

Minutes of the Annual General Meeting of the Company

Date	7 November 2018
Time	09:30 hrs (Malta time)
Place	B2, Industry Street, Qormi, Malta
Present	Roderick McGeoch – Chairman Mark Dunstan – Director Ruth Agius Scicluna Buttigieg - Director Luisa Bartoli – acting as Company Secretary
In attendance	Jonathan Abela - Ernst & Young Malta Limited Christopher Bugeja - Ernst & Young Malta Limited

1. Chairman

Roderick McGeoch chaired the meeting.

2. Confirmation of Notice and Quorum

The Chairman declared the meeting open, confirmed that notice of the meeting had been given to all the members in terms of the Articles of Association of the Company and that a quorum was present.

3. Chairman’s Address

3.1 The Chairman addressed the shareholders and directors of the Company. A copy of the Chairman’s address is documented in Appendix I of the minutes.

There being no questions or comments, the Chairman proceeded to the formal part of the meeting.

4. Purpose of meeting

The Chairman **NOTED** that the purpose of this meeting was as follows:

Ordinary Resolutions

1. That the Annual Report and Financial Statements of the Company for the year ended 31 December 2017, comprising the Financial Statements and the Directors' and Auditors' Report thereon, be hereby approved.
2. That the appointment of Ernst & Young Malta Limited as Auditors, be hereby approved and the Board of Directors be hereby authorised to establish their remuneration.

5. Documents tabled

The following documents were tabled:

5.1 Annual Report and Financial Statements of the Company for the year ended 31 December 2017

A copy of the Annual Report and Financial Statements of the Company for the year ended 31 December 2017, comprising the Financial Statements and the Directors' and Auditors' Report thereon were tabled, considered and discussed at the meeting.

6. Approvals

6.1 Ordinary resolution to approve the Annual Report and Financial Statements of the Company for the year ended 31 December 2017

RESOLVED (as an ordinary resolution) that the Annual Report and Financial Statements of the Company for the year ended 31 December 2017, comprising the Financial Statements and the Directors' and Auditors' Report thereon be approved.

- 6.2 **Ordinary resolution to approve the appointment of Ernst & Young Malta Limited as Auditors of the Company and authorisation to the Board of Directors to establish their remuneration**

RESOLVED (as an ordinary resolution) that Ernst & Young Malta Limited be approved as Auditors, and the Board of Directors be authorised to establish their remuneration.

7. Closure

There being no further business, the Chairman declared the meeting closed.

Signed



Chairman

Dated

22/01/2019

APPENDIX I

CHAIRMAN'S ADDRESS

Dear Shareholders, dear fellow directors,

In November 2016 we completed the sale of BGP Investment S.à r.l., for over EUR 1.1 billion, following an impressive turnaround from the near insolvent group we took over in 2009. Over the course of 2017 BGP Holdings PLC completed the second phase of the distribution of the proceeds of sale of BGP Investments and its assets, via a capital reduction of EUR 136 million. We are now planning the final distribution along with the liquidation of the remaining subsidiaries.

On the closing of the sale two escrow accounts were created, each holding EUR 10 million of the proceeds of the sale. One escrow account represented a reserve for the true-up of the closing date accounts. These final audited accounts released an amount to BGP Holdings of over EUR 13.6 million, more than was held in the escrow account, requiring a top up by the Purchasers of the purchase price. The second escrow account held a first loss reserve in case of a claim on the warranty and indemnity insurance policies which were taken out as part of the transaction. No claim has eventuated, so we are optimistic of receiving the full EUR 10 million this year.

In March 2018 the Purchasers, including a sovereign wealth fund advised by Morgan Stanley Real Estate Investing, alleged an irregularity in the due diligence process and triggered the dispute process as outlined in the Sale and Purchase Agreement. We took the view this irregularity was not a material factor in the Purchasers' decision to complete the transaction. While we rejected the Notice of Dispute, we held discussions and engaged in extensive correspondence with the Purchasers in order to quantify and understand their concerns. No response has been forthcoming since June 2018 and we are inclined to believe the matter is no longer being pursued. However, you, our shareholders, must recognize that a final distribution will be delayed until the issue is finally settled. Your Board will continue to push for a positive outcome.

In the meantime, the liquidation of the asset holding companies has continued. In 2016 the BGP Holdings group comprised some 44 companies and partnerships. In 2017 13 partnerships were unwound and 4 companies were liquidated. Terms were agreed for the termination of two joint ventures in Germany. Currently we are looking to merge the remaining Luxembourg limited partner companies in a single entity, which will leave the company with just 6 entities outside Malta. These still need to be maintained due to some last ongoing contractual or fiscal obligations, and in one case an ongoing recovery of funds (MKV), but all can be wound up in 2019.

Finally, we have worked closely with our former shareholder and our share registry agent, Link Market Services, to reduce the number of unclaimed dividends, which amounted to over A\$10.3 million. This work will continue over the coming months as would like to ensure all investors share in the BGP success story.

I would like to express my gratitude to the outstanding work of our directors and staff in Luxembourg and Malta.

Roderick McGeoch
Chairman