 2017/828 (often referred to as “**SRDII**”).

2.2 The Policy applies to “directors” as such term is defined in Chapter 12. The definition includes both members of the Board of Directors of the Company as well as where they are not members of the Board of Directors, the Chief Executive Officer (the “**CEO**”).

In the case of the Company the Policy therefore applies to any member of the Board of Directors of the Company including the CEO who since the 5 October 2020, has been co-opted by the Board to sit on the Board as an executive director in terms of Article 102(3) of the Articles of Association of the Company. To the extent that the Board exercises this right and the CEO is co-opted to the Board in this manner, the CEO may therefore also occupy the role of executive director of the Company.²³

2.3 In this Policy, the term “director” is refers to both non-executive and executive directors, unless otherwise expressly indicated .

2.4 The Policy supersedes any policy in force within the Company in relation to the remuneration of the directors and the CEO.

¹ Subject to the approval at the Annual General Meeting 2024 (ordinary resolution – special business). Reference is also made to the resolution in the Circular to Shareholders.

² The definition of “director” in Chapter 12 includes also a deputy CEO where such a position exists in an issuer. The position of deputy CEO does not exist in the Company as at the date of this Policy. Should the position be introduced in the future, the Policy will likewise apply to a deputy CEO, subject to any changes which may be made to the Policy as approved by the shareholders of the Company in terms of Chapter 12.

³ In terms of Article 117(3) of the Articles of Association of the Company, if the person appointed to the office of CEO is a director of the Company the said person shall be designated as Managing Director.

Validity, Review and Material Changes

3.1 In accordance with Chapter 12, the Company shall submit the Policy to a vote by the general meeting at every material change and, in any case at least every four years.

3.2 This Policy will be reviewed annually by the Remuneration and Nominations Committee. Any amendments to the Policy are to be recommended by the Remuneration and Nominations Committee to the Board for its consideration and approval: provided that any material amendments will be submitted to a vote by the general meeting as provided in section 3.1 above.

3.3 This Policy shall therefore remain in effect for a period of four years, that is, until the Annual General Meeting in 2028, unless in the case of material changes it is taken earlier to General Meeting for shareholders' approval.

Remuneration Report

4.1 As from FY2020, the remuneration report published by the Company in its Annual Report shall be drawn up in line with the Policy and in compliance with the requirements of Chapter 12.

4.2 The remuneration report shall be subject to an advisory vote at the relative general meeting.

Remuneration of Non-Executive Directors

5.1 In proposing the overall remuneration for non-executive Directors and any reviews thereto, the Company takes into account the Company's need to attract, and motivate directors who possess the necessary experience, qualities and attributes to enable them to discharge their duties with integrity and highest professional standards, market realities, trends or standards for similar positions, the time commitment required to be devoted to the Company, group financial performance, salary increases for all employees, as well as the overall interests of shareholders and the overall costs to shareholders.

5.2 In terms of Article 84(1) of the Articles of Association of the Company, the maximum aggregate remuneration of all directors in any one financial year and any increases to such aggregate amount are approved by the Company in General Meeting. For the sake of clarity, this said maximum limit of aggregate emoluments refers to the emoluments paid to the non-executive directors.

5.3 The remuneration of non-executive Directors consists of a fixed fee for their duties as directors. Each of the non-executive directors receive the same amount in terms of fixed fees for his or he respective duties as directors other than in the cases referred to in clauses 5.4 and 5.5.

5.4 The Chairman of the Company receives a different fixed fee commensurate with the added responsibilities of the role of chairman.

5.5 Non-executive directors receive an additional fee allowance where the director in question has an additional responsibility by way of chairmanship or membership of a Board committee or where the non-executive director is appointed by the Board to sit on the Board of Directors of a subsidiary company, a joint venture company or another company where the Company appoints a director.

5.6 Subject to section 5.2 above, the maximum aggregate remuneration as well as the amount payable to the Chairman and to each director individually as well as the fees in relation to chairmanship or membership of committees and the appointments on the boards of other companies (as referred to in clause 5.6 above) shall be reviewed on a yearly basis by the Remuneration and Nominations Committee, which shall make any recommendations for consideration by the Board.

5.7 If, in a particular year, the number of Board or Committee meetings is materially greater than usual, the Board may determine that the provision of additional fees in respect of that year is fair and reasonable, subject always to the aggregate amount approved by the shareholders in general meeting as specified above.

5.8 Should a new committee be formed, or the remit of an existing committee be materially expanded, the new or additional fees paid for the chairmanship or membership of the committee will be commensurate with the new or additional responsibilities and time commitment involved, subject at all times to the aggregate amount approved by the shareholders in general meeting as specified above.

5.9 The remuneration of non-executive directors does not include any variable component, such as bonuses, incentives or other benefits in whatever form, nor does the Company award share-based remuneration or any share options. Non-executive directors do not participate in any long-term incentive plans, neither do they receive any retirement or pension benefits or any payment related to their resignation or removal from office.

5.10 Any reasonable travel and business expenses incurred by non-executive directors in connection with the business of the Company are met by the Company.

5.11 A non-executive director is appointed and holds office for a term of one year from the end of one Annual General Meeting to the end of the next. In terms of Article 98 of the Articles of Association, all directors therefore retire from office at each Annual General Meeting. Directors appointed by the Board in terms of Article 102(3) of the Articles, that is, directors who are appointed without the requirement that the appointment be ratified by a members' resolution taken at a General Meeting of the Company are likewise appointed until the Annual General Meeting following his or her appointment and retire at such Annual General Meeting, unless he or she is appointed for a shorter term. As stated earlier, there are no provisions for the payment of any benefits linked to termination of their office.

Remuneration of Executive Directors

6.1 Executive Directors are directors who hold an office and responsibilities within the Company pursuant to employment and who are therefore in receipt of remuneration for their office and responsibilities within the Company.

6.2 Executive directors shall receive remuneration in terms of their contract of employment with the Company.

6.3 In terms of Article 85 of the Articles of Association, any remuneration paid to any Director by virtue of his holding another office in the Company shall not be deemed to form part of such Director's remuneration. In any case, executive Directors are not paid additional fees for acting as Directors of the Company or for being members of Board Committees or for acting as Directors on the Board of a subsidiary, joint venture or in any other company in which the Company appoints a director.

6.4 In the same way as a non-executive director, an executive director is appointed and holds office for a term of one year from the end of one Annual General Meeting to the end of the next, whether appointed by the Annual General Meeting or by the directors in terms of Article 102(3) of the Articles. There are no provisions for the payment of any benefits linked to termination of office as executive director.

6.5 In terms of Article 117(3) of the Articles of Association, if the person appointed to the office of Chief Executive is a director of the Company the person shall be designated as Managing Director.

6.6 The CEO is at the date of this Policy the only executive Director on the Board. The remuneration as CEO shall be subject to the terms of this Remuneration Policy as stated below.

Remuneration of the CEO

7.1 In proposing the overall remuneration for the CEO and any reviews thereto, the Company takes into account the Company's need to attract, retain and motivate an individual who possesses the necessary experience, qualities and attributes for this key executive role within the Company by offering a base salary and other employment terms that are competitive within the market.

The Company also considers the size and scope of the role, the experience of the individual, market realities, trends or standards for similar positions, group financial performance, salary levels, increases and general conditions applicable to the Company's employees, as well as the overall interests of shareholders and the overall costs to shareholders.

7.2 The terms of employment of the CEO and any changes thereto are set and established by the Remuneration and Nominations Committee in consultation with the Chairman. The CEO does not attend meetings of the Remuneration and Nominations Committee whenever any aspect of his or her terms of employment or remuneration is being discussed, unless the Remuneration and Nominations Committee requests his or her presence for any part of the discussion in order to request information or feedback on any matter.

7.3 It is the Company's policy to engage the CEO on an indefinite contract of employment after a period of probation, rather than on a fixed term contract. Accordingly, the applicable notice periods, after probation, are those provided for in the relevant legislation.

7.4 The CEO's terms of employment do not contain provision for any form of payment on resignation or termination of employment and therefore the only payments on termination are those which may be applicable in accordance with legal requirements. No retirement or pension benefits in whatever form are payable to the CEO.

7.5 It is the Company's policy that the CEO is entitled to a base or fixed salary as well as to an annual performance bonus which is established by reference to the attainment of pre-established annual financial and non-financial targets and/or performance criteria or key performance indicators. The annual performance bonus is the only variable component of the CEO's remuneration. The Company does not have the possibility to reclaim any variable remuneration paid to the CEO.

7.6 These targets or performance criteria are set annually by the Remuneration and Nominations Committee in consultation with the Chairman of the Company. These targets or performance criteria are selected to incentivise the delivery of the Company's business plans, goals and financial objectives. These targets or performance criteria may also include the achievement of function and/or personal objectives. Neither the reviews of the base or fixed salary nor the performance bonus is linked directly or indirectly to the performance of the share price of the Company.

7.7 The Remuneration and Nominations Committee, in consultation with the Chairman of the Company, will decide on the payment of or otherwise of the annual performance bonus after assessing the attainment of the relative targets and/or performance criteria. It may also decide to defer the payment of the annual performance bonus or part thereof for a definite period where the Committee feels that particular circumstances or conditions merit such a decision.

7.8 The link between the fixed salary and the performance annual bonus shall be appropriate and reasonable. The performance bonus shall never exceed 40% of the fixed salary.

7.9 A review to the CEO's fixed salary is carried out annually by the Remuneration and Nominations Committee, in consultation with the Chairman of the Company.

7.10 The CEO is not otherwise awarded any other incentives or benefits in whatever form, nor does the Company award share-based remuneration or share options. The CEO does not participate in any profit-sharing arrangement.

7.11 Any reasonable travel and business expenses incurred by the CEO in connection with the business of the Company is met by the Company. The CEO is also entitled to a mobile telephone allowance.