

GlobalCapital plc Corporate Governance Guidelines

Updated: 28 August 2015

Introduction

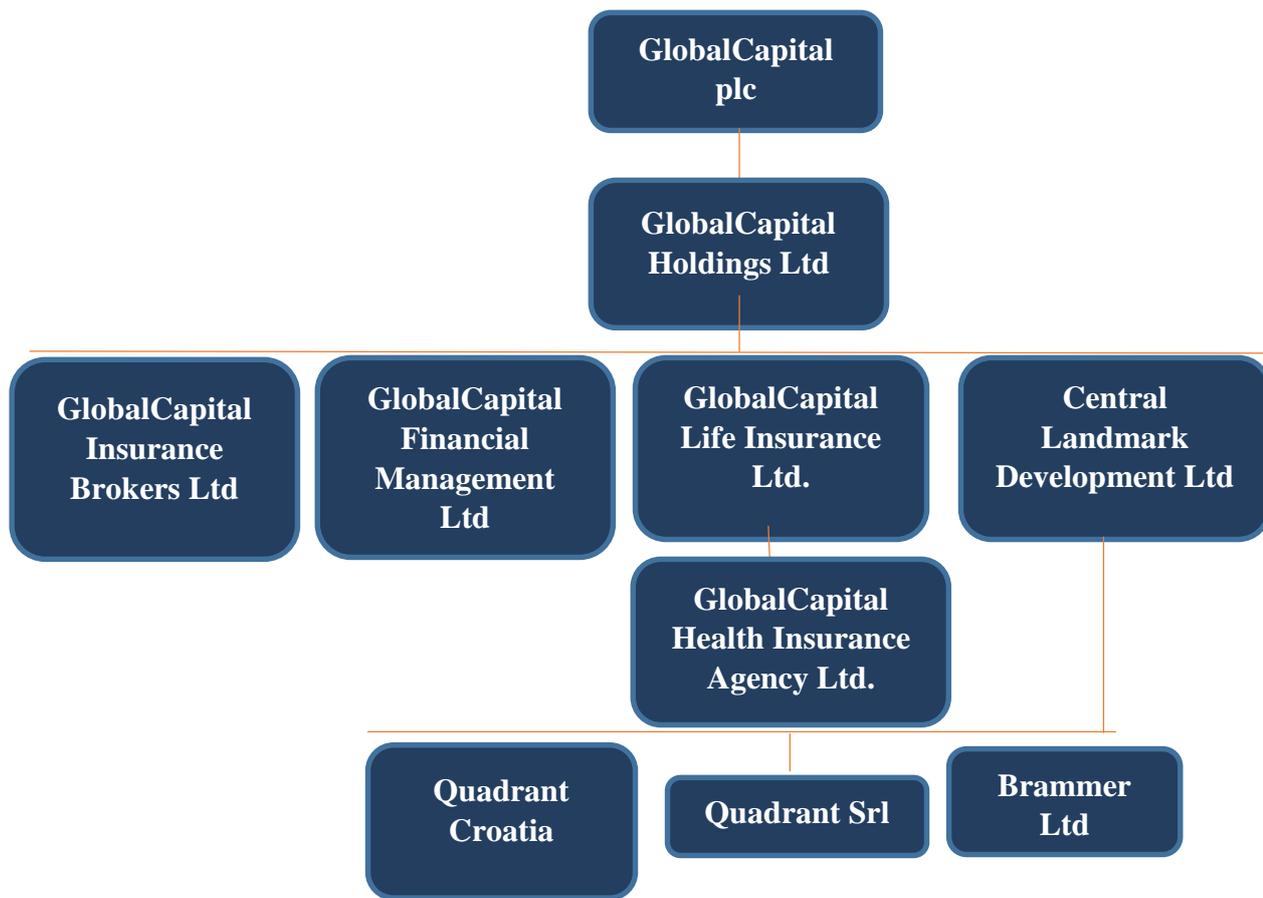
The Board of Directors has developed corporate governance policies and practices to help it fulfill its responsibilities to shareholders. The policies in these guidelines assure that the Board will have the authority and practices in place to review and evaluate the Company's business operations and to make decisions that are independent of the Company's management.

These Principles of Corporate Governance (the 'Principles') have been adopted by the Board of Directors (the 'Board') of GlobalCapital plc (the 'Group') to assist the Board in the exercise of its responsibilities. These principles, along with the company's Memorandum and Articles of Association, provide the overall framework for the Governance of the Group and not intended to limit, enlarge, or change in any way the responsibilities of the directors as determined by applicable law and such Memorandum and Articles of Association.

The Board recognises that the long-term interests of shareholders are advanced by responsibly addressing the concerns of other stakeholders including bond holders, life policy holders, employees, customers, suppliers, government, and the public.

The Board may refine or change these guidelines as necessary or advisable to achieve these objectives.

The group and group companies consist of the following:



Role of the Board

Shareholders elect the Board to oversee management and to assure that shareholder long-term interests are served. Through oversight, review, and counsel, the Board establishes and promotes GlobalCapital's business and organisational objectives. The Board oversees business affairs and integrity, works with management to determine the Group's mission and long-term strategy, performs the annual Chief Executive Officer evaluation, oversees CEO succession planning, and oversees internal control over financial reporting and external audit.

The Board oversees risk management at the Company. The Board exercises direct oversight of strategic risks to the Company and other risk areas not delegated to one of its committees. The Audit Committee reviews and assesses the Company's processes to manage financial reporting risk and to manage investment, tax, and other financial risks. It also reviews the Company's policies for risk assessment and steps management has taken to control significant risks, except those delegated by the Board to other committees. The Compensation Committee oversees compensation programs and policies and their effect on risk taking by management. The Regulatory and Public Policy Committee oversees operational risks including those related to business continuity, security, privacy, and competition law related risks. In each case, management periodically reports to the Board or relevant committee, which provides guidance on risk appetite, assessment, and mitigation. Each committee charged with risk oversight reports up to the Board on those matters.

The Board may, by resolution delegate its authority to the Group's management or to committees of the Board, subject to the Articles of Association, applicable, laws, rules and listing rules and regulations.

Board Composition and Selection; Independent Directors

- Board Size.** The Board believes six members is an appropriate size based on the Group's present circumstances. The Board periodically evaluates whether a larger or smaller number of directors would be preferable to promote substantial discussions in which each director can actively participate, and large enough to offer a diversity of backgrounds and expertise. The company's Memorandum of Association currently provides that the Board shall have no fewer than two and not more than seven directors.
- Selection of Board Members.** The Company's shareholders elect Board members annually. Any member or members holding at least 14% of the voting rights of the company shall have the right to appoint a director. The Nominating Committee recommends to the Board director candidates for nomination and election at the annual shareholder meeting or for appointment to fill vacancies. The Nominating Committee annually reviews with the Board the applicable skills and characteristics required of Board nominees in the context of current Board composition and Company circumstances. In making its recommendations to the Board, the Nominating Committee considers the qualifications of individual director candidates in light of the Board Membership Criteria described below. The Nominating Committee may use a variety of sources, including executive search firms and shareholder recommendations, to identify director candidates. The Committee retains any search firms and approves payment of their fees. Board meeting shall serve

in office from date of appointment up to the date of the Annual General Meeting at which meeting directors in office may be re-elected by the Members.

The Chairman of the Board of Directors shall be appointed from amongst the directors appointed by a member holding in aggregate at least forty per cent (40%) of all the voting rights of the Company and shall be so designated by the member appointing him as Director. In the event that no one member holds in the aggregate the said 40% voting rights, the Chairman shall be appointed by the Directors at their first meeting following the Annual General Meeting. The Directors may appoint any one of their number as Deputy Chairman.

The Nominating Committee will consider candidates recommended by shareholders. Shareholders may submit director candidate suggestions in writing to the attention of the Group's Secretary, providing the candidate's name and qualifications for service as a Board member, a document signed by the candidate indicating the candidate's willingness to serve, if elected, and evidence of the shareholder's ownership of Company's equity. A shareholder wishing to nominate a candidate must follow the procedures described in notice to the annual general meeting.

The Board nominates director candidates for election by the shareholders and fills any Board vacancies that occur between shareholders' Annual General Meetings.

3. **Board Membership Criteria.** The Nominating Committee works with the Board annually to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, professions, and public service. Characteristics expected of all directors include independence, integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board.

In evaluating the suitability of individual Board members, the Board considers many factors, including general understanding of marketing, finance and other disciplines relevant to the success of a large publicly traded company in today's business environment; understanding of the Group's business and technology; educational and professional background; personal accomplishment; and geographic, gender, age, and ethnic diversity. The Board is committed to actively seeking out highly qualified individuals in the pool from which Board nominees are selected.

The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a members that can best perpetuate the success of the Group's business and represent shareholder interests through the exercise of sound judgment, using its diversity of experience. In determining whether to recommend a director for re-election, the Nominating Committee also considers the director's past attendance at meetings, participation in and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.

Board Composition and Selection; Independent Directors (Continued)

4. **Board Composition – Mix of Management and Independent Directors.** The Board intends that, except during periods of temporary vacancies, a substantial majority of its directors will be independent. The Nominating Committee has established director independence guidelines to assist it in determining the independence of a director, which will either meet or be more restrictive than the definition of “independent director” in the listing rules established by the Listing Authority, and applicable laws and regulations. The Board will also consider all other relevant facts and circumstances bearing on independence.
5. **Tenure.** The Board does not believe it should limit the overall length of service an individual may serve as a director. Directors who have served on the Board for an extended period of time can provide valuable insight into the operations and future of the Group based on their experience with and understanding of the Group’s history, policies, and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.
6. **Election of Directors.** As provided in Company’s Articles of Association, in an uncontested election directors will be elected by the vote of the majority of the votes cast. In a contested election, the directors will be elected by the vote of a plurality of the votes cast.
7. **Retirement Policy.** The Board believes that 75 is an appropriate retirement age for directors. Directors generally will not be nominated for re-election at any annual shareholder meeting following their 75th birthday.
8. **Directors with Significant Job Changes.** The Board believes that any director who retires from his or her present employment, or who materially changes his or her position, should offer to resign from the Board. The Governance and Nominating Committee would evaluate whether the Board should accept the resignation based on a review of whether the individual continues to satisfy the Board’s membership criteria in light of his or her new occupational status.
9. **Board Leadership.** The independent directors will annually appoint a Chairman of the Board. The Board does not have a policy as to whether the Chairman should be an independent director, or a member of management. The Chairman coordinates the activities of the independent directors and is authorised to call meetings of the independent directors, coordinates with the CEO and Group’s Secretary to set the agenda for Board meetings, chairs executive sessions of the independent directors, will be available for consultation with shareholders (when appropriate), and performs the other duties either specified in these guidelines or assigned from time to time by the Board. The Board may also appoint a deputy chairman.

The Board does not have a firm policy as to whether the position of the Chairman and the position of the Chief Executive Officer (CEO) should be separate and intends to preserve the freedom to decide what is in the best interest of the Group at any point in time.

10. **Other Boards and Committees.** Without specific approval from the Board, no director may serve on more than four public company boards (including the Company's Board) and no member of the Audit Committee may serve on more than three public company audit committees (including the Company's Audit Committee). In addition, directors who also serve as CEOs or in equivalent positions generally should not serve on more than two public company boards, including the Company's Board, in addition to their employer's board.

In calculating service on a public company board or audit committee, service on a board or audit committee of a parent and its subsidiary counts as service on a single board or audit committee. Any Audit Committee member's service on more than three public company audit committees will be subject to the Board's determination that the member is able to effectively serve on the Company's Audit Committee and the disclosure of that determination in the Company's annual proxy statement. The Governance and Nominating Committee and the Board will take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and making its recommendations to Company shareholders. Service on boards and/or committees of other organisations should follow the Company's conflict of interest policies.

Board Meetings; Involvement of Senior Management and Independent Advisors

11. **Board Meetings – Frequency.** The Board will generally hold four regularly scheduled in-person meetings per year and holds additional special meetings as necessary. In addition, the Board generally holds informal meetings quarterly to review and discuss the Company's business performance. Directors are expected to attend meetings, except if unusual circumstances make attendance impractical.
12. **Board Meetings – Agenda.** The Chairman coordinates with the CEO and Group's secretary to set the agenda for each Board meeting, taking into account suggestions from other members of the Board.
13. **Advance Distribution of Materials.** Information relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting should be distributed at least five days in advance of the meeting to all members whenever feasible and appropriate. Each director is expected to review this information in advance to facilitate the efficient use of meeting time. The Board recognises that certain items to be discussed at Board meetings are of an extremely sensitive nature and that the distribution of materials on these matters prior to Board meetings may not be appropriate.
14. **Access to Employees.** The Board has access to Company employees to ensure that directors can ask all questions and obtain all information necessary to fulfill their duties. The Board may specify a protocol for making such inquiries. Management is encouraged to invite Company personnel to any Board meeting at which their presence and expertise would help the Board have a full understanding of matters considered.

15. **Access to Independent Advisors.** The Board and its committees have the right to retain independent outside auditors and financial, legal, or other advisors. The Company will provide appropriate funding, as determined by the Board or any committee, to compensate those independent outside auditors or advisors, as well as to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties.
16. **Executive Sessions of Independent Directors.** At each quarterly Board meeting, time is set aside for the independent directors to meet in executive session without Company management present. Additional executive sessions may be held as needed. Executive sessions of the independent directors will be called and chaired by the Chairman. These executive session discussions may include such topics as the independent directors determine.

Communications with Shareholders

18. **Shareholder Communications to the Board.** Shareholders may contact an individual director, the Board as a group, or a specified Board committee or group, including the independent directors as a group, by the following means:

- **Mail:**
Group's Secretary
GlobalCapital p.l.c.,
Testaferrata Street,
Ta` Xbiex XBX 1403, Malta

Each communication should specify the addressee or addressees to be contacted as well as the general topic of the communication. The Group will initially receive and process communications before forwarding them to the addressee.

Communications also may be referred to other departments within the Group. The Group will not forward to the directors a communication that it determines to be primarily commercial in nature or relate to an improper or irrelevant topic, or that requests general information about the Group.

Concerns about questionable accounting or auditing matters or possible violations of the GlobalCapital Business Conduct should be reported pursuant to the procedures outlined in the Standards of Business Conduct, which are available on the Company's website at www.globalcapital.com.mt

19. **Attendance at Annual Shareholder Meeting.** Directors are expected to attend the Company's annual shareholders meeting, except if unusual circumstances make attendance impractical.

Performance Evaluation; Development and Succession Planning

20. **Annual CEO Evaluation.** The Chairman of the Board leads the full Board in the annual CEO performance evaluation. The Governance and Nominating Committee establishes the evaluation process for reviewing the CEO's performance. The evaluation results are reviewed and discussed with the independent directors, and the results are communicated to the CEO.
21. **Development and Succession Planning.** A primary responsibility of the Board is planning for CEO succession and overseeing identification and development of executive talent. The Board, with the assistance of the Remuneration Committee and working with the CEO and human resources department, oversees executive officer development and corporate succession plans for the CEO and other executive officers to provide for continuity in senior management.

The Board works with the CEO to plan for CEO succession. The succession plan covers identification of internal candidates, development plans for internal candidates, and identification of external candidates. The Board annually reviews the CEO succession plan. The criteria used to assess potential CEO candidates are formulated based on the Company's business strategies, and include strategic vision, leadership, and operational execution.

The Board maintains an emergency succession contingency plan should an unforeseen event such as death or disability occur that prevents the CEO from continuing to serve. The plan identifies the individuals who would act in an emergency and their responsibilities. The contingency plan is reviewed by the Board annually and revised as appropriate.

The Board may review development and succession planning more frequently as it deems necessary or desirable.

22. **Board and Committee Self-Evaluation.** The Nominating Committee conducts an annual evaluation of the performance of the Board and each of its members. In addition, each committee is responsible for conducting an annual performance evaluation. Evaluation results are reported to the Board. The Nominating Committee's report includes an assessment of the Board's compliance with the principles set forth in these guidelines, as well as identification of areas in which the Board could improve its performance. Each committee's report generally includes an assessment of the committee's compliance with the principles set forth in these guidelines and the committee's charter, as well as identification of areas in which the committee could improve its performance.

Compensation: Principles and Practices

23. **Board Compensation Review.** The Board believes that the level of director compensation should be based on time spent carrying out Board and committee responsibilities and be competitive with comparable companies. In addition, the Board believes that a significant portion of director compensation should align the long-term interests of members of Group companies with the interest of their directors. Senior management should periodically report to the Board how the compensation of directors and the salary of senior management compare with those of other large public companies in Malta. The Board should make changes to the compensation of directors and salaries of senior management only upon the recommendation of the Remuneration Committee of the Board.

A member of senior management who serves on the Board of a company within the Group and whose appointment as a senior manager is terminated should resign directorships within the Group on termination of such employment, in the absence of an alternative agreement with the Group.

The Board may pay a lump sum to a member of senior management whose appointment is terminated. However, if that person is re-employed within the Group in the five years from the termination of employment, that person shall refund the lump sum pro rata based on the period from termination of appointment to re-employment, in the absence of an alternative agreement with the Group.

24. **Director Share Ownership.** The Board believes that, to align the interests of directors and shareholders, directors may have a financial stake in the Group. Each director should maintain shares equal in value to a minimum of three times the base annual retainer payable to a director.

Committees

25. **Number and Type of Committees.** The Board has six standing committees – an Audit Committee, a Remuneration Committee, a Nominating Committee, Ethics Committee, Risk Committee and Investment Committee. The Board may add new committees or remove existing committees as it deems advisable in fulfilling its responsibilities. Each committee will perform its duties as assigned by the Board in compliance with Group's terms of reference. All committees report regularly to the full Board with respect to their activities.
26. **Composition of Committees; Committee Chairpersons.** The Audit, Remuneration, Nominating, Ethics, Risk and Investment committees consist solely of independent directors. The Board is responsible for the appointment of committee members and committee chairs according to criteria that it determines to be in the best interest of the Group and its shareholders. The full Board considers periodic rotation of committee members and chairs, taking into account the desirability of rotation of committee members and chairs, the benefits of continuity and experience, and applicable legal, regulatory and stock exchange listing requirements.

27. **Committee Meetings and Agenda.** The chair of each committee develops, together with relevant Group managers, the committee's general agenda and objectives and for setting the specific agenda for committee meetings. The chair and committee members will determine the frequency and length of committee meetings consistent with the committee's charter.
28. **Role of Audit Committee.** The Audit Committee of the Board of Directors is responsible for the appointment, compensation and oversight of the work of the independent auditor. As part of this responsibility, the Audit Committee is required to pre-approve the audit and non-audit services performed by the independent auditor in order to assure that they do not impair the auditor's independence from the Group. Furthermore, the Audit Committee is to review and monitor the effectiveness of the audit process in accordance with applicable standards and to review and monitor the integrity, (including completeness, accuracy and fairness) of financial statements of the Group and the annual report and accounts and half-yearly report and accounts of the Group and report thereon to the Board of Directors. The Audit Committee is to carry out an oversight of the Group's financial reporting systems, internal control and risk management procedures, as well as compliance with laws and regulations.
29. **Role of Remuneration Committee.** The Remuneration Committee has been established to assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company and for determining their remuneration packages and to review and oversee the Company's overall human resources strategy.
30. **Role of Nominating Committee.** The Nomination Committee has been established to ensure a fair and transparent process of Board appointments, in particular to assist the Board to identify suitable candidates and make recommendations for consideration of the Board and shareholders
31. **Role of Investment Committee.** The Committee shall assist the Board through regular meetings with management and our investment managers in creating, modifying, and monitoring the company investment policy, determining whether the actions supporting the policy are consistent with attainment of the Company's investment policy, financial objectives and business goals, assuring compliance with legal and regulatory requirements pertaining to investment management, assessing the competence, performance, and compensation of the Company's external investment managers, monitor the Company's banking relationships, and conducting such other matters as the Board or Committee deems appropriate.

Company Secretary

32. The company secretary shall be appointed by the Board of Directors and must make sure, as far as is reasonably possible, that the Secretary has the requisite knowledge and experience to discharge his or her duties and responsibilities. The Secretary shall report directly to the Board of Directors, through the Chairman of the Board. The Company Secretary who is an officer of the company is responsible for the proper maintenance of the company's statutory register of members. The Secretary shall arrange for meetings of the directors, board sub-committees and the shareholders. This responsibility will involve the issue of proper and timely notices of meetings, preparation of agenda, circulation of relevant papers and taking of minutes and decisions taken. The Secretary shall ensure proper security of such minutes both onsite and offsite. Minutes of all board meetings and sub-committees shall be read, approved and signed by the respective Chairperson at the

meeting following. The Secretary is responsible for the filing of the annual returns and any other documents that must be filed with the Registrar of Companies and/ or the Listing Authority. Proper records must also be maintained of the company's bond holders.

Miscellaneous

33. **Director Orientation and Continuing Education.** The Nominating Committee and management are responsible for director orientation programs, and for director continuing education programs to assist directors in maintaining skills necessary or appropriate to perform their responsibilities. Orientation programs are designed to familiarize new directors with the Company's businesses, strategies, and policies and to assist new directors in developing the skills and knowledge required for their service.

Continuing education programs for Board members may include a combination of internally developed materials and presentations, programs presented by third parties at the Group, and financial and administrative support for attendance at qualifying independent programs.

34. **Review of Corporate Governance Guidelines.** The Board expects to review these guidelines at least every two years.

GlobalCapital plc -Director Independence Guidelines

Updated: 30 June 2015

Purpose of the Guidelines

The Board has adopted director independence guidelines to assist in affirmatively determining that a director has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The guidelines include, and either meet or are more restrictive than, the independence requirements of the listing rules. The guidelines also identify categories of relationships that the Board has determined would not affect a director's independence, and therefore are not considered by the Board in determining director independence. The Board considers relevant facts and circumstances of any relationship bearing on independence of a director or nominee that are outside the categories permitted under the director independence guidelines.

Definition of Independent Director

"Independent director" means a director who meets each of the following standards listed in (1) through (7) below—and additionally (8), in the case of audit committee members):

- (1) The director has no relationship that, in the opinion of GlobalCapital's Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.
- (2) The director is not, and has not been at any time during the past three years, an employee or executive officer of the Group.
- (3) The director has no Family Member who is, or at any time during the past three years was, employed by the Company as an executive officer.
- (4) The director has not accepted and no Family Member has accepted any compensation from the Company in excess of €100,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following: (a) compensation for Board or Board's committee services and (b) compensation paid to a family member who is an employee (other than an executive officer) of the group.
- (5) Neither the director nor any Family Member is a partner in, or a controlling shareholder or an executive officer of, any organisation to which the Group made, or from which the Group received, payments for property or services in the current or any of the past three fiscal years that exceed the greater of: (a) 1 per cent of the consolidated gross revenue for that year, (b) €200,000 in each case, or (c) payments arising solely from investments in the Group's securities.

(6) Neither the director nor any Family Member is employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company serve on the compensation committee of such other entity.

(7) Neither the director nor any Family Member is a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

(8) Additional independence requirements for audit committee members: Audit committee members may not, other than in the capacity as a member the board of directors or any board committee accept directly or indirectly any consulting, advisory or other fee from the ultimate holding company or any of its subsidiary

Definition of Family Member

"Family Member" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in law, father-in-law, daughter-in-law, brother-in-law, or sister-in-law, and any person (other than a tenant or employee) sharing a person's household. For the purpose of this definition, an "in-law" is limited to a person related by blood to the person or his/her spouse.