



CIRCULAR TO SHAREHOLDERS – AGM 2024

This circular (the “**Circular**”) is being issued by M&Z p.l.c., a public limited liability company having Maltese company registration number C 23061 and registered office located at MMGH Complex, Industrial Estate, Marsa, MRS 3000, Malta (the “**Company**”).

The Circular is intended to provide the shareholders of the Company with the necessary information to assist them in making an informed decision with respect to two Ordinary Resolutions (Special Business) and one Extraordinary Resolution (Special Business) which are 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 11 June 2024 at 15:00 hours.

IMPORTANT INFORMATION

This Circular, which contains information about the resolutions being proposed as special business at the AGM, is being sent to all shareholders appearing in the register of members of the Company maintained by the Malta Stock Exchange as at close of business on 10 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**” or “**CMRs**”), particularly the requirements set out in CMRs 6.2, 6.7, 6.12 and 6.39. Where any or all of the shares in the Company held by a recipient of this Circular have been sold or transferred on or after 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. Any such purchaser or transferee should note, however, that they will not be entitled to participate in and vote at the AGM if they were not shareholders of the Company as at close of business on the 10 May 2024.

This Circular is to be considered as complementary to the ‘Notice to Shareholders’ sent to Shareholders (concurrently with this Circular) 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.

INTRODUCTION

In addition to the ordinary business being proposed at the Company's forthcoming AGM, the Board of Directors (the "**Board**") are also placing before the Shareholders the following resolutions as special business:

- i) an Ordinary Resolution relating to the approval of the Remuneration Report for the Board for 2023;
- ii) an Ordinary Resolution requesting the renewal of the authorisation granted to the Board to issue Equity Securities pursuant to article 5 (b) and (c) of the Articles of Association of the Company; and
- iii) an Extraordinary Resolution requesting the approval of the Shareholders of the Share Buy-Back Programme (as defined below).

PROPOSED ORDINARY RESOLUTIONS (SPECIAL BUSINESS)

- i. Advisory vote on the Remuneration Report of the Company for the year ended 31 December 2023

Resolution 7 proposes: *"That the Remuneration Report of the Company for the year ended 31 December 2023 be and is hereby approved."*

Explanatory note:

Capital Markets Rule 12.26L provides that at the annual general meeting of a listed entity such company shall have a right to hold an advisory vote on the Company's Remuneration Report of the most recent financial year, which advisory vote grants shareholders of the company the opportunity to express their opinion on said report.

The Remuneration Report of the Company for the financial year ended 31 December 2023 (the "**Report**") has been drawn up in accordance with Listing Rule 12.26K and forms part of the Company's 2023 Annual Report and is available on the Company's website, <https://mz.com.mt/app/uploads/2024/04/MZ-Annual-Report-2023.pdf>.

The Report contains an overview of the total remuneration paid to the individual Directors of the Company and also information on how the total compensation complies with the Company's adopted remuneration policy.

- ii. Resolution to renew the authorisation of the Board to issue shares in specified instances

Resolution 8 proposes: *"(a) That the authorisation granted to the Board of Directors to issue shares pursuant to article 5(b) and 5(c) of the Articles (or grant options and/or warrants in relation to them) be renewed and extended until the date of the Company's annual general meeting to be held in 2025;*

(b) That any one director and/or the company secretary, each acting singly, be, and hereby are, authorized to issue a certified extract of the minutes kept at the Meeting (including, inter alia the immediately preceding resolution) and to file same with the Malta Business Registry as required."

Explanatory note:

In terms of article 5 of the M&As and subject to the provisions of article 85 of the Maltese Companies Act, the Board is authorised to issue a specific number of Equity Securities of the Company in any of the cases specified therein. Specifically, articles 5(b) and 5(c) provide the power to issue Equity Securities in the following cases (the "**Board Authorisation**"):

(b) one or more issuances of Shares as payment for an acquisition of assets by the Company or by any of its subsidiaries, up to an aggregate maximum of 3,000,000 Shares (or Equity Securities convertible into 3,000,000 Shares) in respect of one or more such issuances; and/or

(c) one or more issuances of Shares to strategic investors, if the Directors in their sole discretion believe that any such issuance is in the interest of the Company, up to an aggregate maximum of 3,000,000 Shares (or Equity Securities convertible into 3,000,000 Shares) in respect of one or more such issuances.

The Board Authorisation is currently valid until the date of this AGM, but the Company in general meeting may by ordinary resolution renew this permission for further maximum periods of 5 years each.

Resolution 8 is therefore being proposed to renew the Board Authorisation to issue shares until the date of the Company's annual general meeting to be held in 2025, up to the number of shares specified above in each particular case, in order for the Company to further its growth strategy in the acquisition of additional businesses (and issue shares as consideration, or part consideration, for the same), and to be in a position to issue shares to strategic investors (where it is in the interest of the Company to do so).

The Board Authorisation provides the Board of Directors with the authority to allot a maximum of 6,000,000 Shares (or Equity Securities convertible into 6,000,000 Shares), which represents approximately 13.6% of the total ordinary share capital of the Company as at the date of this Circular.

The Board of Directors do not presently have any intention of exercising the foregoing authority.

PROPOSED EXTRAORDINARY RESOLUTION (SPECIAL BUSINESS)

i. Resolution to approve share buy-back programme

Resolution 9 proposes: *"That pursuant to article 20 of the Company's Articles of Association and in terms of article 106 of the Companies Act, the Company be and is hereby authorised to acquire up to 500,000 of its own shares on the following terms and conditions:*

- a. *Any acquisition of own shares will take place exclusively on the Malta Stock Exchange;*
- b. *This authorisation may be utilised by the Company's Board of Directors on one or more occasions until the date of the Company's annual general meeting to be held in 2025, and for a maximum period of eighteen months from the date hereof; and*
- c. *Shares may only be repurchased at a price of €0.60 per share.*

Explanatory note:

At the forthcoming AGM the Board is seeking Shareholder approval of a proposed share buy-back programme in terms of which the Board would be empowered to buy-back up to 500,000 shares of the Company at a fixed price of €0.60c, during the period commencing from the granting of approval by the AGM until the date of the Company's annual general meeting to be held in 2025 (the **"Share Buy-Back Programme"**). The purpose of the Share Buy-Back Programme, to be funded entirely out of the Company's cash reserves, is to provide the Company with a tool to manage its capital more efficiently, including as an alternative means of distributing capital to Shareholders from time to time and by transferring and/or otherwise use any shares bought back (and held in treasury) for future acquisitions of assets or for any other purpose deemed appropriate by the Board from time to time.

Although the Company will not be able to implement the Share Buy-Back Programme in accordance with the EU Market Abuse Regulation (EU No. 596/2014) (**"MAR"**) and the Commission Delegated Regulation (EU) No 2016/1052 (the **"Safe Harbour Regulation"**) the Company will endeavour to comply (to the extent that it is possible for it to do so in practice) with the various provisions set out under MAR and the Safe Harbour Regulation regardless.

Any decision by the Board to acquire shares under the Share Buy-Back Programme, whether on one or more occasions, will in each case be announced to the market and implemented by a licensed investment firm instructed by the Company that will make its trading decisions in the shares independently of the Company.

Completed acquisitions of own shares will be reported and/or published in accordance with all applicable laws and regulations.

Given the Company's current financial condition, including distributable profits and cash reserves, the Board does not believe that the Share Buy-Back Programme (if the authorisation granted by shareholders is used in full) will have any adverse impact on the Company's financial position. The Board will re-assess its position on each occasion that it decides to exercise the authorisation granted to it and has no intention of exercising such authorisation under circumstances where it would have a material adverse impact on the Company's financial position.

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.

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

- Mr Paul Camilleri
- Mrs Greta Camilleri Avallone
- Mrs Erika Pace Bonello
- Mrs Emma Pullicino
- Mr Matthew Camilleri
- Mr Thomas Agius Vaddala
- Mr Charles J. Farrugia
- Mr Kevin Rapinett
- Mrs Frances Fenech

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof will be available for inspection at the Company's registered office at MMGH Complex, Industrial Estate, Marsa, MRS 3000, 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;
- b. The Company's Annual Financial Report for the year ended 31 December 2023; and
- c. The Report.

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 resolutions are in the best interest of the Company and of its shareholders. Therefore, the Directors recommend that the Shareholders vote in favour of all of the resolutions at the forthcoming AGM.

For the purposes of article 2(1)(b)(i) of Commission Implementing Regulation (EU) 2016/1055, the Company hereby announces that this Circular includes 'inside information' in terms of Regulation (EU) 596/2014 (the Market Abuse Regulation).

21 May 2024

Approved and issued by M&Z p.l.c., MMGH Complex, Industrial Estate, Marsa, MRS 3000, Malta

