Annual General Meeting 2018
Laqgħa Ġenerali Annwali 2018

Notice and Circular to Shareholders
Avviż u Ċirkulari lill-Azzjonisti

BOV
Bank of Valletta

BOV Bank of Valletta

Notice to Shareholders

in terms of Article 18.6 of the Articles of Association

Notice is hereby given of the Forty Fourth (44th) Annual General Meeting of the Bank of Valletta p.l.c. (the Company) will be held at the Grand Master Suite, Conference Centre, Hilton Malta, St. Julian's, on Thursday 10 May 2018 at 10.00 a.m., for the purpose of considering and, if thought fit, approving the resolutions set out below:

Ordinary Resolutions

Resolution 1:

That the Profit and Loss Account and Balance Sheet for the financial period from 1 October 2016 to 31 December 2017, and the Directors' and Auditors' Reports thereon, be hereby received and approved.

Resolution 2:

That a gross final dividend of €0.08 per share, which represents a gross payment of €42,000,000 as recommended by the Directors, be distributed either in cash or by the issue of new shares at the option of each individual shareholder.

Resolution 3:

That the re-appointment of KPMG Malta jointly with KPMG LLP (UK), as auditors, be hereby approved, and that the Board of Directors be hereby authorised to fix their remuneration.

Extraordinary Resolutions – Special Business

Resolution 4:

Changes in Share Capital Following Rights Issue – Ratification

That clause 4.2 of the Memorandum of Association be and is hereby updated to reflect the issued share capital of the Bank following the rights issue completed during the year 2017, and therefore that it be and is hereby substituted by the following:

Avviż lill-Azzjonisti

skont l-Artiklu 18.6 tal-Artikli ta' Assoċjazzjoni

L-Azzjonisti qegħdin jiġu nnotifikati li l-Erbgħa u Erbgħin (44) Laqgħa Ġenerali Annwali tal-Bank of Valletta p.l.c. (il-Kumpanija) ser issir fil-Grand Master Suite, Conference Centre, Hilton Malta, San Ġiljan, nhar il-Ħamis 10 ta' Mejju 2018 fl-10.00 a.m., bil-għan illi jiġu kkunsidrati u, jekk jinħass li jkun xieraq, jiġu approvati r-riżoluzzjonijiet segwenti:

Riżoluzzjonijiet Ordinarji

Riżoluzzjoni 1:

Illi l-Kont tal-Qligħ u Telf u l-Karta tal-Bilanċ għall-perjodu finanzjarju mill-1 ta' Ottubru 2016 sal-31 ta' Diċembru 2017, kif ukoll ir-Rapporti tad-Diretturi u l-Awdituri għall-istess perjodu, ikunu hawn riċevuti u approvati.

Riżoluzzjoni 2:

Illi l-ħlas finali tad-dividend gross ta' €0.08 għal kull sehem, liema dividend jirrappreżenta ħlas gross ta' €42,000,000 kif irrakkomandat mid-Diretturi, jiġi mqassam jew fi flus jew billi jinħarġu ishma ġodda skond l-għażla ta' kull azzjonist individwali.

Riżoluzzjoni 3:

Illi l-ħatra ta' KPMG Malta flimkien ma' KPMG LLP (UK), bħala awdituri, tiġi hawn approvata, u l-Bord tad-Diretturi jiġi hawn awtorizzat sabiex jistabbilixxi r-rimunerazzjoni tagħhom.

Riżoluzzjonijiet Straordinarji – Negozju Speċjali

Riżoluzzjoni 4:

Tibdil fil-Kapital Azzjonarju Maħruġ wara l-Ħruġ ta' ishma bi dritt – Ratifika

Illi klawsola 4.2 tal-Memorandum ta' Assoċjazzjoni tiġi aġġornata sabiex tirrifletti l-kapital azzjonarju maħruġ tal-Bank wara l-ħruġ ta' ishma bi dritt li tlesta matul is-sena 2017, u għalhekk din il-klawsola tinbidel sabiex tinqara hekk:

4.2 The issued and fully paid up capital is €525,000,000 divided into 525,000,000 ordinary shares of a nominal value of €1.00 each.

Resolution 5:

Changes to the Memorandum of Association

That clauses 4.5 and 4.6 of the Memorandum of Association of Bank of Valletta p.l.c. be and are hereby abrogated and replaced by the following:

Riżoluzzjoni 5:

Tibdil tal-Memorandum ta' Assoċjazzjoni

Illi klawsoli 4.5 u 4.6 tal-Memorandum ta' Assoċjazzjoni tal-Bank of Valletta p.l.c. ikunu abrogati u mibdula sabiex jinqraw hekk:

4.5 The provisions of clause 4.3 shall not apply in cases where a large shareholder, being a bank, credit institution, financial institution, insurance company or licensed collective investment scheme wishes to offer for sale, or otherwise dispose of, such number of shares in excess of five per cent (5%) of the issued share capital of the Company; PROVIDED that only Persons being themselves banks, credit institutions, financial institutions, insurance companies or licensed collective investment schemes shall, subject to obtaining the necessary authorisations from the competent authorities in terms of law in Malta, be entitled to acquire (and hold) any of such shares on offer by a large shareholder as aforesaid, notwithstanding that such acquisition may cause the Person so acquiring any of such shares to become a large shareholder.

4.6 For the purposes of this clause 4 the following terms shall have the following meanings:

"large shareholder" means any shareholder holding in aggregate five percent (5%) or more of the issued share capital of the Company;

"bank" or "credit institution" shall have the same meaning assigned to those terms by the Banking Act (Cap.371 of the Laws of Malta), as that Act may be replaced, amended or renumbered;

"financial institution" shall have the same meaning assigned to that term by the Financial Institutions Act (Cap.376 of the Laws of Malta), as that Act may be replaced, amended or renumbered;

"insurance company" shall have the same meaning as the term authorised insurance undertaking in the Insurance Business Act (Cap.403 of the Laws of Malta) as that Act may be replaced, amended or renumbered;

"licensed collective investment scheme" shall mean a collective investment scheme (as defined by the Investment Services Act (Cap.370 of the Laws of Malta)) having a collective investment scheme licence as that term is defined by the Investment Services Act (Cap.370 of the Laws of Malta), as that Act may be replaced, amended or renumbered.

By order of the Board.

Dr Ruth Spiteri Longhurst
Company Secretary

19 April 2018

B'ordni tal-Bord.

Dr Ruth Spiteri Longhurst
Segretarju tal-Kumpanija

19 ta' April 2018

BOV Bank of Valletta

EXPLANATORY NOTES

A. Record Date

This notice has been mailed to the Bank's Shareholders on the Register at the Central Securities Depository of the Malta Stock Exchange (MSE) on the 10 April 2018 (the Record Date). Only such Shareholders shall be entitled to attend and vote at the Annual General Meeting (AGM). Any change to an entry on the Register after the Record Date shall be disregarded in determining the right of any person to attend and vote at the AGM.

B. Participation and Voting by Shareholders

A Shareholder may participate and vote at the AGM either by personally attending the Meeting or by appointing a person to attend and vote at the AGM in his stead (a proxy).

Appointment of proxy:

i. A proxy can be appointed using the enclosed Proxy Form which is to be mailed or delivered to the Office of the Company Secretary as indicated below; or

ii. Shareholders may opt to send their proxy electronically. In this case, Shareholders are requested to send an e-mail to agm2018@bov.com quoting the Activation Code (printed at the bottom left hand side of the Admission Form) and the MSE number. The Bank will then send the electronic proxy form to the Shareholder for completion. The Bank will not accept to send an electronic proxy unless the said Activation Code and the MSE number are quoted by the Shareholder. The Shareholder is to complete and send the electronic proxy on the same email address as received. Upon receipt of the completed proxy, the Bank will send an electronic acknowledgement to the Shareholder.

Where the Shareholder is a body corporate, including a company, a partnership, an association of persons, a foundation or other entity, a form of proxy must be duly executed (whether in favour of the Chairman of the Meeting or another representative of the Shareholder) in accordance with the Memorandum and Articles of Association or similar constitutional documents of the entity. The Office of the Company Secretary reserves the right to request evidence of the aforesaid.

In order to be valid, the completed form of proxy must reach the Office of the Company Secretary at House of the Four Winds, Triq l-Imtieħen, Il-Belt Valletta VLT 1350, Malta, whether by hand, by mail or electronically, not less than 48 hours before the appointed date and time of the AGM. Shareholders opting to send the proxy by mail are advised to use the business reply service envelope enclosed.

NOTI TA' SPJEGAZZJONI

A. Record Date

Dan l-avviż intbagħat lill-Azzjonisti kollha tal-Bank li kienu fuq ir-Reġistru tal-Borża ta' Malta fl-10 ta' April 2018 (ir-*Record Date*). Huma dawn l-Azzjonisti biss li għandhom id-dritt li jattendu u jivvutaw fil-Laqgħa Ġenerali Annwali (LĠA). Kull tibdil fir-Reġistru tal-Borża ta' Malta wara r-*Record Date* mhux ser jiġi kkunsidrat biex jiġi determinat id-dritt ta' kull persuna li tattendi u tivvota matul il-LĠA.

B. Parteċipazzjoni u Votazzjoni mill-Azzjonisti

L-Azzjonist jista' jipparteċipa u jivvota fil-LĠA billi jattendi personalment il-Laqgħa, jew billi jaħtar persuna li tattendi u tivvota waqt il-LĠA minfloku (prokuratur/*proxy*).

Ħatra ta' prokuratur:

i. Il-prokuratur jista' jinħatar billi tintuża l-Formola ta' Prokura hawn inkluża li trid tintbagħat bil-posta jew tinġieb fl-Uffiċċju tas-Segretarju tal-Kumpanija kif indikat aktar 'l isfel; jew

ii. L-Azzjonisti jistgħu jagħżlu li jibagħtu l-prokura elettronikament. F'dan il-każ, l-Azzjonisti huma mitluba li jibagħtu *e-mail* fuq agm2018@bov.com waqt li jikkwotaw l-*Activation Code* (li huwa stampat isfel fuq in-naħa tax-xellug tal-*Admission Form*) u n-numru tal-kont rispettiv tagħhom tal-Borża ta' Malta (MSE). Il-Bank imbagħad jibgħat il-prokura elettronika lill-Azzjonist biex timtela minnu. Il-Bank mhuwiex ser jaċċetta li jibgħat il-prokura elettronika sabiex timtela jekk l-*Activation Code* u n-numru tal-MSE ma jiġux ikkwotati mill-Azzjonist. L-Azzjonist irid jimla u jibgħat il-prokura elettronika fuq l-istess indirizz tal-*email* li jkun irċieviha fuqu. Hekk kif il-Bank jirċievi l-prokura kompluta, il-Bank jibgħat riċevuta elettronika lill-Azzjonist.

Meta Azzjonist ikun korp ġuridiku, li jinkludi kumpanija, *partnership*, assoċjazzjoni ta' persuni, fondazzjoni jew entità oħra, il-formola ta' prokura trid tiġi eżegwita (kemm jekk favur iċ-*Chairman* tal-Laqgħa jew rappreżentant ieħor tal-Azzjonist) skont il-Memorandum u l-Artikli ta' Assoċjazzjoni jew dokumenti kostituttivi simili tal-entità. L-Uffiċċju tas-Segretarju tal-Kumpanija jirriserva d-dritt li jitlob evidenza ta' dan.

Sabiex tkun valida, il-formola ta' prokura kompluta trid tasal l-Uffiċċju tas-Segretarju tal-Kumpanija, fl-indirizz House of the Four Winds, Triq l-Imtieħen, Il-Belt Valletta VLT 1350, Malta, kemm jekk titwassal bl-idejn, bil-posta, jew b'mod elettroniku, sa mhux aktar tard minn 48 siegħa qabel il-jum u l-ħin appuntat għal-LĠA. Dawk l-Azzjonisti li jixtiequ jibagħtu l-prokura bil-posta huma mitluba li jagħmlu dan billi jużaw l-*envelope* inkluż għal dan l-iskop.

C. Completing the Proxy Form

The Shareholder wishing to participate at the AGM by proxy is to complete in full all details required on the Proxy Form, and in particular, where the proxy is being filled in by hand, details should be completed clearly and in a legible manner.

It is important to note the following:

i. The Shareholder is to indicate whether the Shareholder wishes to appoint as proxy the Chairman of the Meeting or another person. In the case that the Shareholder wishes to appoint a person other than the Chairman of the Meeting as proxy, the full name, address and I.D. Card number of the proxy must be inserted in the appropriate space;

ii. The Shareholder is to indicate whether the Shareholder wishes the appointed proxy to vote as the proxy wishes or whether the Shareholder wishes to instruct the appointed proxy how to vote, by marking the appropriate box indicated in the Proxy Form. In the event that no indication is made, it shall be deemed that the Shareholder authorises the appointed proxy to vote as the proxy wishes;

iii. When voting for a resolution, if the Shareholder wishes that the appointed proxy votes in a particular manner, the Shareholder should indicate his/her voting preference against each resolution in the appropriate box either by inserting the number of votes (shares held) or by the use of a cross (✕) or mark (✔) (instead of inserting a number of votes) under either 'For' or 'Against' or 'Abstain'. The cross or mark will be interpreted that the Shareholder has assigned all the votes accordingly. If a cross or a mark is placed under each of 'For' or 'Against' or 'Abstain' for the same resolution, the Shareholder's vote on that particular resolution will be invalid;

   If the Shareholder inserts the number of votes, these may be split up in any proportion whatsoever, under 'For', 'Against' or 'Abstain' for any resolution. A Shareholder may therefore utilise all or part of the votes for each resolution. However, in no circumstances, may the Shareholder use more votes than he/she is entitled to. If this occurs, then the vote on that particular resolution will be invalid;

iv. Any resolution remaining unmarked on the Proxy Form will be automatically included in the voting document which is given to the appointed proxy to vote during the AGM.

C. Mili tal-Formola ta' Prokura

Azzjonist li jixtieq jipparteċipa fil-LĠA bi prokura għandu jimla d-dettalji kollha mitluba fil-Formola ta' Prokura, u b'mod partikulari, fejn il-prokura qed timtela bil-kitba (bl-idejn), id-dettalji għandhom ikunu mimlija, b'mod ċar u leġibbli.

Huwa importanti li tinnota dan li ġej:

i. L-Azzjonist għandu jindika jekk jixtieqx jaħtar bħala prokuratur tiegħu liċ-*Chairman* tal-Laqgħa jew lil persuna oħra. F'każ illi l-Azzjonist jixtieq jaħtar persuna oħra li mhux iċ-*Chairman* tal-Laqgħa bħala prokuratur tiegħu, għandu jindika fl-ispazju provdut l-isem komplut, l-indirizz u n-numru tal-Karta tal-Identità tal-prokuratur;

ii. L-Azzjonist għandu jindika jekk jixtieqx li l-prokuratur maħtur jivvota kif il-prokuratur jixtieq, jew jekk l-Azzjonist jixtieqx li l-prokuratur tiegħu jivvota skont l-istruzzjonijiet tal-Azzjonist, billi jimmarka l-kaxxa t-tajba fuq il-Formola ta' Prokura. F'każ illi ma jkun hemm ebda indikazzjoni, ser jitqies li l-Azzjonist awtorizza lill-prokuratur maħtur biex jivvota kif jixtieq il-prokuratur innifsu;

iii. Fir-rigward tar-riżoluzzjonijiet, jekk l-Azzjonist jixtieq li l-prokuratur maħtur jivvota b'mod partikulari, l-Azzjonist għandu jindika l-preferenza tal-votazzjoni tiegħu/tagħha ħdejn kull riżoluzzjoni fil-kaxxa t-tajba, billi jew iniżżel in-numru ta' voti (ishma miżmuma) jew billi jagħmel salib (✕) jew marka (✔) (minflok ma jniżżel in-numru ta' voti) fil-kaxxa immarkata '*For*' (Favur), '*Against*' (Kontra) jew '*Abstain*' (Astensjoni). Is-salib jew il-marka ser ifissru li l-Azzjonist alloka l-voti kollha tiegħu b'dak il-mod. F'każ li s-salib jew il-marka jiġu mniżżlin kemm taħt '*For*', '*Against*' jew '*Abstain*' għall-istess riżoluzzjoni, il-vot tal-Azzjonist fuq dik ir-riżoluzzjoni partikulari jitqies bħala invalidu;

   Jekk l-Azzjonist iniżżel in-numru ta' voti, dawn jistgħu jinqasmu fi kwalunkwe proporzjon, jkun li jkun, taħt '*For*', '*Against*' jew '*Abstain*' għal kwalunkwe riżoluzzjoni. Għaldaqstant, l-Azzjonist jista' għal kull riżoluzzjoni, jagħmel użu mill-voti kollha jew minn parti minnhom. Madanakollu, l-Azzjonist ma jistax juża, għall-ebda raġuni, aktar voti milli huwa intitolat għalihom. Jekk jiġri dan, allura l-vot fuq dik ir-riżoluzzjoni partikulari jitqies bħala wieħed invalidu;

iv. Kwalunkwe riżoluzzjoni li tibqa' mhux immarkata fuq il-Formola ta' Prokura ser tiġi inkluża awtomatikament fid-dokument tal-vot li ser jingħata lill-prokuratur maħtur biex jivvota matul il-LĠA.

D. Admission to the AGM

In order to be admitted to the AGM, the Shareholder must present his/her I.D. Card and the Admission Form enclosed with this Notice. Upon admission, Shareholders and proxy holders will be issued with a voting document.

In the case of shares held jointly by several persons, except in the case of shares held jointly by husband and wife, the first named joint holder on the Register held at the Central Securities Depository of the Malta Stock Exchange, shall be eligible to attend and vote at the AGM.

A representative of a joint shareholding, who is not the first named on the Register, will only be eligible to attend and vote at the AGM, if a Form of Proxy has been duly executed in his/her favour by all other joint holders.

In the case of shares held jointly by husband and wife, both the husband and the wife, or either of them, may attend the AGM, provided that:

i. Irrespective of whether both the husband and the wife, or either of them, attend the AGM, only one voting document will be issued and only one of them shall be entitled to vote; and

ii. If they wish to appoint a proxy, the Form of Proxy must be signed by both husband and wife.

When a Shareholder is a body corporate, including a company, a partnership, an association of persons, a foundation or other entity, a representative thereof will only be eligible to attend and vote at the AGM if the Form of Proxy duly executed in his/her favour has been received by the Office of the Company Secretary as provided in Section B above.

A Shareholder who is a minor may be represented at the AGM by a parent or legal guardian who will be required to present his/her I.D. Card and the Admission Form. Minors (under the age of 18 years) will not be allowed to attend the AGM.

Admission to the AGM will commence one hour before the appointed time.

After the AGM has proceeded to business, voting documents will continue to be issued until such time as the AGM proceeds to vote on the agenda, whether by show of hands or by ballot. Thereafter, no further voting documents will be issued and admittance to the AGM will be discontinued.

D. Dħul għal-LĠA

Sabiex ikun jista' jattendi fil-LĠA, l-Azzjonist għandu jippreżenta l-Karta tal-Identità tiegħu/tagħha u l-*Admission Form* mehmuża ma' dan l-Avviż. Mad-dħul, l-Azzjonisti u l-prokuraturi ser jingħatalhom id-dokument tal-vot.

Fil-każ ta' ishma miżmuma minn numru ta' persuni flimkien, ħlief fil-każ ta' ishma miżmuma flimkien bejn żewġ persuni miżżewġin, il-persuna li hija msemmija l-ewwel fuq ir-Reġistru tal-Borża ta' Malta biss titħalla tattendi u tivvota waqt il-LĠA.

Ir-rappreżentant ta' Azzjonisti li għandhom ishma f'ismijiet konġunti, u li mhuwiex l-ewwel wieħed imniżżel fuq ir-Reġistru, ikun biss eliġibbli li jattendi u jivvota fil-LĠA jekk il-Formola ta' Prokura tkun ġiet eżegwita b'mod tajjeb favur tiegħu/tagħha mill-Azzjonisti konġunti kollha.

Fil-każ ta' ishma miżmuma b'mod konġunt mill-miżżewġin, kemm il-mara u r-raġel flimkien, jew wieħed minnhom biss, jista' jattendi l-LĠA, sakemm:

i. Irrispettivament jekk il-miżżewġin jattendux il-LĠA flimkien, jew jekk jattendix wieħed jew waħda minnhom biss, ser jinħarġilhom dokument tal-vot wieħed biss u wieħed biss minnhom ikun intitolat li jivvota; u

ii. Jekk jixtiequ jaħtru prokuratur, il-Formola ta' Prokura għandha tiġi ffirmata kemm mir-raġel kif ukoll mill-mara.

Meta Azzjonist ikun korp ġuridiku, li jinkludi kumpanija, *partnership*, assoċjazzjoni ta' persuni, fondazzjoni jew entità oħra, ir-rappreżentant rispettiv biss ikun eliġibbli li jattendi u jivvota fil-LĠA, sakemm il-Formola ta' Prokura tkun eżegwita b'mod tajjeb favur tiegħu/tagħha u jekk tkun wasslet fl-Uffiċċju tas-Segretarju tal-Kumpanija kif indikat aktar 'l fuq, taħt Sezzjoni B.

Azzjonist li huwa minuri jista' jiġi rappreżentat fil-LĠA minn wieħed mill-ġenituri jew mill-gwardjan legali u dan għandu jippreżenta l-Karta tal-Identità tiegħu/tagħha flimkien mal-*Admission Form*. Minuri (taħt l-età ta' tmintax-il sena) mhux ser jitħallew jattendu l-LĠA.

Id-dħul għal-LĠA ser jibda siegħa qabel il-ħin appuntat.

Wara li l-LĠA tkun bdiet, id-dokumenti tal-vot jkomplu jinħarġu sakemm il-LĠA tipproċedi sabiex jittieħed vot fuq l-aġenda, kemm jekk b'wiri tal-idejn u kemm jekk bl-użu tad-dokument tal-vot. Wara dan il-ħin, ma jinħareġ ebda dokument ta' vot ieħor u d-dħul għal-LĠA jitwaqqaf.

E. Draft Resolutions and Documents

The draft resolutions to be considered and voted upon at the AGM are included as an integral part of this Notice.

As stated in the Bank's Company Announcement No. 328, a Shareholder or Shareholders holding not less than 5% of the voting issued share capital of the Bank was/were entitled to request the Bank to include items on the agenda of the AGM and to table draft resolutions for items to be included in the agenda of the AGM. Such requests were to be submitted to the Bank by the 25 March 2018, that is at least forty six (46) days before the date set for the AGM (10 May 2018).

The Annual Report and the Financial Statements, the Circular to Shareholders and the Proxy Form are being sent directly to the Shareholders together with this Notice. The full text of the aforementioned documentation is also available at the Office of the Company Secretary, House of the Four Winds, Triq l-Imtieħen, Il-Belt Valletta VLT 1350, Malta, and on the Bank's website www.bov.com under the Investor Relations Section. Pursuant to Listing Rule 12.11.2, this section of the website will also indicate the total number of shares and voting rights at the date of the Notice.

F. Voting

Voting for the resolutions will take place by show of hands unless a poll is demanded by any person who may, according to the Bank's Articles of Association or to any applicable law, demand a poll. If a poll is undertaken, a Shareholder (or the proxy) may vote in favour or against a resolution or may choose to abstain from voting in relation to a resolution. On pain of nullity, no Shareholder can exceed the number of votes (shares) to which the Shareholder is entitled to, as shown on the Form of Proxy.

On a show of hands a Shareholder present in person or by proxy has one vote independently of the number of shares held or represented. On a poll:

i. A Shareholder present in person has one vote for every share held; and
ii. A proxy has one vote for each share for which the proxy holds a valid Proxy Form.

In the case of voting by a show of hands, a proxy who has been mandated by several Shareholders and instructed to vote by some Shareholders in favour of a resolution and by others against the same resolution, has one vote for and one vote against the resolution.

Election of Directors

Following the changes in the Memorandum and Articles of Association, as approved in the Extraordinary General Meeting held last July, the Board of Directors of the Bank is now composed of nine Non-Executive Directors and two Executive Directors. Pursuant to Article 28, all Non-

E. Abbozz ta' Riżoluzzjonijiet u Dokumenti

L-abbozz tar-riżoluzzjonijiet li ser jiġu kkunsidrati u jittieħed vot dwarhom matul il-LĠA huma inklużi bħala parti integrali ta' dan l-Avviż.

Kif ġie ddikjarat fil-*Company Announcement* Nru 328 tal-Bank, Azzjonist jew Azzjonisti li għandhom minn ta' lanqas 5% tal-kapital azzjonarju maħruġ tal-Bank b'jedd għall-vot kien/kienu intitolat/i li jitlob/jitolbu lill-Bank li jinkludi suġġetti fuq l-aġenda tal-LĠA u li jippreżentaw abbozz ta' riżoluzzjonijiet għal suġġetti biex jiġu inklużi fl-aġenda tal-LĠA. Dawn it-talbiet kellhom jiġu sottomessi lill-Bank sal-25 ta' Marzu 2018, li tiġi s-sitta u erbgħin (46) ġurnata qabel id-data indikata tal-LĠA (l-10 ta' Mejju 2018).

Ir-Rapport Annwali u d-Dikjarazzjonijiet Finanzjarji, iċ-Ċirkulari lill-Azzjonisti u l-Formola ta' Prokura qegħdin jintbagħtu direttament lill-Azzjonisti flimkien ma' dan l-Avviż. Din id-dokumentazzjoni hija kollha disponibbli fl-Uffiċċju tas-Segretarju tal-Kumpanija, fl-indirizz House of the Four Winds, Triq l-Imtieħen, Il-Belt Valletta VLT 1350, Malta, u fuq il-websajt tal-Bank www.bov.com taħt is-Sezzjoni tal-*Investor Relations*. Kif mitlub mil-*Listing Rule* 12.11.2, din is-sezzjoni tal-websajt ser tindika ukoll in-numru totali ta' ishma u drittijiet tal-vot fid-data ta' dan l-Avviż.

F. Votazzjoni

Il-votazzjoni għar-riżoluzzjonijiet ser issir b'wiri tal-idejn sakemm ma tintalabx votazzjoni minn kwalunkwe persuna li skont l-Artikli ta' Assoċjazzjoni tal-Bank jew kwalunkwe liġi applikabbli oħra, tista' titlob votazzjoni. Jekk jittieħed vot, l-Azzjonist (jew il-prokuratur) jista' jivvota favur jew kontra r-riżoluzzjoni jew jista' jagħżel li jastjeni milli jivvota għal dik ir-riżoluzzjoni. Biex il-vot jitqies bħala validu, l-Azzjonist ma jistax jeċċedi n-numru ta' voti (ishma) li hu intitolat għalihom hekk kif muri fuq il-Formola ta' Prokura.

F'votazzjoni li ssir permezz ta' wiri tal-idejn, l-Azzjonist preżenti, jew il-prokuratur tiegħu, għandu vot wieħed biss indipendentament minn kemm għandu numru ta' ishma miżmuma jew rappreżentati. Waqt votazzjoni:

i. Azzjonist preżenti għandu vot wieħed għal kull sehem miżmum; u
ii. Il-prokuratur għandu vot wieħed għal kull sehem li fir-rigward tiegħu l-prokuratur għandu Formola ta' Prokura valida.

Fil-każ ta' votazzjoni permezz ta' wiri tal-idejn, prokuratur li ġie maħtur minn diversi Azzjonisti u li ngħata struzzjonijiet minn xi Azzjonisti sabiex jivvota favur waqt li oħrajn tawh struzzjonijiet biex jivvota kontra l-istess riżoluzzjoni, għandu vot wieħed favur u vot ieħor kontra r-riżoluzzjoni.

Elezzjoni tad-Diretturi

Wara t-tibdil fil-Memorandum u l-Artikli tal-Assoċjazzjoni, kif approvat fil-Laqgħa Ġenerali Straordinarja li saret

Executive Directors shall retire from office during the forthcoming Annual General Meeting, scheduled to be held on the 10 May 2018.

Furthermore, the appointment of the nine Non-Executive Directors is governed by Article 25 of the Articles of Association and appointments may be made by:

a. Qualifying Shareholders – namely members holding at least 10% of the issued share capital of the Bank having voting rights, that are entitled to nominate, for the approval of the Nominations and Governance Committee, one person for each 10% voting shares held; and
b. Any Member or Members, excluding Qualifying Shareholders, who in the aggregate hold not less than €50,000 in nominal value of shares having voting rights in the Bank, and who are entitled to make recommendations to the Nominations and Governance Committee of fit and proper persons for appointment as a Non-Executive Director of the Bank; or
c. The Nominations and Governance Committee itself seeking the recruitment of fit and proper persons having the right attributes that can add value to the Board of Directors.

In this regard, the Bank received three recommended candidates from the Qualifying Shareholders, namely Taddeo Scerri and Anita Mangion were recommended by the Government of Malta whilst Antonio Piras was recommended by UniCredit S.p.A. With regards to the Non-Qualifying Shareholders, following a call for nomination of directors and pursuant to Article 25.4 of the Company's Articles of Association, the Company received seven nominations, one of which was subsequently withdrawn.

All six nominees and the three recommended persons were deemed by the Nominations and Governance Committee as fit and proper to act as Non-Executive Directors on the Bank's Board of Directors, and were so approved by the Board upon the recommendation of the Nominations and Governance Committee.

Furthermore, the Nominations and Governance Committee did not express any preference about any of the following candidates. Therefore the candidates are being listed in alphabetical order namely:

1. Agius Stephen
2. Attard Alan
3. Azzopardi Paul V
4. Grech James
5. Lupi Alfred
6. Mangion Anita
7. Piras Antonio
8. Scerri Taddeo
9. Zrinzo Joseph M

f'Lulju li għadda, il-Bord tad-Diretturi tal-Bank issa huwa magħmul minn disa' Diretturi Mhux Eżekuttivi u żewġ Diretturi Eżekuttivi. Skont l-Artikolu 28, id-Diretturi Mhux Eżekuttivi kollha għandhom jirtiraw mill-kariga matul il-Laqgħa Ġenerali Annwali li jmiss, skedata għall-10 ta' Mejju 2018.

Barra minn hekk, il-ħatra tad-disa' Diretturi Mhux Eżekuttivi hija rregolata mill-Artikolu 25 tal-Artikli tal-Assoċjazzjoni u l-ħatriet jistgħu jsiru minn:

a. Azzjonisti Kwalifikanti – jiġifieri membri li għandhom mill-inqas 10% tal-kapital azzjonarju maħruġ tal-Bank bid-drittijiet tal-vot, li huma intitolati jinnominaw, għall-approvazzjoni min-*Nominations and Governance Committee*, persuna waħda għal kull 10% ta' azzjoni bi dritt tal-vot miżmuma; u
b. Kwalunkwe Membru jew Membri, bl-esklużjoni tal-Azzjonisti Kwalifikanti, li bħala aggregat għandhom mhux inqas minn €50,000 f'valur nominali ta' ishma u li għandhom drittijiet tal-vot fil-Bank, u li huma intitolati jagħmlu rakkomandazzjonijiet lin-*Nominations and Governance Committee* ta' persuni kompetenti u idonei għall-ħatra bħala Direttur Mhux Eżekuttiv tal-Bank; jew
c. *Nominations and Governance Committee* nnifsu li jfittex ir-reklutaġġ ta' persuni kompetenti u idonei li jkollhom l-attribwiti t-tajba li jistgħu jżidu l-valur għall-Bord tad-Diretturi.

F'dan ir-rigward, il-Bank irċieva tliet kandidati rakkomandati mill-Azzjonisti Kwalifikanti, jiġifieri Taddeo Scerri u Anita Mangion ġew rakkomandati mill-Gvern ta' Malta filwaqt li Antonio Piras kien rakkomandat minn UniCredit S.p.A. Fir-rigward tal-Azzjonisti Mhux Kwalifikanti, wara s-sejħa għan-nomini tad-diretturi u skont l-Artikolu 25.4 tal-Artikli tal-Assoċjazzjoni tal-Kumpanija, il-Kumpanija rċeviet seba' nomini, b'waħda minnhom tiġi sussegwentement irtirata.

Is-sitt nominati kollha u t-tliet persuni rakkomandati ġew meqjusa min-Nominations and Governance Committee bħala kompetenti u idonei sabiex jinħatru bħala Diretturi Mhux Eżekuttivi fuq il-Bord tad-Diretturi tal-Bank, u ġew hekk approvati mill-Bord fuq ir-rakkomandazzjoni tan-*Nominations and Governance Committee*.

Barra minn hekk, in-*Nominations and Governance Committee* ma esprima l-ebda preferenza dwar l-ebda wieħed jew waħda minn dawn il-kandidati li ġejjin. Għalhekk il-kandidati qed jiġu elenkati f'ordni alfabetiku jiġifieri:

1. Agius Stephen
2. Attard Alan
3. Azzopardi Paul V
4. Grech James
5. Lupi Alfred
6. Mangion Anita
7. Piras Antonio
8. Scerri Taddeo
9. Zrinzo Joseph M

With regards to the recommended persons by the Qualifying Shareholders these are automatically being appointed as directors. Therefore, with effect from the 10 May 2018, Taddeo Scerri is being appointed as Non-Executive Director and Chairman whilst Anita Mangion and Antonio Piras are being appointed as Non-Executive Directors, subject to regulatory approval.

With regards to the nominees, since there are as many nominations as there are vacancies and since all nominees were deemed by the Nominations and Governance Committee to be fit and proper to act as Directors of the Bank, and were so approved by the Board of Directors upon the recommendation of the Nominations and Governance Committee, no election will take place. Therefore with effect from the 10 May 2018 Stephen Agius, Alan Attard, Paul V Azzopardi, James Grech, Alfred Lupi and Joseph M Zrinzo will be automatically appointed as Non-Executive Directors, subject to regulatory approval.

G. Right to Ask Questions

Shareholders (whether personally or by proxy) are entitled to ask questions which are pertinent and related to any resolution placed before the AGM – and to have such questions answered by the Chairman of the Meeting or by the Directors or by such person/s as the Directors may delegate for that purpose. The Chairman has invited the Shareholders, if they so desire, to submit in writing any such questions to the Company Secretary, either by mail at House of the Four Winds, Triq l-Imtieħen, Il-Belt Valletta VLT 1350, Malta, or by e-mail to agm2018@bov.com by not later than Thursday, 3 May 2018.

Whilst the Chairman of the Meeting will endeavour to reply to all questions that may be raised at the AGM in relation to the resolutions placed before the AGM, it is to be noted that one overall answer may be provided to questions having the same content and no answer is required to be given by the Bank where:

i. An answer would interfere unduly with the preparation for the AGM, involve the disclosure of confidential information or cause prejudice to the business interests of the Bank;

ii. It is not in the interests of good order of the AGM that the question be answered; or

iii. The Bank is unable to provide an immediate reply, in which case, however, the reply will be subsequently posted on the website of the Bank.

In case of any difficulties or queries, the Shareholders are kindly asked to contact the Office of the Company Secretary on 2275 3556 or on e-mail address agm2018@bov.com.

In case of any conflicts between the Maltese and English versions of these Explanatory Notes, the English version is deemed as being the official version.

Fir-rigward tal-persuni rakkomandati mill-Azzjonisti Kwalifikanti dawn qed jiġu maħtura b'mod awtomatiku bħala diretturi. Għalhekk, b'effett mill-10 ta' Mejju 2018, Taddeo Scerri qed jinħatar bħala Direttur Mhux Eżekuttiv u Chairman filwaqt li Anita Mangion u Antonio Piras qed jinħatru bħala Diretturi Mhux Eżekuttivi, soġġetta għal approvazzjoni regolatorja.

Fir-rigward tan-nominati, billi hemm numru ta' nomini daqs kemm hemm postijiet vakanti u billi n-nominati kollha tqiesu min-*Nominations and Governance Committee* li huma kompetenti u idonei biex jinħatru bħala Diretturi tal-Bank, u ġew hekk approvati mill-Bord fuq ir-rakkomandazzjoni tan-*Nominations and Governance Committee*, mhux ser issir elezzjoni. Għalhekk b'effett mill-10 ta' Mejju 2018 Stephen Agius, Alan Attard, Paul V Azzopardi, James Grech, Alfred Lupi u Joseph M Zrinzo ser jinħatru b'mod awtomatiku bħala Diretturi Mhux Eżekuttivi, soġġetta għal approvazzjoni regolatorja.

G. Dritt għall-Mistoqsijiet

L-Azzjonisti (kemm jekk b'mod personali jew bi prokura) huma intitolati jagħmlu mistoqsijiet li huma pertinenti u relatati ma' kull riżoluzzjoni mressqa quddiem il-LĠA – u li jkollhom dawn il-mistoqsijiet imwieġba miċ-*Chairman* tal-Laqgħa jew mid-Diretturi jew minn persuni li d-Diretturi jistgħu jiddelegaw għal dak il-għan. Iċ-*Chairman* qiegħed jistieden l-Azzjonisti sabiex, jekk jixtiequ, jissottomettu bil-miktub xi mistoqsijiet relatati mar-riżoluzzjonijiet, lis-Segretarju tal-Kumpanija, bil-posta fl-indirizz House of the Four Winds, Il-Belt Valletta VLT 1350, Malta, jew bil-*e-mail* agm2018@bov.com sa mhux aktar tard mill-Ħamis, 3 ta' Mejju 2018.

Filwaqt li ċ-*Chairman* tal-Laqgħa ser ifittex li jwieġeb għall-mistoqsijiet kollha li jitressqu waqt il-LĠA b'konnessjoni mar-riżoluzzjonijiet imressqa quddiem il-LĠA, wieħed għandu jinnota li tweġiba ġenerali waħda tista' tingħata mill-Bank fejn:

i. Tweġiba tista' ittellef il-preparazzjoni tal-LĠA, tinvolvi informazzjoni kunfidenzjali jew tista' tikkawża preġudizzju lill-interessi kummerċjali tal-Bank;

ii. Mhux fl-interess tal-andament b'mod ordnat tal-LĠA li tingħata tweġiba; jew

iii. Il-Bank mhux f'pożizzjoni li jagħti risposta immedjata, f'liema każ, iżda, ir-risposta ser tkun sussegwentement imqiegħda fuq il-websajt tal-Bank.

F'każ ta' diffikultajiet jew mistoqsijiet, l-Azzjonisti huma ġentilment mitluba li jikkuntattjaw l-Uffiċċju tas-Segretarju tal-Kumpanija fuq 2275 3556 jew fuq l-*e-mail* agm2018@bov.com.

F'każ ta' xi kunflitt bejn il-verżjoni bil-Malti u dik bl-Ingliż ta' dawn in-Noti ta' Spjegazzjoni, il-verżjoni bl-Ingliż titqies bħala dik uffiċjali.

BOV Bank of Valletta

SHAREHOLDERS' CIRCULAR

44th Annual General Meeting

The purpose of this Circular is to inform the Members of Bank of Valletta p.l.c., a public limited liability company registered in Malta and having its registered office at 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta (the "Company") on two resolutions being proposed at the forthcoming Annual General Meeting (AGM) of the Company, for the purpose of considering and if thought fit approve the changes to the Company's Memorandum of Association.

1. IMPORTANT INFORMATION

This Circular, which contains information about the resolutions to be proposed for approval at the forthcoming AGM, including the proposed changes to the Memorandum of Association of the Company, as approved by the Board of Directors of the Company, is being dispatched to all Members, that is the shareholders appearing on the register of members of the Company on the Official List of the Malta Stock Exchange as at close of business on 10 April 2018.

This Circular is being issued in compliance with the Listing Rules issued by the Listing Authority, in particular the requirements set out in Listing Rule 6.16 for circulars relating to changes to the memorandum and articles of association, and Listing 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 by the date of receipt of this document, a copy of this Circular should be passed on to the person through whom the sale or transfer was effected for transmission of the Circular to the purchaser or transferee.

All the directors of the Company as at the date of this Circular *Taddeo Scerri, Stephen Agius, Alan Attard, Paul V Azzopardi, Miguel Borg, James Grech, Alfred Lupi, Mario Mallia, Anita Mangion, Antonio Piras* and *Joseph M Zrinzo* (the "Directors") accept responsibility for the information contained in this Circular. To the best of the 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 likely to affect the import of such information.

This Circular is important and requires your immediate attention as you shall be required to vote at the AGM at which the changes to the Memorandum of Association will be proposed. If you remain in doubt as to what voting action to take, you are advised to consult an appropriate independent advisor.

ĊIRKOLARI GĦALL-AZZJONISTI

L-44 Laqgħa Ġenerali Annwali

L-għan ta' din iċ-Ċirkolari huwa li tinforma lill-Membri tal-Bank of Valletta p.l.c., kumpanija pubblika b'responsabbiltà limitata rreġistrata f'Malta u bl-uffiċċju reġistrat tagħha fi 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta (il-"Kumpanija") dwar żewġ riżoluzzjonijiet li qed jiġu proposti fil-Laqgħa Ġenerali Annwali (LĠA) li jmiss tal-Kumpanija, bil-għan li jiġu kkunsidrati u jekk meqjusa xierqa approvati t-tibdil fil-Memorandum ta' Assoċjazzjoni tal-Kumpanija.

1. INFORMAZZJONI IMPORTANTI

Din iċ-Ċirkolari, li fiha informazzjoni dwar ir-riżoluzzjonijiet li se jiġu proposti għall-approvazzjoni fil-LĠA li jmiss, inkluż it-tibdil propost fil-Memorandum ta' Assoċjazzjoni tal-Kumpanija, kif approvat mill-Bord tad-Diretturi tal-Kumpanija, qed tintbagħat lill-Membri kollha, jiġifieri lill-azzjonisti li jidhru fuq ir-reġistru tal-membri tal-Kumpanija fil-Lista Uffiċjali tal-Borża ta' Malta mal-għeluq tan-negozju fl-10 ta' April 2018.

Din iċ-Ċirkolari qed tinħareġ f'konformità mar-Regoli tal-Kwotazzjoni maħruġa mill-Awtorità tal-Elenkar, b'mod partikolari r-rekwiżiti stabbiliti fir-Regola tal-Kwotazzjoni 6.16 għaċ-ċirkolari relatati ma' tibdil fil-memorandum u statut ta' assoċjazzjoni, u r-Regola tal-Kwotazzjoni 6.2 dwar il-kontenut taċ-ċirkolari kollha.

Fejn l-ishma kollha fil-Kumpanija jew parti minnhom li għandu r-riċevitur ta' din iċ-Ċirkolari ġew mibjugħa jew trasferiti sad-data ta' meta jirċievi dan id-dokument, kopja ta' din iċ-Ċirkolari għandha tingħata lill-persuna li permezz tagħha sar il-bejgħ jew it-trasferiment biex din iċ-Ċirkolari tiġi trażmessa lix-xerrej jew liċ-ċessjonarju.

Id-diretturi kollha tal-Kumpanija fid-data ta' din iċ-Ċirkolari *Taddeo Scerri, Stephen Agius, Alan Attard, Paul V Azzopardi, Miguel Borg, James Grech, Alfred Lupi, Mario Mallia, Anita Mangion, Antonio Piras* u *Joseph M Zrinzo* (id-"Diretturi") jaċċettaw ir-responsabbiltà għall-informazzjoni li fiha din iċ-Ċirkolari. Fl-aħjar għarfien u twemmin tad-Diretturi, li ħadu l-prekawzjonijiet kollha raġonevoli biex jiżguraw li dan ikun fil-fatt il-każ, l-informazzjoni li fiha din iċ-Ċirkolari hija skont il-fatti u ma tħalli xejn barra li x'aktarx jista' jaffettwa l-importanza ta' din l-informazzjoni.

Din iċ-Ċirkolari hija importanti u teħtieġ l-attenzjoni immedjata tiegħek għaliex inti se tintalab tivvota fil-LĠA li fiha se jiġi propost it-tibdil fil-Memorandum ta' Assoċjazzjoni. Jekk jibqagħlek xi dubju dwar x'azzjoni għandek tieħu dwar il-votazzjoni, nagħtuk parir li tikkonsulta ma' konsulent indipendenti xieraq.

1. INTRODUCTION

Apart from the ordinary resolutions being placed before the Members at the AGM, the Directors are also placing before the Members two extraordinary resolutions for the change in the Memorandum of Association.

The first resolution is simply intended as a formality, whereby clause 4 of the Memorandum of Association of the Company is updated to take into account the increased share capital of the Company.

By virtue of a letter dated 22 March 2018, one of the Members, UniCredit S.p.A. requested that the Directors place before the Members in the forthcoming AGM a resolution for the relaxation of the limitations and restrictions contained in clause 4 of the Memorandum with respect to the disposal and acquisition of *large shareholdings* in the Bank. That clause in the Memorandum prohibits any person, except existing large shareholders, from acquiring or holding more than 5% of the issued share capital of the Bank.

The Bank has been informed by UniCredit S.p.A. that in the context of *its ongoing portfolio optimization assessment, UniCredit is actively monitoring any incremental value opportunities potentially also via disposals of non-strategic-holdings*. UniCredit has also identified its shareholding in Bank of Valletta p.l.c. as a non-strategic holding and is seeking the proposed amendments in support of its potential disposal of its shareholding as a whole.

UniCredit state that whilst the restrictions in clause 4 of the Memorandum of Association may originally have been prompted as a protective measure, the rationale underlying the provisions of that clause today, in the context of a radically changed regulatory environment and legislative framework, is certainly not as cogent today as it was when it was originally adopted in the Memorandum.

2. THE REVISION TO CLAUSE 4.2 OF THE MEMORANDUM OF ASSOCIATION

The Resolution being proposed reads as follows:

That clause 4.2 of the Memorandum of Association be and is hereby updated to reflect the issued share capital of the Bank following the rights issue completed during the year 2017, and therefore that it be and is hereby substituted by the following:

1. INTRODUZZJONI

Apparti mir-riżoluzzjonijiet ordinarji li qed jitressqu quddiem il-Membri fil-LĠA, id-Diretturi qed iressqu wkoll quddiem il-Membri żewġ riżoluzzjonijiet straordinarji għal tibdil fil-Memorandum ta' Assoċjazzjoni.

L-ewwel riżoluzzjoni hija sempliċiment maħsuba bħala formalità, fejn il-klawżola 4 tal-Memorandum ta' Assoċjazzjoni tal-Kumpanija qed tiġi aġġornata biex tqis iż-żieda fil-kapital azzjonarju tal-Kumpanija.

Permezz ta' ittra bid-data tat-22 ta' Marzu 2018, wieħed mill-Membri, UniCredit S.p.A. talab biex id-Diretturi jressqu quddiem il-Membri fil-LĠA li jmiss riżoluzzjoni għall-illaxkar tal-limitazzjonijiet u r-restrizzjonijiet inklużi fil-klawżola 4 tal-Memorandum fir-rigward tad-disponiment u l-akkwist ta' *parteċipazzjonijiet azzjonarji kbar* fil-Bank. Dik il-klawżola fil-Memorandum tipprojbixxi lil kwalunkwe persuna, ħlief l-azzjonisti eżistenti kbar, milli jakkwistaw jew iżommu aktar minn 5% tal-kapital azzjonarju maħruġ tal-Bank.

Il-Bank ġie infurmat minn UniCredit S.p.A. li fil-kuntest tal-*valutazzjoni kontinwa tal-ottimizzazzjoni tal-portafoll tagħha, UniCredit qed timmonitorja b'mod attiv kwalunkwe opportunità li żżid il-valur potenzjalment anke permezz tad-disponiment ta' parteċipazzjonijiet mhux strateġiċi*. UniCredit identifikat ukoll il-parteċipazzjoni azzjonarja tagħha fil-Bank of Valletta p.l.c. bħala parteċipazzjoni mhux strateġika u qed titlob dawn l-emendi proposti bħala appoġġ għad-disponiment potenzjali minnha tal-parteċipazzjoni azzjonarja tagħha b'mod sħiħ.

UniCredit tgħid li filwaqt li r-restrizzjonijiet fil-klawżola 4 tal-Memorandum ta' Assoċjazzjoni setgħu oriġinarjament kienu mqanqla bħala miżura protettiva, ir-raġunament wara d-dispożizzjonijiet ta' dik il-klawżola llum, fil-kuntest ta' ambjent regolatorju u qafas leġiżlattiv li nbidlu b'mod radikali, l-għan ta' dik il-klawżola huwa ċertament mhux konvinċenti llum daqs kemm kien meta oriġinarjament ġiet adottata fil-Memorandum.

2. IR-REVIŻJONI TAL-KLAWŻOLA 4.2 TAL-MEMORANDUM TA' ASSOĊJAZZJONI

Ir-Riżoluzzjoni li qed tiġi proposta taqra kif ġej:

Illi klawżola 4.2 tal-Memorandum ta' Assoċjazzjoni tiġi aġġornata sabiex tirrifletti l-kapital azzjonarju maħruġ tal-Bank wara l-ħruġ ta' ishma bi dritt li tlesta matul is-sena 2017, u għalhekk din il-klawsola tinbidel sabiex tinqara hekk:

4.2 The issued and fully paid up capital is €525,000,000 divided into 525,000,000 ordinary shares of a nominal value of €1.00 each.

Explanatory Note

This does not really constitute a change of the Memorandum but simply reflects the issued share capital of the Bank following the rights issue completed by the Bank last year through the issue of 105,000,000 ordinary shares, so that the new number of issued shares will reflect the new total issued share capital.

Nota ta' Spjegazzjoni

Dan fil-verità ma jikkostitwixxix tibdil tal-Memorandum imma sempliċiment jirrifletti l-kapital azzjonarju maħruġ tal-Bank wara l-ħruġ ta' ishma bi dritt li l-Bank għamel is-sena l-oħra permezz tal-ħruġ ta' 105,000,000 sehem ordinarju, sabiex in-numru l-ġdid tal-ishma maħruġa jirrifletti l-kapital azzjonarju maħruġ totali ġdid.

1. THE RESOLUTION TO AMEND CLAUSES 4.5 AND 4.6 OF THE MEMORANDUM OF ASSOCIATION

The proposed resolution reads as follows:

That clauses 4.5 and 4.6 of the Memorandum of Association of Bank of Valletta p.l.c. be and are hereby abrogated and replaced by the following:

1. IR-RIŻOLUZZJONI BIEX JIĠU EMENDATI L-KLAWŻOLI 4.5 U 4.6 TAL-MEMORANDUM TA' ASSOĊJAZZJONI

Ir-riżoluzzjoni proposta taqra kif ġej:

Illi klawżoli 4.5 u 4.6 tal-Memorandum ta' Assoċjazzjoni tal-Bank of Valletta p.l.c. ikunu abrogati u mibdula sabiex jinqraw hekk:

4.5 The provisions of clause 4.3 shall not apply in cases where a large shareholder, being a bank, credit institution, financial institution, insurance company or licensed collective investment scheme wishes to offer for sale, or otherwise dispose of, such number of shares in excess of five per cent (5%) of the issued share capital of the Company; PROVIDED that only Persons being themselves banks, credit institutions, financial institutions, insurance companies or licensed collective investment schemes shall, subject to obtaining the necessary authorisations from the competent authorities in terms of law in Malta, be entitled to acquire (and hold) any of such shares on offer by a large shareholder as aforesaid, notwithstanding that such acquisition may cause the Person so acquiring any of such shares to become a large shareholder.

4.6 For the purposes of this clause 4 the following terms shall have the following meanings:

"large shareholder" means any shareholder holding in aggregate five percent (5%) or more of the issued share capital of the Company;

"bank" or "credit institution" shall have the same meaning assigned to those terms by the Banking Act (Cap.371 of the Laws of Malta), as that Act may be replaced, amended or renumbered;

"financial institution" shall have the same meaning assigned to that term by the Financial Institutions Act (Cap.376 of the Laws of Malta), as that Act may be replaced, amended or renumbered;

"insurance company" shall have the same meaning as the term authorised insurance undertaking in the Insurance Business Act (Cap.403 of the Laws of Malta) as that Act may be replaced, amended or renumbered;

"licensed collective investment scheme" shall mean a collective investment scheme (as defined by the Investment Services Act (Cap.370 of the Laws of Malta)) having a collective investment scheme licence as that term is defined by the Investment Services Act (Cap.370 of the Laws of Malta), as that Act may be replaced, amended or renumbered.

Explanatory Note to the Changes

The Change being proposed is that a large shareholder, namely any person who currently holds more than 5% of the Bank's issued share capital that is a bank, credit institution, financial institution, insurance company or licensed collective investment scheme, shall, if the amendment is adopted be able to sell its large shareholding, namely any holding of more than 5% of the Bank's issued share capital, to any of the following institutions: banks, credit

Nota ta' Spjegazzjoni dwar it-Tibdil

It-Tibdil li qed jiġi propost huwa li azzjonist kbir, jiġifieri kwalunkwe persuna li bħalissa għandha aktar minn 5% tal-kapital azzjonarju maħruġ tal-Bank li hija bank, istituzzjoni tal-kreditu, istituzzjoni finanzjarja, kumpanija tal-assigurazzjoni jew skema ta' investiment kollettiv liċenzjata, għandha, jekk l-emenda tiġi adottata tkun tista' tbigħ il-parteċipazzjoni azzjonarja kbira tagħha, jiġifieri kwalunkwe parteċipazzjoni ta' aktar minn 5% tal-kapital azzjonarju maħruġ tal-Bank, lil kwalunkwe waħda minn

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institutions, financial institutions, <u>insurance companies or licensed collective investment schemes.</u>

What has been added here is that insurance companies and licensed investment schemes will, if the change is approved and adopted, be able to acquire and hold a large shareholding in the Bank. This therefore allows UniCredit, if it wishes to dispose of its *large shareholding*, a broader segment in the market to whom it may sell and dispose of its shares as one holding, whilst at the time ensuring that only institutions which are subject to regulation and licensing may be the holders of a large shareholding in the Bank.

1. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof will be available for inspection at the Bank's registered office at 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta, for at least fourteen (14) days from the date of publication of this Circular:

a. the Bank's Memorandum and Articles of Association;
b. the Bank's last Annual Financial Report for the period ended 31 December 2017; and
c. the Bank's Interim Reports for the period 1 October 2016 to 31 March 2017 and for the period 1 October 2016 to 30 September 2017.

6. DIRECTORS' RECOMMENDATION

The Board of Directors having undertaken the necessary considerations is of the view that the proposed resolutions are in the best interest of the Bank and of its Shareholders. The Board therefore recommends that the Shareholders vote in favour of these resolutions at the forthcoming Annual General Meeting called for the 10 May 2018.

This circular is dated the 19 April 2018.

Approved and issued by Bank of Valletta p.l.c., with registered address at 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta and Head Office at House of the Four Winds, Triq l-Imtieħen, Il-Belt Valletta VLT 1350, Malta.

dawn l-istituzzjonijiet li ġejjin: banek, istituzzjonijiet ta' kreditu, istituzzjonijiet finanzjarji, <u>kumpaniji tal-assigurazzjoni jew skemi ta' investiment kollettiv liċenzjati.</u>

Dak li qed jiżdied hawnhekk huwa li l-kumpaniji tal-assigurazzjoni u l-iskemi ta' investiment kollettiv liċenzjati ser, jekk jiġi approvat u adottat it-tibdil, ikunu jistgħu jakkwistaw u jżommu parteċipazzjoni azzjonarja kbira fil-Bank. Dan għalhekk jippermetti lill-UniCredit, jekk tixtieq tiddisponi mill-*parteċipazzjoni azzjonarja kbira* tagħha, segment usa' fis-suq lil min tista' tbigħ u li tiddisponi mill-ishma tagħha bħala parteċipazzjoni waħda, filwaqt li fl-istess ħin tiżgura li jkunu biss l-istituzzjonijiet li huma soġġetti għar-regolamentazzjoni u għal-liċenzjar li jistgħu jkunu d-detenturi ta' parteċipazzjoni azzjonarja kbira fil-Bank.

1. DOKUMENTI DISPONIBBLI GĦALL-ISPEZZJONI

Id-dokumenti li ġejjin jew kopji ċċertifikati tagħhom se jkunu disponibbli għall-ispezzjoni fl-uffiċċju reġistrat tal-Bank fi 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta, għal mill-inqas erbatax-il jum (14) mid-data tal-pubblikazzjoni ta' din iċ-Ċirkolari:

a. il-Memorandum u Statut ta' Assoċjazzjoni tal-Bank;
b. l-aħħar Rapport Finanzjarju Annwali tal-Bank għall-perjodu li għalaq fil-31 ta' Diċembru 2017; u
c. ir-Rapporti Interim tal-Bank għall-perjodu mill-1 ta' Ottubru 2016 sal-31 ta' Marzu 2017 u għall-perjodu mill-1 ta' Ottubru 2016 sat-30 ta' Settembru 2017.

6. RAKKOMANDAZZJONI TAD-DIRETTURI

Il-Bord tad-Diretturi wara li għamel il-konsiderazzjonijiet neċessarji huwa tal-opinjoni li r-riżoluzzjonijiet proposti huma fl-aħjar interess tal-Bank u tal-Azzjonisti tiegħu. Il-Bord għalhekk jirrakkomanda li l-Azzjonisti jivvutaw favur dawn ir-riżoluzzjonijiet fil-Laqgħa Ġenerali Annwali li jmiss li se ssir fl-10 ta' Mejju 2018.

Din iċ-ċirkolari għandha d-data tad-19 ta' April 2018.

Approvata u maħruġa mill-Bank of Valletta p.l.c., bl-indirizz reġistrat fi 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta u bl-Uffiċċju Prinċipali fil-House of the Four Winds, Triq l-Imtieħen, Il-Belt Valletta VLT 1350, Malta.

Notes/Noti

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