



Annual General Meeting 2020

Laqgħa Ġenerali Annwali 2020

Notice and Circular to Shareholders
Avviż u Ċirkulari lill-Azzjonisti

Notice to Shareholders

in terms of Article 18.6 of the Articles of Association

Notice is hereby given of the Forty Sixth (46th) Annual General Meeting of the Bank of Valletta p.l.c. (the Company) to be held remotely on Thursday 26 November 2020 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 year from 1 January 2019 to 31 December 2019, and the Directors' and Auditors' Reports thereon, be hereby received and approved.

Resolution 2:

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.

Ordinary Resolutions – Special Business

Resolution 3:

That the Remuneration Policy for Directors as set out in the Circular to Shareholders dated 2 November 2020 be hereby noted and approved.

Resolution 4:

That the rules of the **Bank of Valletta Variable Remuneration Share Plan ("Plan")**, a summary of which is included in the Shareholders' Circular and a full version of which is available for inspection, as recommended by the directors be and are hereby approved; and that the Board of Directors be and is hereby authorised to (i) establish the Plan and to do all such acts and things as may be necessary or expedient to give effect to the Plan; and (ii) issue up to and including 14,596,232 shares from the authorised share capital of the Bank for the purpose of satisfying the obligations of the Bank that will ensue from the operation of the Plan, without first offering the same to shareholders in proportion to their then existing holdings.

Extraordinary Resolution – Special Business

Resolution 5:

That the Articles of Association of the Company be and are hereby amended by the introduction of Article 19.15 to read as follows:

Avviż lill-Azzjonisti

skont l-Artiklu 18.6 tal-Artikli ta' Assoċjazzjoni

L-Azzjonisti qegħdin jiġu nnotifikati li s-Sitta u Erbgħin (46) Laqgħa Generali Annwali tal-Bank of Valletta p.l.c. (il-Kumpanija) li ser issir b'mod virtwali nhar il-Hamis 26 ta' Novembru 2020 fl-10.00 a.m., bil-għan li jiġu kkunsidrati u, jekk jinħass xieraq, jiġu approvati r-riżoluzzjonijiet segwenti:

Riżoluzzjonijiet Ordinarji

Riżoluzzjoni 1

Illi l-Kont tal-Qliġ u Telf u l-Karta tal-Bilanċ għas-sena finanzjarja mill-1 ta' Jannar 2019 sal-31 ta' Diċembru 2019, kif ukoll ir-Rapporti tad-Diretturi u l-Awdituri għall-istess perjodu, jiġu hawnhekk riċevuti u approvati.

Riżoluzzjoni 2

Illi l-hatra mill-ġdid ta' KPMG Malta flimkien ma' KPMG LLP (UK), bħala awdituri, tiġi hawnhekk approvata, u l-Bord tad-Diretturi jkun hawnhekk awtorizzat sabiex jistabbilixxi r-rimunerazzjoni tagħhom.

Riżoluzzjoni Ordinarja - Negożju Speċjali

Riżoluzzjoni 3

Illi r-Remuneration Policy għad-Diretturi kif stabbilita fiċ-Ċirkulari għall-Azzjonisti tat-2 ta' Novembru 2020 tiġi hawn notata u approvata.

Riżoluzzjoni 4

Illi r-regoli tal-Variable Remuneration Share Plan tal-Bank of Valletta ("il-Pjan"), li sommarju tagħhom huwa inkluz fiċ-Ċirkulari tal-Azzjonisti, u verżjoni sħiħa tagħhom hija disponibbli għall-ispezzjoni, kif rakkomandat mid-diretturi, jkunu hawn approvati; u li l-Bord tad-Diretturi jkun hawn awtorizzat sabiex (i) jistabbilixxi l-Pjan u biex jagħmel dawk l-atti u l-affarijiet kollha meħtieġa sabiex jirrendu l-Pjan effettiv; u (ii) jinħarġu sa massimu ta' 14,596,232 ishma mill-kapital azzjonarju awtorizzat tal-Bank għall-iskop li jissodisfaw l-obbligi tal-Bank li jirriżultaw mill-operat tal-Pjan, u dan mingħajr ma l-Kumpanija jkollha l-ewwel toffri l-istess lill-azzjonisti, proporzjonalment f'ishma li jista' jkollhom dak iż-żmien.

Riżoluzzjoni Straordinarja - Negożju Speċjali

Riżoluzzjoni 5

Illi l-Artikli ta' Assoċjazzjoni tal-Kumpanija jiġu emendati permezz tal-introduzzjoni tal-Artikolu 19.15 hawn segwenti:

Quote

19.15 Notwithstanding anything contained in these articles of association, the board of directors may, subject to satisfying all the requirements under applicable law, convene and hold general meetings of shareholders without the requirement that shareholders are physically present in one or more locations and to permit shareholders eligible to attend a general meeting to attend, participate and vote at a shareholders' meeting so convened from a remote location through electronic means. Any meeting so held shall be equivalent to and as valid as a general meeting held physically in one or more locations.

Where the directors convene a shareholders' meeting, they shall state in the notice convening the meeting whether the meeting shall be held physically or remotely, or whether the meeting shall be held physically but shall also allow members who elect to do so to attend and vote by poll remotely through electronic means.

Where a shareholders' meeting allows the attendance and voting at that meeting to be conducted remotely through electronic means all articles in these articles of association shall be construed to ensure that they are given effect to in terms of attendance, participation and voting by electronic means, in the same manner as practicably possible as if the meetings were to be held physically in the same location. The directors may make such regulations, not inconsistent with these articles as they consider fit to regulate the conduct of remote meetings by electronic means and shall make such regulations available to shareholders on the notice convening the meeting to which they apply.

For the purpose of this article the term electronic means shall mean such means of electronic equipment for the processing (including digital compression), storage and transmission of data, employing wires, radio, optical technologies, or any other electromagnetic means.

Unquote

Appointment of Directors

Three (3) vacancies for Non-Executive Directors will arise during the forthcoming Annual General Meeting. Following a call for nominations, pursuant to Article 25.4 of the Company's Memorandum and Articles of Association, the Bank received four (4) valid nominations for the appointment of Directors. Subsequently two (2) candidates withdrew their nomination due to personal reasons. The Nominations and Governance Committee deemed the other two (2) candidates not to be suitable to act as Non-Executive Directors of the Bank. No election will take place and the three (3) vacancies will remain vacant.

By order of the Board.



Dr Ruth Spiteri Longhurst
Company Secretary

2 November 2020

Hatra ta' Diretturi

Tliet (3) postijiet vakanti għal Diretturi Mhux Eżekuttivi se jinholqu matul il-Laqqgħa Ġenerali Annwali li jmiss. Wara sejha għal nominazzjonijiet, skont l-Artikolu 25.4 tal-Memorandum u l-Artikli ta' Assoċjazzjoni tal-Kumpanija, il-Bank irċieva erba' (4) nominazzjonijiet validi għall-ħatra ta' Diretturi. Sussegwentement, żewġ (2) kandidati irtiraw in-nomina tagħhom minħabba raġunijiet personali. In-Nominations and Governance Committee qies li ż-żewġ (2) kandidati l-oħra mhumiex addattati biex jaġixxu bħala Diretturi Mhux Eżekuttivi tal-Bank. Għaldaqstant mhux se ssir elezzjoni u t-tliet (3) postijiet vakanti ser jibqgħu vakanti.

B'ordni tal-Bord.



Dr Ruth Spiteri Longhurst
Segretarju tal-Kumpanija

2 ta' Novembru 2020

EXPLANATORY NOTES

A. Record Date

This notice has been mailed to the Bank's Shareholders appearing on the Register of Members (the "**Register**") held at the Central Securities Depository of the Malta Stock Exchange (MSE) on the 26 October 2020 (the "**Record Date**").

B. Participation by Shareholders

The Company announces that in line with the ongoing advice with respect to mass gatherings by the public health authorities and in line with Legal Notice 288/2020, the Company will be holding this year's Annual General Meeting ("**AGM**") remotely on Thursday 26 November 2020 at 10.00 hours. No physical attendance of shareholders shall be allowed.

Shareholders appearing on the Register held at the Central Securities Depository of the Malta Stock Exchange on the Record Date shall only be able to appoint the Chairman of the meeting as their proxy and may indicate on the Form of Proxy how the Chairman as their proxy is to vote on each resolution put to the Meeting.

The Meeting will be streamed live on the following link:
<https://www.bov.com/content/bov-agm-2020-live-stream>

The real-time transmission of the Meeting does not imply that there will be real-time two-way communication enabling Shareholders to address and participate in the General Meeting from a remote location.

Every Shareholder entitled to participate and vote at the Annual General Meeting, shall have the right to ask questions, ahead of the Meeting, which are pertinent and related to items on the agenda of this Annual General Meeting and to have such questions answered by the Directors or such person as the Directors may delegate for that purpose, subject to any reasonable measures that the Company may take to ensure the identification of the Shareholder.

In this regard, questions can be sent, up to 48 hours before the Meeting, either by mail to the Company at House of the Four Winds, Triq l-Imtiehen, Il-Belt Valletta VLT 1350, Malta, or by e-mail to agm2020@bov.com.

The Company shall provide an answer to the questions on its website within 48 hours from the termination of the Meeting. The Company may provide an overall answer to questions having the same content.

C. Voting and Completing the Form of Proxy

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

NOTI TA' SPJEGAZZJONI

A. Record Date

Dan l-avviż intbagħat lill-Azzjonisti kollha tal-Bank li kienu fuq ir-Regjistru tal-Membri (ir-"**Regjistru**") miżmum fis-Central Securities Depository tal-Borża ta' Malta (MSE) fis-26 ta' Ottubru 2020 (ir-"**Record Date**").

B. Parteċipazzjoni mill-Azzjonisti

Il-Kumpanija tħabbar li f'konformità mal-pariri attwali maħruġa mill-awtoritajiet tas-saħħa pubblika dwar il-laqgħat tal-massa, u f'konformità mal-Avviż Legali 288/2020, il-Kumpanija se torganizza il-Laqgħa Ġenerali Annwali ("**LĠA**") ta' din is-sena b'mod virtwali, nhar il-Hamis 26 ta' Novembru 2020 fl-10.00 ta' filgħodu. L-azzjonijisti ma jistgħux jattendu fiżikament għal din il-Laqgħa.

L-azzjonisti li jidhru fir-Regjistru miżmum fis-Central Securities Depository tal-Borża ta' Malta fir-Record Date, se jkunu jistgħu jappuntaw liċ-Chairman tal-Laqgħa biss bħala l-prokuratur (proxy) tagħhom. Huma jistgħu jindikaw fuq il-Formola ta' Prokura kif ic-Chairman, bħala l-prokuratur tagħhom, għandu jivvota fuq kull riżoluzzjoni mressqa quddiem il-Laqgħa.

Il-Laqgħa se tkun trażmessa diretta fuq il-link ta' hawn taħt:
<https://www.bov.com/content/bov-agm-2020-live-stream>

It-trażmissjoni f'hin reali tal-Laqgħa mhux se tkun qed tippermetti komunikazzjoni miż-żewġ naħat, u l-Azzjonisti mhux se jkunu jistgħu jindirizzaw u jipparteċipaw fil-Laqgħa Ġenerali.

Għaldaqstant, kull Azzjonist li huwa intitolat li jipparteċipa u jivvota fil-Laqgħa Ġenerali Annwali, għandu d-dritt li jistaqsi mistoqsijiet, qabel il-Laqgħa, li huma pertinenti u relatati mal-punti fuq l-aġenda ta' din il-Laqgħa Ġenerali Annwali. Dawn il-mistoqsijiet jiġu mwiegħa mid-Diretturi jew terzi persuni li d-Diretturi jistgħu jiddelegaw għal dan il-għan. Il-Kumpanija tista' tiegħu miżuri raġonevoli sabiex tiżgura l-identità tal-Azzjonist.

F'dan ir-rigward, il-mistoqsijiet jistgħu jintbagħtu, sa mhux aktar tard minn 48 siegħa qabel il-Laqgħa, jew bil-posta lill-Kumpanija f'House of the Four Winds, Triq l-Imtiehen, Il-Belt Valletta VLT 1350, Malta, jew b'email fuq agm2020@bov.com.

Il-Kumpanija se tipprovdi tweġibiet għall-mostoqsijiet sottomessi fi żmien 48 siegħa mit-tmiem tal-Laqgħa. Il-Kumpanija tista' tipprovdi tweġiba ġenerali għal mistoqsijiet li għandhom l-istess kontenut.

C. Votazzjoni u kif għandek timla l-Formola ta' Prokura

Azzjonist li jixtieq jipparteċipa u jivvota fil-LĠA, għandu jimla b'mod komplet id-dettalji kollha meħtieġa fuq il-Formola ta' Prokura, u b'mod partikolari, fejn il-prokura tkun qed timtela bl-idejn, id-dettalji għandhom jimtlew b'mod ċar u li jinqara.

It is important to note the following:

- i. To participate and vote at the Annual General Meeting the Shareholder shall complete the Form of Proxy and appoint as proxy the Chairman of the Meeting;
- ii. In the case of body corporates, shares held jointly by several persons, spouses and minors, these are also entitled to participate and vote at the Annual General Meeting by completing the Form of Proxy and granting their proxy to the Chairman of the Meeting.

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 in favour of the Chairman of the Meeting 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 as aforesaid.

In the case of shares held jointly, except in the case of shares held jointly by spouses, the first named joint holder on the Register held at the Central Securities Depository of the Malta Stock Exchange, shall be entitled to complete the Form of Proxy and appointing as proxy the Chairman of the Meeting. In the case of spouses, the Form of Proxy must be signed by both spouses.

- iii. The Shareholder is encouraged to indicate whether the Shareholder wishes the Chairman (as proxy) to vote as the Chairman wishes. In the event that no indication is made, it shall be deemed that the Shareholder authorises the Chairman (as proxy) to vote as he wishes;
- iv. When voting for a resolution, if the Shareholder wishes that the Chairman (as proxy) votes in a particular manner, the Shareholder should indicate his/her/its 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 shall 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 shall 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/it is entitled to. If this occurs, then the vote on that particular resolution shall be invalid.

D. Sending the Form of Proxy

The Form of Proxy can be submitted to the Company as follows:

Huwa importanti li wiehed jinnota dan li ġej:

- i. Biex jipparteċipa u jivvota fil-Laqqgħa Ġenerali Annwali l-Azzjonist għandu jimla l-Formola ta' Prokura u jahtar bħala prokuratur tiegħu/tagħha liċ-Chairman tal-Laqqgħa;
- ii. Fil-każ ta' kumpaniji fejn l-ishma huma miżmuma b'mod kongunt minn diversi persuni, konjuġi u minuri, dawn huma intitolati wkoll li jipparteċipaw u jivvutaw fil-Laqqgħa Ġenerali Annwali billi jimlew il-Formola ta' Prokura u jagħtu l-prokura tagħhom liċ-Chairman tal-Laqqgħa.

Fejn l-Azzjonist huwa korp ġuridiku, kumpanija, partnership, assoċjazzjoni ta' persuni, fondazzjoni jew entità oħra, il-Formola ta' Prokura għandha tiġi eżegwita kif xieraq favur iċ-Chairman tal-Laqqgħa, skond il-Memorandum u l-Artikli ta' Assoċjazzjoni jew dokumenti kostituzzjonali simili tal-entità. L-Uffiċċju tas-Segretarju tal-Kumpanija jirriżerva d-dritt li jitlob evidenza kif preskritt fit ittar 'il fuq.

Fil-każ ta' ishma miżmuma b'mod kongunt, hliet fil-każ ta' ishma miżmuma b'mod kongunt minn konjuġi, l-ewwel detentur kongunt imsemmi fir-Reġistru miżmum fis-Central Securities Depository tal-Borża ta' Malta, jkun intitolat jimla l-Formola ta' Prokura u jahtar bħala prokuratur liċ-Chairman tal-Laqqgħa. Fil-każ tal-konjuġi, il-Formola tal-Prokura għandha tkun iffirmata miż-żewġ konjuġi.

- iii. L-Azzjonist huwa mistieden sabiex jawtorizza liċ-Chairman (bħala prokuratur tiegħu/tagħha) jivvota kif jixtieq hu. Fil-każ li ma ssir l-ebda indikazzjoni, se jitqies li l-Azzjonist awtorizza liċ-Chairman biex jivvota kif jixtieq il-prokuratur innifsu;
- iv. Meta ssir il-votazzjoni fuq riżoluzzjoni, jekk l-Azzjonist jixtieq li iċ-Chairman (bħala prokuratur tiegħu/tagħha) jivvota b'mod partikolari, l-Azzjonist għandu jindika l-preferenza tal-vot tiegħu/tagħha fuq kull riżoluzzjoni fil-kaxxa xierqa, billi jdaħħal in-numru ta' voti (ishma miżmuma) jew billi jagħmel salib (✕) jew marka (✓) (minflok ma jniżżel in-numru ta' voti) fil-kaxxa mmarkata 'Favur' jew 'Kontra' jew 'Jastjeni'. Is-salib jew il-marka se jiġu interpretati li l-Azzjonist assenja l-voti kollha kif xieraq. Jekk salib jew marka titqiegħed taht kull wiehed minn 'Favur' jew 'Kontra' jew 'Jastjeni' għall-istess riżoluzzjoni, il-vot tal-Azzjonist fuq dik ir-riżoluzzjoni partikolari jiġi meqjus bħala invalidu.

Jekk l-Azzjonist idaħħal in-numru ta' voti, dawn jistgħu jinqasmu fi kwalunkwe proporzjon, taht 'Favur', 'Kontra' jew 'Jastjeni' għal kwalunkwe riżoluzzjoni. Għaldaqstant, Azzjonist jista' juża l-voti kollha jew parti minnhom għal kull riżoluzzjoni. Madankollu, fl-ebda ċirkostanza, l-Azzjonist ma jista' juża aktar voti milli hu intitolat għalihom. Jekk dan iseħh, il-vot fuq dik ir-riżoluzzjoni partikolari jiġi meqjus bħala invalidu.

D. Kif tintbagħat il-Formola ta' Prokura

Il-Formola ta' Prokura tista' tiġi sottomessa lill-Kumpanija kif ġej:

- a. Either by mailing the Form of Proxy at the registered office of the Company at House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350, Malta; or
 - b. Shareholders may opt to send their Form of Proxy electronically. In this case, Shareholders are requested to send an email to agm2020@bov.com quoting the Activation Code (printed at the bottom left hand side of the Form of Proxy) and the Shareholder's MSE number. The Bank will then send the electronic Form of Proxy to the Shareholder for completion. The Bank will not accept to send an electronic proxy unless the said Activation Code and valid MSE number are quoted by the Shareholder. The Shareholder is to complete and send the electronic Form of Proxy from the same email address as received. Upon receipt of the completed proxy, the Bank will send an electronic acknowledgement to the Shareholder.
- a. Jew billi tibghat il-Formola ta' Prokura fl-uffiċċju registrat tal-Kumpanija f'House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350, Malta; jew
 - b. L-Azzjonisti jistgħu jagħzlu li jibagħtu l-Formola ta' Prokura tagħhom b'mod elettroniku. F'dan il-każ, l-Azzjonisti huma mitluba jibagħtu email lil agm2020@bov.com billi jikkwotaw il-Kodiċi ta' Attivazzjoni (stampat fin-naħa t'isfel fuq ix-xellug tal-Formola ta' Prokura) u n-numru tal-MSE tal-Azzjonist. Il-Bank imbagħad jibghat il-Formola ta' Prokura elettronika lill-Azzjonist biex timtela. Il-Bank mhux se jaċċetta li jibghat prokura elettronika sakemm l-imsemmi Kodiċi ta' Attivazzjoni u numru validu ta' MSE ma jkunux ikkwotati mill-Azzjonist. L-Azzjonist għandu jimla u jibghat il-prokura elettronika mill-istess indirizz elettroniku fejn ikun irċeviha. Malli jirċievi l-Formola ta' Prokura mimlija, il-Bank se jibghat rikonximent elettroniku lill-Azzjonist.

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 I-Imtiehen, Il-Belt Valletta VLT 1350, Malta, whether by hand, by mail or electronically, up to 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.

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. 393, 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 12 October 2020, that is at least forty six (46) days before the date set for the AGM (26 November 2020).

The Circular to Shareholders and the Form of Proxy are being sent directly to the Shareholders together with this Notice. The full text of the aforementioned documentation (including the Bank's Annual Report and Financial Statements for Financial Year 2019) is also available at the Office of the Company Secretary, House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350, Malta, and on the Bank's website www.bov.com under the Investor Relations section.

In terms of Article 39.2 of the Articles of Association, and following the amendment to Article 180 of the Companies Act (Chapter 386 of the Laws of Malta), a copy of the annual accounts has been made available on the Bank's website on: <https://www.bov.com/content/financial-reports>. A printed copy of the annual accounts shall be provided to shareholders upon written request.

Pursuant to Listing Rule 12.11.2, this section of the website will also indicate the total number of shares and voting rights

Sabiex tkun valida, il-Formola ta' Prokura kompluta trid tasal l-Uffiċċju tas-Segretarju tal-Kumpanija f'House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350, Malta, kemm jekk titwassal bl-idejn, bil-posta jew elettronikament, sa 48 siegħa qabel id-data u l-hin tal-LĠA. L-azzjonisti li jagħzlu li jibagħtu l-prokura bil-posta huma avżati biex jużaw il-business reply envelope mehmuż.

E. Abbozzi ta' Riżoluzzjonijiet u Dokumenti

L-abbozzi tar-riżoluzzjonijiet li għandhom jiġu kkunsidrati u jittiehed vot dwarhom matul l-LĠA huma inklużi bħala parti integrali ta' dan l-Avviż.

Kif ġie ddikjarat fil-Company Announcement tal-Bank Nru 393, Azzjonist jew Azzjonisti li għandhom minn ta' lanqas 5% tal-kapital azzjonarju maħruġ tal-Bank b'jedd għall-vot kien/kienu intitolat/i jitolbu lill-Bank li jinkludi punti fuq l-aġenda tal-LĠA u jipprezentaw abbozz ta' riżoluzzjonijiet sabiex jiġu inklużi fl-aġenda tal-LĠA. Dawn it-talbiet kellhom jiġu sottomessi lill-Bank sat-12 ta' Ottubru 2020, jiġifieri mill-inqas sitta u erbghin (46) jum qabel id-data stabbilita għall-LĠA (26 ta' Novembru 2020).

l-Ċirkulari lill-Azzjonisti u l-Formola ta' Prokura qed jintbagħtu direttament lill-Azzjonisti flimkien ma' dan l-Avviż. It-test shiħ tad-dokumentazzjoni msemmija hawn fuq (inkluż ir-Rapport Annwali tal-Bank u d-Dikjarazzjonijiet Finanzjarji għas-Sena Finanzjarja 2019) huma wkoll disponibbli fl-Uffiċċju tas-Segretarju tal-Kumpanija, House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350, Malta, u fuq is-sit elettroniku tal-Bank www.bov.com taħt is-sezzjoni tal-Investor Relations.

Skont l-Artikolu 39.2 tal-Artikoli ta' Assocjazzjoni, u kif ukoll skont l-Artikolu 180 tal-Att dwar il-Kumpaniji (Kapitolu 386 tal-Liġijiet ta' Malta), kif emendat, kopja tal-kontijiet annwali qegħda disponibbli fuq is-sit elettroniku tal-Bank fuq: <https://www.bov.com/content/financial-reports>. Kopja stampata tal-kontijiet annwali tingħata lill-azzjonisti fuq talba bil-miktub.

Kif mitlub mil-Listing Rule 12.11.2, din is-sezzjoni tas-sit

as at the date of the Notice.

Appointment of Directors

The Appointment of Non-Executive Directors is governed by Article 25 of the Articles of Association.

Currently, the Board of Directors of the Bank is composed of eight Non-Executive Directors and two Executive Directors.

Pursuant to Article 28.2 of the Bank's Memorandum and Articles of Association, one-third of the Bank's nine Non-Executive Directors, namely, those who have been longest in office, shall retire at the forthcoming Annual General Meeting. However, since there were three (3) resignations of Non-Executive Directors, during FY 2019 and during the first quarter of FY 2020, no rotation of directors will be necessary at the forthcoming Annual General Meeting. Consequently, three vacancies for Non-Executive Directors have arisen, and following an application for nomination of Non-Executive Directors, the Bank received four nominations from the non-Qualifying Shareholders. Subsequently two (2) candidates withdrew their nomination due to personal reasons. The Nominations and Governance Committee deemed the other two (2) candidates not to be suitable to act as Non-Executive Directors of the Bank. No election will take place and the three (3) vacancies will remain vacant.

All incumbent Directors (Executive and Non-Executive Directors) shall remain in office pursuant to the Articles of Association.

Thus, with effect from 26 November 2020, the Board of Directors for Financial Year 2020 shall be composed of the following Directors:

1. Cordina Gordon (Chairman)
2. Agius Stephen
3. Borg Miguel
4. Bugeja Diane
5. Grech James
6. Hunkin Rick
7. Lupi Alfred
8. Mangion Anita
9. Mifsud Alfred
10. Piras Antonio

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 agm2020@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.

elettroniku tindika wkoll in-numru totali ta' ishma u drittijiet tal-vot sad-data tal-Awiż.

Hatra ta' Diretturi

Il-Hatra ta' Diretturi Mhux Eżekuttivi hija rregolata mill-Artiklu 25 ta' l-Artikli ta' Assoċjazzjoni.

Bħalissa, il-Bord tad-Diretturi tal-Bank huwa magħmul minn tmien Diretturi Mhux Eżekuttivi u żewġ Diretturi Eżekuttivi.

Skont l-Artiklu 28.2 tal-Memorandum u l-Artikli ta' Assoċjazzjoni tal-Bank, terz mid-disa' Diretturi Mhux Eżekuttivi tal-Bank, jiġifieri, dawk li ilhom l-iktar fil-kariga, għandhom jirtiraw fil-Laqqgħa Ġenerali Annwali li jmiss. Madankollu, peress li kien hemm tliet (3) riżenji ta' Diretturi Mhux Eżekuttivi, matul is-Sena Finanzjarja 2019 u matul l-ewwel kwart tas-Sena Finanzjarja 2020, l-ebda rotazzjoni tad-diretturi ma hi meħtieġa fil-Laqqgħa Ġenerali Annwali li jmiss. Għaldaqstant, kien hemm tliet postijiet vakanti għal Diretturi Mhux Eżekuttivi, u wara ftuh ta' applikazzjonijiet għal nomini ta' Diretturi mhux Eżekuttivi, il-Bank irċieva erba' nominazzjonijiet mill-Azzjonisti mhux Kwalifikanti. Sussegwentament, żewġ (2) kandidati irtiraw in-nomina tagħhom minhabba raġunijiet personali. In-Nominations and Governance Committee qies li ż-żewġ (2) kandidati l-oħra ma kienux addattati biex jaġixxu bħala Diretturi Mhux Eżekuttivi tal-Bank. Għaldaqstant, mhux se ssir elezzjoni u t-tliet (3) postijiet vakanti se jibqgħu vakanti.

Id-Diretturi eżistenti kollha (kemm dawk Eżekuttivi u dawk Mhux Eżekuttivi) se jibqgħu fil-kariga skont l-Artikli ta' Assoċjazzjoni.

Għalhekk, b'effett mis-26 ta' Novembru 2020, il-Bord tad-Diretturi għas-Sena Finanzjarja 2020 se jkun magħmul mid-Diretturi li ġejjin:

1. Cordina Gordon (Chairman)
2. Agius Stephen
3. Borg Miguel
4. Bugeja Diane
5. Grech James
6. Hunkin Rick
7. Lupi Alfred
8. Mangion Anita
9. Mifsud Alfred
10. Piras Antonio

F'każ ta' xi diffikultajiet jew mistoqsijiet, l-Azzjonisti huma ġentilment mitluba jikkuntattjaw lill-Uffiċċju tas-Segretarju tal-Kumpanija fuq 2275 3556 jew fuq l-indirizz elettroniku agm2020@bov.com.

Fil-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.

SHAREHOLDERS' CIRCULAR

46TH 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, having company registration number C 2833 and its registered office at 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta (the “**Company**”) on two ordinary resolutions (special business) and one extraordinary resolution (special business) being proposed at the forthcoming Annual General Meeting (the “**AGM**”) of the Company.

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 and Articles 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 26 October 2020 (the “**Members**”).

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 6.2 on the contents of all circulars.

All the directors of the Company as at the date of this Circular, namely, Gordon Cordina, Stephen Agius, Miguel Borg, Diane Bugeja, James Grech, Rick Hunkin, Alfred Lupi, Anita Mangion, Alfred Mifsud and Antonio Piras, (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 importance of such information.

This Circular is important and requires your immediate attention. If you remain in doubt as to what voting action to take, you are advised to consult an appropriate independent advisor.

You are kindly requested to ensure that if you sell or transfer any or all of the shares held in the Company, this Circular is passed on to the person through whom the sale or transfer was effected for the transmission to the purchaser or transferee.

2. INTRODUCTION

Apart from the resolutions relating to the ordinary business of the Company being placed before the Members at the AGM, the Directors are also placing before the Members two ordinary resolutions (relating to special business of the Company) and one extraordinary resolution (relating to special business of the Company), as set out in this Circular.

ĊIRKULARI GHALL-AZZJONISTI

IS-46 LAQGHA ĠENERALI ANNWALI

L-għan ta' din iċ-Ċirkulari huwa li tinforma lill-Membri tal-Bank of Valletta p.l.c., kumpanija pubblika b'responsabbiltà limitata rreġistrata f'Malta bin-numru tar-reġistrazzjoni tal-kumpanija C 2833 u bl-uffiċċju reġistrat tagħha fi 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta (il-“**Kumpanija**”) fuq żewġ riżoluzzjonijiet ordinarji (negozju speċjali) u riżoluzzjoni waħda straordinarja (negozju speċjali), li qed jiġu proposti fil-Laqgħa Ġenerali Annwali li jmiss (l-“**LĠA**”) tal-Kumpanija.

1. INFORMAZZJONI IMPORTANTI

Din iċ-Ċirkulari, li fiha informazzjoni dwar ir-riżoluzzjonijiet li se jiġu proposti għall-approvazzjoni fil-LĠA li jmiss, inklużi it-tibdil propost fil-Memorandum u l-Artikoli ta' Assoċjazzjoni tal-Kumpanija, kif approvati 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 fis-26 ta' Ottubru 2020 (il-“**Membri**”).

Din iċ-Ċirkulari qed tinfareġ f'konformità mal-Listing Rules maħruġa mil-Listing Authority, b'mod partikolari r-rekwiżiti stabbiliti fil-Listing Rule 6.2 dwar il-kontenut taċ-ċirkularijiet kollha.

Id-diretturi kollha tal-Kumpanija sad-data ta' din iċ-Ċirkulari, jiġifieri, Gordon Cordina, Stephen Agius, Miguel Borg, Diane Bugeja, James Grech, Rick Hunkin, Alfred Lupi, Anita Mangion, Alfred Mifsud u Antonio Piras, (id-“**Diretturi**”) jaċċettaw ir-responsabbiltà għall-informazzjoni li fiha din iċ-Ċirkulari. Fl-aħjar għarfien u twemmin tad-Diretturi, li hađu l-prekawzzjonijiet kollha raġjonevoli biex jaċċertaw li dan ikun fil-fatt il-każ, l-informazzjoni li fiha din iċ-Ċirkulari hija konformi mal-fatti u ma fiha l-ebda ommissjoni li x'aktarx taffettwa is-sinifikat ta' din l-informazzjoni.

Din iċ-Ċirkulari hija importanti u teħtieġ l-attenzjoni immedjata tiegħek. Jekk tibqa' f' dubju dwar kif għandek tivvota, nagħtuk parir li tikkonsulta ma' konsulent indipendenti xieraq.

Int ġentilment mitlub tiżgura li jekk tbigh jew tittrasferixxi l-ishma kollha li għandek fil-Kumpanija, jew parti minnhom, din iċ-Ċirkulari tingħata lill-persuna li permezz tagħha sar il-bejgħ jew it-trasferiment biex din iċ-Ċirkulari tigi trażmessa lix-xerrej jew lil min akkwista l-ishma.

2. INTRODUZZJONI

Apparti mir-riżoluzzjonijiet relatati man-negozju ordinarju tal-Kumpanija li qed jitressqu quddiem il-Membri fil-LĠA, id-Diretturi qed iressqu wkoll quddiem il-Membri żewġ riżoluzzjonijiet ordinarji (relatati man-negozju speċjali tal-Kumpanija) u riżoluzzjoni straordinarja waħda (relatata ma negożju speċjali tal-Kumpanija), kif stabbilit f'din iċ-Ċirkulari.

This Circular sets out an explanation to members of the resolutions proposed at the forthcoming Annual General Meeting. The Circular also explains the changes that are being proposed in the Company's Memorandum and Articles of Association.

3. PROPOSED ORDINARY RESOLUTIONS – SPECIAL BUSINESS

RESOLUTION 3 – REMUNERATION POLICY FOR DIRECTORS

The proposed resolution reads as follows:

That the Remuneration Policy for Directors as set out in the Circular to Shareholders dated 2 November 2020 be hereby noted and approved.

Explanation Note:

Following amendments to Chapter 12 of the Listing Rules, the Company is required to establish a remuneration policy for its directors who contribute to the Company's business strategy, long term interests and sustainability. The shareholders of the Company shall be granted the right to vote on such policy. If approved, the Company shall be required to remunerate its directors in accordance with the approved policy.

In furtherance of this requirement, the Company's Board of Directors, in consultation with the Remuneration Committee, have established a Remuneration Policy for Directors of the Company (hereinafter referred to as Remuneration Policy) which is being proposed for the shareholders' approval at the Annual General Meeting. The Remuneration Policy is being enclosed with this Circular as **Appendix 1**.

RESOLUTION 4 – AUTHORISATION TO ADOPT THE BANK OF VALLETTA VARIABLE REMUNERATION SHARE PLAN ("PLAN")

The proposed resolution reads as follows:

That the rules of the **Bank of Valletta Variable Remuneration Share Plan ("Plan")**, a summary of which is included in the Shareholders' Circular and a full version of which is available for inspection, as recommended by the directors be and are hereby approved; and that the Board of Directors be and is hereby authorised to (i) establish the Plan and to do all such acts and things as may be necessary or expedient to give effect to the Plan; and (ii) issue up to and including 14,596,232 shares from the authorised share capital of the Bank for the purpose of satisfying the obligations of the Bank that will ensue from the operation of the Plan, without first offering the same to shareholders in proportion to their then existing holdings.

Explanatory Note:

This resolution seeks authority from shareholders to adopt

Din iċ-Ċirkulari tagħti spjegazzjoni lill-membri dwar ir-risoluzzjonijiet proposti fil-Laqgħa Ġenerali Annwali li jmiss. Iċ-Ċirkulari tispjega wkoll il-bidliet li qed jiġu proposti fil-Memorandum u fl-Artikoli ta' Assoċjazzjoni tal-Kumpanija.

3. RIŻOLUZZJONIJIET ORDINARJI PROPOSTI – NEGOZJU SPEĊJALI

RIŻOLUZZJONI 3 – REMUNERATION POLICY GHAD-DIRETTURI

Ir-risoluzzjoni proposta taqra kif ġej:

Illi r-Remuneration Policy għad-Diretturi kif stabbilita fiċ-Ċirkulari għall-Azzjonisti tat-2 ta' Novembru 2020 tiġi hawn notata u approvata.

Nota ta' Spjegazzjoni:

Wara emendi fil-Kapitolu 12 tal-Listing Rules, il-Kumpanija hija meħtieġa tistabbilixxi remuneration policy għad-diretturi tagħha li jikkontribwixxu għall-istrateġija kummerċjali tal-Kumpanija, l-interessi tal-Kumpanija għal żmien fit-tul u s-sostenibbiltà. L-azzjonisti tal-Kumpanija għandhom jingħataw id-dritt li jivvutaw fuq din il-policy. Jekk tkun approvata, il-Kumpanija se tkun obbligata tħallas lid-Diretturi tagħha skont il-policy hekk kif approvata.

B'segwitugħal dan ir-reqwizit, il-Bord tad-Diretturi tal-Kumpanija, b'konsultazzjoni mar-Remuneration Committee, stabbilixxa Remuneration Policy għad-Diretturi tal-Kumpanija (iktar il-quddiem imsejha Remuneration Policy) li qed tiġi proposta għall-approvazzjoni tal-azzjonisti fil-Laqgħa Ġenerali Annwali. Ir-Remuneration Policy qed tiġi mehmuża ma' din iċ-Ċirkulari bħala **Appendiċi 1**.

RIŻOLUZZJONI 4 – AWTORIZZAZZJONI SABIEX TIĠI ADOTTATA L-VARIABLE REMUNERATION SHARE PLAN TAL-BANK OF VALLETTA ("IL-PJAN")

Ir-risoluzzjoni proposta taqra kif ġej:

Illi r-regoli tal-**Variable Remuneration Share Plan tal-Bank of Valletta ("il-Pjan")**, li sommarju tagħhom huwa inkluż fiċ-Ċirkulari tal-Azzjonisti, u verżjoni sħiħa tagħhom hija disponibbli għall-ispezzjoni, kif rakkomandat mid-diretturi, jkunu hawn approvati; u li l-Bord tad-Diretturi jkun hawn awtorizzat sabiex (i) jistabbilixxi l-Pjan u biex jagħmel dawk l-atti u l-affarijiet kollha meħtieġa sabiex jirrendu l-Pjan effettiv; u (ii) jinħarġu sa massimu ta' 14,596,232 ishma mill-kapital azzjonarju awtorizzat tal-Bank għall-iskop li jissodisfaw l-obbligati tal-Bank li jirriżultaw mill-operat tal-Pjan, u dan mingħajr ma l-Kumpanija l-ewwel ikollha toffri l-istess lill-azzjonisti, proporzjonalment f'ishma li jista' jkollhom dak iż-żmien.

Nota ta' Spjegazzjoni:

Din ir-risoluzzjoni qed titlob l-awtorizzazzjoni tal-azzjonisti sabiex il-Bank jaddotta u jopera l-Pjan, bħala pjan ta' pussess

and operate the Plan as an executive share ownership plan and to enable the Bank to make awards of shares in the Bank as part of the variable executive remuneration. The Plan has been designed to comply with both Banking Regulation and the Listing Rules. It is also designed to operate in a manner that will:

- i. determine the calculation of annual bonuses to eligible Group employees; and
- ii. defer part of annual bonus outcomes for senior executives into shares for a period of up to 5 years.

Non-executive directors shall not be eligible for Awards under the Plan. The Plan shall be under the control and supervision of the Remuneration Committee, that shall operate the Plan in accordance with the Plan Rules and the Remuneration Policy of the Bank. The Remuneration Committee shall, within the parameters of the policy and the Plan Rules, be responsible to establish, from time to time, the criteria for eligibility under the Plan as well as the criteria for any awards under Plan, based on pre-determined targets and key performance indicators – that are intended to be designed to align the interests of eligible executives and the long-term interests of the Bank and its shareholders.

The Plan will be operated in accordance with the Remuneration Policy for Directors (see also resolution 3) and consistent with the overall strategy of the Group. The deferral of a part of an annual bonus into awards over shares will further align the interests of employees with the long-term interests of shareholders. Awards under the Plan may be satisfied using either the issuance of new shares from the Bank's authorised share capital or shares purchased in the market; in the latter case there will be no dilution of shareholders in terms of their proportionate rights attaching to their shares. In the event that the Bank opts for the issuance of new shares from its authorised share capital this will entail a marginal dilution of the rights of other shareholders.

As set out in the rules of the Plan the maximum of the authorised share capital that will be earmarked for the purpose of satisfying Awards under the Plan is 14,596,232 shares of a nominal value of €1.00 each, which if issued in full is equivalent to 2.5 per cent of the Bank's current issued share capital. The approval of this resolution will accordingly authorise the directors to implement the Plan and accordingly to issue new shares up to the maximum limit established for the Plan, which will have the effect of marginally diluting shareholders. The 2.5 per cent limit is an overall cap on the shares that may be issued to satisfy the Bank's obligations under the Plan from time to time and it is not envisaged that this cap will be reached any time soon. It establishes the maximum level of dilution that could possibly be sustained by shareholders if the cap were to be utilised to the full. If this cap is reached, the directors shall be required to seek shareholder approval if they wish to have that maximum limit increased. For this purpose, the resolution also envisages the approval by the shareholders for the directors to issue up to a maximum of 14,596,232 shares to satisfy the company's obligations under the Plan.

ta' ishma mill-eżekuttiv, u biex tippermetti lill-Bank jagħmel għotjiet ta' ishma bħala parti mir-remunerazzjoni varjabbli tal-eżekuttiv. Il-Pjan ġie mfassal biex jikkonforma kemm mar-Regolamenti Bankarji u kif ukoll mal-Listing Rules. Ġie wkoll iddisinjat biex jaħdem b'mod li:

- i. jiddetermina l-kalkulazzjonijiet tal-bonuses annwali lill-impjegati eliġibbli tal-Grupp; u
- ii. jiddifferixxi parti mill-eżitu tal-bonus annwali tas-senior executives tal-Bank, f'ishma, għal perjodu sa 5 snin.

Diretturi mhux eżekuttivi mhux se jkunu eliġibbli li jiggwadanjaw taħt dan il-Pjan. Il-Pjan se jkun taħt il-kontroll u s-superviżjoni tar-Remuneration Committee, li għandu jopera l-Pjan skont ir-Regoli tal-Pjan u r-Remuneration Policy tal-Bank. Ir-Remuneration Committee se jkun risponsabbli (skont il-parametri tal-policy u r-Regoli tal-Pjan) sabiex minn żmien għal żmien, jistabbilixxi l-kriterji għall-eliġibbiltà taħt il-Pjan kif ukoll il-kriterji għal kwalunkwe għotja taħt il-Pjan. Dawn il-kriterji huma ibbażati fuq miri determinati minn qabel u key-performance indicators - li huma intenzjonati sabiex iqarrbu kemm jista' jkun, l-interessi tal-Executives eliġibbli, mal-interessi fit-tul tal-Bank u tal-azzjonisti tiegħu.

Il-Pjan se jithaddem skont ir-Remuneration Policy għad-Diretturi (ara wkoll riżoluzzjoni 3) u se jkun konsistenti mal-istrategġija ġenerali tal-Grupp. Id-differiment ta' parti mill-bonus annwali f'għotjiet ta' ishma, jkompli jallinja l-interessi tal-impjegati mal-interessi fit-tul tal-azzjonisti. Għotjiet taħt il-Pjan jistgħu jiġu sodisfatti billi jinħarġu ishma ġodda mill-kapital azzjonarju awtorizzat tal-Bank jew ishma mixtrija fis-suq. Fil-każ tal-aħħar ma jkun hemm l-ebda tnaqqis għall-azzjonisti f'termini tad-drittijiet proporzjonati marbuta mal-ishma tagħhom. Fil-każ li l-Bank jagħżel il-ħruġ ta' ishma ġodda mill-kapital azzjonarju awtorizzat tiegħu, dan ikun jinvolvi tnaqqis marginali fid-drittijiet ta' azzjonisti oħra.

Kif stipulat fir-regoli tal-Pjan, il-massimu tal-kapital azzjonarju awtorizzat li se jkun assenjat għall-iskop li jissodisfa l-għotji taħt il-Pjan huwa ta' 14,596,232 sehem ta' valur nominali ta' €1.00 kull sehem, li jekk maħruġa b'mod sħiħ, hija ekwivalenti għal 2.5 fil-mija tal-kapital azzjonarju kurrenti maħruġ tal-Bank. L-approvazzjoni ta' din ir-riżoluzzjoni għalhekk tawtorizza lid-diretturi biex jimplementaw il-Pjan, u għaldaqstant biex joħroġu ishma ġodda sal-limitu massimu stabbilit mill-Pjan, li se jkollu l-effett li jdgħajjef marginalment id-drittijiet tal-azzjonisti. Il-limitu ta' 2.5 fil-mija huwa limitu ġenerali fuq l-ishma li jistgħu jinħarġu biex jissodisfaw l-obbligi tal-Bank taħt il-Pjan minn żmien għal żmien u mhuwiex previst li dan il-limitu jintlaħaq f'xi hin qarib. Huwa jistabbilixxi l-livell massimu ta' tnaqqis li jista' jkun sostnut mill-azzjonisti, kieku l-limitu kellu jintuża kollu. Jekk jintlaħaq dan il-limitu, id-diretturi għandhom jitolbu l-approvazzjoni tal-azzjonisti jekk jixtiequ li jiżdied dak il-limitu massimu. Għal dan il-għan, ir-riżoluzzjoni tipprevedi wkoll l-approvazzjoni mill-azzjonisti biex id-diretturi joħroġu sa massimu ta' 14,596,232 sehem biex jissodisfaw l-obbligi tal-kumpanija taħt il-Pjan.

Together with this explanatory Circular, shareholders will find a summary document setting out the main features of the Plan. In addition, a full version of the Plan Rules is available for inspection on the Bank's website at <https://www.bov.com/content/annual-general-meeting-2020> and at the Bank's registered office between the date of this Circular and the date of the Annual General Meeting.

A summary of the principal terms of the Plan is being enclosed with this Circular as **Appendix 2**.

PROPOSED EXTRAORDINARY RESOLUTION – SPECIAL BUSINESS

RESOLUTION 5: CHANGES TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The proposed resolution reads as follows:

That the Articles of Association of the Company be and are hereby amended by the introduction of Article 19.15 to read as follows:

Quote
Unquote

19.15 Notwithstanding anything contained in these articles of association, the board of directors may, subject to satisfying all the requirements under applicable law, convene and hold general meetings of shareholders without the requirement that shareholders are physically present in one or more locations and to permit shareholders eligible to attend a general meeting, to attend, participate and vote at a shareholders' meeting so convened from a remote location through electronic means. Any meeting so held shall be equivalent to and as valid as a general meeting held physically in one or more locations.

Where the directors convene a shareholders' meeting, they shall state in the notice convening the meeting whether the meeting shall be held physically or remotely, or whether the meeting shall be held physically but shall also allow members who elect to do so to attend and vote by poll remotely through electronic means.

Where a shareholders' meeting allows the attendance and voting at that meeting to be conducted remotely through electronic means all articles in these articles of association shall be construed to ensure that they are given effect to in terms of attendance, participation and voting by electronic means, in the same manner as practicably possible as if the meetings were to be held physically in the same location. The directors may make such regulations, not inconsistent with these articles as they consider fit to regulate the conduct of remote meetings by electronic means and shall make such regulations available to shareholders on the notice convening the meeting to which they apply.

For the purpose of this article the term electronic means shall mean such means of electronic equipment for the processing (including digital compression), storage and transmission of data, employing wires, radio, optical technologies, or any other electromagnetic means.

Explanatory note:

The amendment being proposed through this resolution is to make provision allowing the directors to convene and conduct meetings of shareholders, remotely through electronic means. This includes both annual and extraordinary general meetings. It is not the current intention of the directors to cease conducting physical meetings of shareholders as they have been traditionally known, but rather to allow those shareholders who may not be able to attend a meeting

Flimkien ma' din iċ-Ċirkulari ta' spjegazzjoni, qed jiġi hawn mehmuz dokument li jistabbilixxi l-karatteristiċi ewlenin tal-Pjan. Barra minn hekk, verżjoni sfiha tar-Regoli tal-Pjan hija disponibbli għall-ispezzjoni fuq is-sit elettroniku tal-Bank fuq: <https://www.bov.com/content/annual-general-meeting-2020> u fl-uffiċċju rreġistrat tal-Bank bejn id-data ta' din Ċirkulari u d-data tal-Laqqgħa Ġenerali Annwali.

Ġabra tat-termini prinċipali tal-Pjan qed tiġi mehmuz ma' din iċ-Ċirkulari bħala **Appendiċi 2**.

RIŻOLUZZJONI STRAORDINARJA PROPOSTA - NEGOZJU SPEĊJALI

RIŻOLUZZJONI 5: BIDLIET FIL-MEMORANDUM U L-ARTIKLI TA' ASSOĊJAZZJONI

Ir-riżoluzzjoni proposta taqra kif ġej:

Illi l-Artikli ta' Assoċjazzjoni tal-Kumpanija jigu emendati permezz tal-introduzzjoni tal-Artikolu 19.15 hawn segwenti:

Nota ta' spjegazzjoni:

L-emenda li qed tiġi proposta permezz ta' din ir-riżoluzzjoni hija biex tagħmel provvediment li jippermetti lid-diretturi jsejhu u jmexxu laqgħat tal-azzjonisti, b'mod virtwali permezz ta' mezzi elettronici. Dan jinkludi laqgħat ġenerali kemm annwali kif ukoll straordinarji. Preżenzjalment, id-diretturi m'għandhomx l-intenzjoni li jieqfu jmexxu laqgħat fejn tradizzjonalment l-azzjonisti jkunu preżenti fiżikament. Iżda pjuttost l-intenzjoni hija li jagħtu l-possibilita' lil daww l-azzjonisti li ma jkunux

physically to attend remotely (and therefore not necessarily to give a proxy).

The proposal requires that the notice convening the meetings shall have to state how the meeting shall be conducted, and they shall be required in line with the new amendment to provide for shareholders' attendance, participation and voting by electronic means at the meeting.

The directors are also being delegated the authority to make regulations, not inconsistent with the provisions of the articles of association, for the proper conduct of remote meetings by electronic means.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof will be available for inspection at the Company'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 Company's Memorandum and Articles of Association;
- b. the Company's last Annual Financial Report for the year ended 31 December 2019; and
- c. the Company's Interim Report for the period 1 January 2019 to 30 June 2019;
- d. the Remuneration Policy for Directors, as put forward for approval by the shareholders of the Company;
- e. the rules of the Bank of Valletta Variable Remuneration Share Plan, as put forward for approval by the shareholders of the Company

5. DIRECTORS' RECOMMENDATION

The Board of Directors, having undertaken the necessary considerations, is of the view that the proposed resolutions are in the best interests of the Company and of its shareholders and should improve shareholder value. The Board therefore recommends that the shareholders vote in favour of all resolutions at the forthcoming AGM.

2 November 2020

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-Imtiehen, Il-Belt Valletta VLT 1350, Malta.

jistgħu jattendu laqgħa fiżikament biex jattendu b'mod virtwali (u għalhekk mhux neċessarjament jagħtu prokura).

Il-proposta teħtiegħ li l-avviż li jsejjaħ il-laqgħat għandu jiddikjara kif se titmexxa l-laqgħa kif ukoll għandu jipprovdi għall-attenzenza tal-azzjonisti, u l-parteciġazzjoni u l-votazzjoni tal-azzjonisti b'mezzi elettronici matul il-laqgħa.

Lid-diretturi qed tiġi wkoll delegata l-awtorità li jagħmlu regolamenti, li huma konsistenti mad-dispożizzjonijiet tal-artikli ta' assoċjazzjoni, li jirregolaw it-tmexxija xierqa ta' laqgħat remoti b'mezzi elettronici.

4. DOKUMENTI DISPONIBBLI GĦALL-ISPEZZJONI

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

- a. il-Memorandum u l-Artikli ta' Assoċjazzjoni tal-Kumpanija;
- b. l-aħħar Rapport Finanzjarju Annwali tal-Kumpanija għas-sena li għalqet fil-31 ta' Diċembru 2019; u
- c. ir-Rapport Interim tal-Kumpanija għall-perjodu mill-1 ta' Jannar 2019 sat-30 ta' Ġunju 2019;
- d. ir-Remuneration Policy għad-Diretturi, kif imressqa għall-approvazzjoni mill-azzjonisti tal-Kumpanija;
- e. ir-regoli tal-Variable Remuneration Share Plan tal-Bank of Valletta, kif imressqa għall-approvazzjoni tal-azzjonisti tal-Kumpanija.

5. RAKKOMANDAZZJONI TAD-DIRETTURI

Il-Bord tad-Diretturi, wara li qies il-konsiderazzjonijiet neċessarji, huwa tal-opinjoni li r-risoluzzjonijiet proposti huma fl-aħjar interessi tal-Kumpanija u tal-Azzjonisti tagħha u għandhom itejbu l-valur għall-azzjonisti. Il-Bord għalhekk jirrakkomanda li l-Azzjonisti jivvutaw favur dawn ir-risoluzzjonijiet fil-LĠA li jmiss.

2 ta' Novembru 2020

Approvata u maħruġa mill-Bank of Valletta p.l.c., bl-indirizz irreġistrat fi 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta u l-uffiċċju ewlieni fil-House of the Four Winds, Triq l-Imtiehen, Il-Belt Valletta VLT 1350, Malta.

APPENDIX 1

REMUNERATION POLICY FOR DIRECTORS

Introduction

The Remuneration Policy (the “**Policy**”) for members of the Board of Directors of Bank of Valletta p.l.c. (the “**Bank**”) has been prepared in accordance with the new requirements to the Listing Rules which were introduced in July 2019.

Shareholders of the Bank shall vote on the Policy at the 2020 annual general meeting, which vote shall be binding and take effect from 26 November 2020. If, when put to the approval of shareholders, this Policy is not approved, the Directors shall continue to pay remuneration in accordance with current practices, subject to revising the Policy and submitting for shareholders’ approval at a later date.

Efforts are made to ensure that the remuneration of the Board of Directors takes into consideration Board members’ required competencies, skills, effort and scope of the Board work, including the number of meetings. Due consideration is also given to market demands, the size of the Bank and its importance to the local economy as well as to the Directors’ responsibilities. A successful implementation of the Policy will ensure that the Bank can attract and retain high-quality people, enabling us to execute our business strategy and serve our long-term interests, including our sustainability goals.

For the purposes of the Policy, Director means any member of the Board of Directors including both Executive Directors and Non-Executive Directors of the Bank.

Non-Executive Director Remuneration

Details of Directors remuneration are disclosed in the Bank’s annual report and shall be subject to such limit of aggregate emoluments to Directors that is approved by shareholders from time to time.

Fees

The composition of fees may change from time to time. Currently, a base annual fee of €20,500 is paid to each Non-Executive Director and €80,000 to the Chairman of the Board. In addition to the base fee, Non-Executive Directors who are also appointed as members of one of the Board Committees receive additional compensation. The additional remuneration paid depends on whether a Director is Chair or a member of such Board Committee.

Fee levels are fixed and determined by the Remuneration Committee from time to time in order to provide an appropriate reward to attract individuals with appropriate knowledge and experience to review and support the implementation of the Company’s strategy.

Other benefits

Non-Executive Directors may receive various benefits as approved by the Remuneration Committee. Currently, all Non-Executive Directors are entitled to health insurance and to a reimbursement of out-of-pocket expenses incurred by them in attending and returning from meetings of the Directors or other committees or general meetings of the Bank or in connection with the business of the Bank.

In addition, Non-Executive Directors may be entitled to such discounts on products and services of the Bank as the Remuneration Committee may from time to time determine.

Non-Executive Directors are not eligible to participate in the annual bonus plan or pension arrangements.

Executive Director Remuneration

The Bank’s policy is that the remuneration of the Executive Directors ought to reflect primarily their executive positions within the Bank. Such remuneration shall include a fixed salary and bonuses, and may include pension benefits, termination benefits and other benefits as may be provided for in their employment contract with the Bank.

The Bank believes that a combination of fixed and variable remuneration seeks to attract and retain suitable executives who have the necessary competence, skills, qualities and expertise to enable them to discharge their duties according to the highest

standards. The fixed remuneration component considers the level of responsibility such position entails, whereas the variable component is subject to performance assessment (whether, of the Bank, the individual or otherwise) on such basis as the Remuneration Committee considers appropriate and which may include risk-adjusted performance indicators and be aligned to the achievement of strategic objectives and the delivery of value to shareholders.

The remuneration of each Executive Director is set and approved by the Board upon the recommendation of the Remuneration Committee and is aligned with the Group's Remuneration Policy for executives and employees. The Remuneration Committee takes into account wider pay arrangements throughout the Bank.

Fixed remuneration

Fixed remuneration for Executive Directors consists of salary, pension benefits (where the Executive Director has an entitlement under their contract of employment) and other benefits. In addition, Executive Directors are paid a base annual fee of €20,500 for the duration of their appointment as Executive Director of the Bank.

Salary

Executive Directors receive a fixed base salary based on position, responsibilities, performance and competencies.

Pension

Currently no formal pension plan is provided although, on a non-contractual basis, employees with a prescribed level of service may be eligible to a retirement gratuity of up to 3 times salary. Executive Directors may also benefit from a lump sum early retirement package in accordance with the terms of their contract of employment (although the current Chief Executive Officer is not entitled to such a benefit under his definite contract of employment).

Other benefits

The Remuneration Committee may determine the level and type of benefits to be provided from time to time. All Directors are entitled to health insurance and to a reimbursement of out-of-pocket expenses incurred by them in attending and returning from meetings of the Directors or other committee or general meetings of the Bank or in connection with the business of the Bank.

In addition, Executive Directors are entitled to:

- such discounts on products and services of the Bank as the Board may from time to time determine; and
- the use of a company car.

Variable remuneration

The variable component of Executive Director remuneration is set so as to compensate executives for achieving certain levels of performance, without however exposing the Bank to unwarranted risk.

The variable component of individual Executive Directors is determined in line with this Policy. The Policy may be applied differently to different executives in instances where the Remuneration Committee may consider it appropriate, such as where an executive is employed on a definite contract or an indefinite contract with the Bank.

Variable remuneration normally takes the form of annual bonuses, paid in a combination of cash and ordinary shares of the Bank (or other qualifying instruments). Annual bonus outcomes for a financial year shall not exceed 100% of fixed remuneration. This level is set as a cap in compliance with banking regulations and has been chosen to provide suitable flexibility during the term of this Policy. In practice, the Remuneration Committee does not envisage annual bonus outcomes exceeding a lower limit of 50% of fixed remuneration in normal circumstances.

All variable remuneration will be determined by reference to criterion determined by the Remuneration Committee to be appropriate. Measures and targets will normally be set around the start of a financial year and may be based on a number of key performance indicators ("KPIs") that determine a balanced scoring between quantitative and qualitative factors and the overall performance of the Group. The KPIs will normally be selected in order to ensure that they contribute to the company's business strategy and long-term interests and sustainability.

The Remuneration Committee selects and approves the KPIs, targets and relative weightings around the start of each year

to ensure strong alignment with current business strategy and that targets are sufficiently stretching without, in the view of the Remuneration Committee, unduly exposing the Bank to risk. The Remuneration Committee shall have full discretion in evaluating performance and attainment of KPIs and awarding the variable remuneration following the publication of the relevant financial results for a financial year of the Bank.

Subject to any de minimis exceptions permitted by relevant banking regulations (de minimis), at least 40% of the annual bonus outcome will normally be deferred over 5 years, paid annually in equal instalments.

Similarly subject to de minimis, in order to align the interests of Executive Directors with the long-term interests of shareholders, at least 50% of the annual bonus outcome will normally be paid out in ordinary shares of the Bank with the balance normally be paid out in cash.

Malus and clawback

Any variable component of Executive Director remuneration shall also be subject to malus and clawback provisions which would allow a reduction or reversal of any variable remuneration.

The Remuneration Committee may enforce such provisions up to 7 years from the date of performance assessment (which may be increased to 10 years if there is an on-going investigation) in the case of:

- (malus only) material misstatement of the Company's financial results
- (malus only) material error
- (malus and clawback) circumstances warranting summary dismissal
- (malus and clawback) material failure of risk management
- (malus only) material downturn in economic activity

Others

The Bank's Board may from time to time have members appointed to it who hold an indefinite salaried office with the Bank, but who are not considered as executive directors since their position is not one of executive decision making with the Bank, and are appointed to the Board by shareholders in general meeting. Any remuneration paid to any Director by virtue of his holding an indefinite salaried office with the Bank shall not be deemed to form part of such Director's emoluments and shall not be taken into consideration for the purpose of the Policy.

Duration

According to Article 24 of the Bank's articles of association the Chief Executive Officer shall upon his or her appointment to that executive office become an Executive Director on the Board of Directors and shall serve as Executive Director throughout his or her tenure of the position of Chief Executive Officer.

Other Executive Directors who are appointed on the Board shall be appointed for a period of three (3) years and shall thereafter be eligible for re-appointment.

The employment contract of the Chief Executive Officer is for a definite period of time and consequently shall be governed by the legal provisions applicable to the termination of such contracts. Depending on whether the contract of employment of the other Executive Director/s is for an indefinite or a definite period of time, details of notice period shall be governed by the relative legal provisions applicable to the termination of such contracts.

Non-Executive Directors are appointed on the Board of Directors for a term of three (3) years and are eligible for re-appointment subject to the rotation of directors' process as stipulated in Article 28 of the Bank's Articles of Association.

Termination and payments linked to termination

An Executive Director shall, upon termination of his service agreement, continue to benefit from all the benefits offered to retired executives under the applicable terms and conditions existing at the time of signing of his contract of employment. The current Chief Executive Officer is not entitled to any pension, retirement schemes or other entitlements upon termination of contract.

Non-Executive Directors are not paid any benefits linked to the termination of their office and they do not benefit from any pension or early retirement schemes by virtue of their office.

Recruitment arrangements

The Remuneration Committee may approve special arrangements as it considers necessary on the recruitment of a new Executive Director, including honouring amounts to compensate for the loss of rights on leaving their former employer in respect of external recruits provided that such buy-out awards are, in the view of the Committee no more generous overall than the rights forfeited.

Managing potential conflicts of interest

In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration. In particular, the remuneration of all Executive Directors is approved by Board upon the recommendation of the Remuneration Committee; none of the Executive Directors are involved in the determination of their own remuneration arrangements. The Remuneration Committee also receives support from external advisers and evaluates the support provided by those advisers annually to ensure that advice is independent, appropriate and cost-effective.

In determining variable pay out-turns, the Remuneration Committee may seek such advice as it considers appropriate, including from the Risk Committee and from external advisers.

Revision of Policy

The Remuneration Committee is tasked with keeping the Policy under review and considers whether it requires revision or updating in line with market demands with a view to ensuring that the Bank's Board attracts and retains, suitable members that provide the collective skills and experience required for the proper functioning of the Board.

The Policy shall be reviewed regularly, and any material amendments thereto shall be submitted to a vote by the general meeting before adoption, and in any case at least every four (4) years.

APPENDIX 2

Summary of the principal terms of the Bank of Valletta Variable Remuneration Share Plan (“Plan”)

Operation

The Remuneration Committee of the Board of Directors of the Company (the “**Committee**”) will supervise the operation of the Plan.

The Plan is a combined annual bonus and deferred share bonus plan, which gives the Committee the ability to make discretionary annual bonuses and deferred awards over ordinary shares in the Company (“**Shares**”).

Eligibility

Any current or former employee (including an Executive Director) of the Company and any of its subsidiaries will be eligible to participate in the Plan, at the discretion of the Committee. Awards over Shares will only be made to individuals who may be entitled to receive an annual bonus payment for the preceding financial year of the Company.

Annual Bonus

The Plan rules govern the terms of annual bonuses for participating employees, that will be payable following the assessment of annually set performance conditions (“**Bonus**”).

Deferral of Bonus

Under the terms of the Plan, part of a bonus outcome may be delivered as either a:

- a. cash payment; or
- b. award over Shares (“**Share Award**”)

Any cash payments or Share Awards may be paid immediately or deferred.

For the duration of the Remuneration Policy for Directors proposed for approval at the 2020 AGM, at least 40% of an Executive Director’s annual bonus outcome will normally be deferred over 5 years, paid annually in equal instalments of cash and Shares.

Share Awards

Share Awards will be granted in the form of a conditional award, where a participant will receive free Shares on the vesting of the Share Award.

The Committee may normally grant Share Awards within the period of six weeks following: (i) the Company’s announcement of its results for any financial year; (ii) the date of determination of annual bonus outcomes under the Plan; and (iii) the lifting of restrictions on dealing in Shares that prevented grant of a Share Award under (i) or (ii).

The Committee may also grant Share Awards when there are exceptional circumstances which it considers justifies the granting of Share Awards. No Share Award will be granted after the tenth anniversary of the date of adoption of the Plan.

Share Awards may operate over new issue Shares, treasury Shares or Shares purchased in the market. The Company currently intends to satisfy Share Awards using new issue Shares, but it may use alternative sources of Shares if it considers it appropriate.

No payment will be required for the grant of a Share Award.

Share Awards are not transferable (other than to the participant’s personal representatives in the event of death).

Amounts of annual bonus and Share Awards are not pensionable.

Total limit

Share Awards may be granted over Shares up to an overall dilution limit of 2.5% of the issued ordinary share capital of the Company in any ten year period. This limit does not include any rights to Shares which have been released or lapsed.

This limit has been chosen as a dilution limit that is globally recognised by institutional investors and proxy advisory firms. It has been included to comply with requirements of the Listing Rules and does not constitute an aspiration to use this amount of Shares.

Individual limit

The maximum annual bonus payment (including any amount deferred into a Share Award) that may be made to a participant in any financial year will normally be limited to 50% of the individual's fixed remuneration. In exceptional circumstances, the Committee may allow annual bonus payments (including any amount deferred into a Share Award) of up to 100% of the individual's fixed remuneration.

The maximum number of Shares that may be granted subject to a Share Award to a participant in any financial year will be limited to a proportion of the individual's total annual bonus outcome for the preceding financial year. The proportion of annual bonus outcome that is deferred into a Share Award will be determined by the Committee from time to time.

Costs

The costs of any Share Awards granted under the Plan will depend upon the Bonus outcomes for each financial year and will be reported in the Company's Annual Report and the Financial Statements (in accordance with the relevant accounting standards).

Vesting of Share Awards

The Committee will specify the period over which Share Awards will vest and be released. Subject to any de minimis exceptions permitted by relevant banking regulations, Share Awards will normally be released in a number of instalments over a period of up to 5 years.

Leaving employment

i. Bonus payments

As a general rule, a participant who ceases to hold any office or employment within the Company's group will immediately lose their entitlement to receive any Bonus payments.

However, at the discretion of the Committee, the participant will continue to remain eligible to receive a Bonus in respect of any financial year up to the date of cessation (which may be pro-rated for the period of the financial year worked and part may also be subject to deferral).

ii. Share Awards

As a general rule, a participant who ceases to hold any office or employment within the Company's group will retain his Share Award(s) which will vest on the normal vesting date with no acceleration of vesting. However, in exceptional cases, the Committee may, at its discretion, permit or require a Share Award to vest at the time of cessation of employment. If the reason for such cessation is the individual's misconduct or resignation his Share Award(s) will normally lapse.

Corporate events

In the event of a takeover of the Company or other material corporate event (not being an internal corporate reorganisation), the annual bonus outcomes for that year will either be:

- i. determined to the time of the corporate event, on a pro-rata basis; or
- ii. allowed to continue and determined at the end of the current year.

On a takeover or similar corporate event, Share Awards which have not yet vested, will normally be retained and will vest on the normal vesting date. However, the Committee may, at its discretion, permit or require Share Awards to vest at the time of the relevant corporate event.

Share Awards may also vest if a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of the Shares to a material extent.

In the event of an internal corporate reorganisation, Share Awards may be replaced by equivalent new awards over shares in a new holding company.

Participants' rights

Share Awards will not confer any shareholder rights (including voting, dividend, transfer and any other rights arising on liquidation of the Company) on the participants until the Share Awards have vested and the participants have received the resulting Shares.

Rights attaching to Shares

Any Shares allotted when a Share Award vests will rank equally with all other Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of any variation of the Company's share capital, or in the event of a demerger, special dividend or other event having a material impact on the value of the Shares, the Committee may make such adjustments as it considers appropriate to the number of Shares subject to a Share Award.

Prior to any adjustments being made, the Committee will confirm with the Company's auditors that the proposed adjustments are in their opinion fair and reasonable.

Malus and clawback

The Committee retains a power to recoup the value of unvested and previously vested awards (including Bonus payments and Share Awards) from an individual either before vesting or within a period of seven years (which may be extended to ten years in the case of an ongoing investigation) from the date the Bonus outcome is determined, if it considers it appropriate to do so. The Committee may choose to exercise this power in the following circumstances:

- (for malus only) the financial accounts of the Company were materially misstated and resulted (either directly or indirectly) in a higher amount of Bonus being paid or number of Shares vesting to the participant;
- (for malus only) where there has been a material error in determining whether a Bonus or Share Award should be made or the size or nature of such award; or
- (for malus and clawback) the participant ceases to be an employee or Director as a result of gross misconduct or acts in a manner which would justify his/her summary dismissal; or
- (for malus and clawback) there has been a material failure of risk management; or
- (for malus only) there has been a material downturn in economic activity.

The Committee may require the satisfaction of the clawback in a number of ways, including by way of a reduction in the vesting, or size of, any other award or bonus (including future awards or bonus) and/or a requirement to make a cash payment.

Alterations to the Plan

The Committee may, at any time, alter the provisions of the Plan or any Bonus or Share Award in any respect, provided that the prior approval of shareholders must be obtained for any alterations that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limit on the use of Shares under the Plan, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be provided under the Plan and the adjustment of Share Awards.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

If the proposed alterations to the Plan are to the material disadvantage of participants the Board must invite participants to indicate if they approve the alterations and, if so, the alterations must be approved by a majority of the participants that respond.

Bank of Valletta p.l.c.

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Registered Office: 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130 - Malta Registration Number: C 2833

Bank of Valletta p.l.c. is a public limited company licensed to carry out the business of banking and investment services in terms of the Banking Act (Cap. 371 of the Laws of Malta) and the Investment Services Act (Cap. 370 of the Laws of Malta).

Bank of Valletta p.l.c. is an enrolled tied insurance intermediary of MAPFRE MSV Life p.l.c. MAPFRE MSV Life is authorised by the Malta Financial Services Authority to carry on long term business of insurance under the Insurance Business Act 1998.

Bank of Valletta p.l.c. is authorised to act as a trustee by the Malta Financial Services Authority.