



Annual General Meeting 2019

Laqgħa Ġenerali Annwali 2019

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 Fifth (45th) Annual General Meeting of the Bank of Valletta p.l.c. (the Company) to be held at the Grand Master Suite, Conference Centre, Hilton Malta, St. Julian's, on Thursday 9 May 2019 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 2018 to 31 December 2018, 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:

- a) That, on Tuesday 11 June 2019, the amount of €53,077,206 from the Company's reserves is capitalised for the purpose of a bonus share issue of 53,077,206 fully paid ordinary shares of a nominal value of €1.00 per share, representing 1 bonus share for every 10 shares held, to be allotted to the members appearing on the register of members of the Company as at the close of business on Tuesday 11 June 2019 (Eligible Members), thereby increasing the issued share capital from the current 530,772,064 shares to 583,849,270 shares of €1.00 each share fully paid up, resulting in a paid up capital of €583,849,270.
- b) Since the allocation ratio of bonus shares to registered shares held by the Eligible Member is 1 bonus share for every 10 shares held, in the allocation process the Company shall, where the number of shares held by the Eligible Member is not exactly divisible by 10, round up the allocation to the nearest share whenever the mathematical result of the allocation formula contains a fractional entitlement which is of 0.5 of a share or more, and round down to the nearest share in the event that the mathematical result of the allocation formula contains a fractional entitlement which is of less than 0.5 of a share.

Resolution 4:

That the Directors be and are hereby authorised to issue a financial instrument up to a maximum amount of €150 million in nominal value that qualifies for additional tier one capital, which may include a conversion option into ordinary shares

Avviż lill-Azzjonisti

skont l-Artiklu 18.6 tal-Artikli ta' Assoċjazzjoni

L-Azzjonisti qegħdin jiġu nnotifikati li l-Hamsa u Erbgħin (45) Laqgħa Generali Annwali tal-Bank of Valletta p.l.c. (il-Kumpanija) ser issir fil-Grand Master Suite, Conference Centre, Hilton Malta, San Ġiljan, nhar il-Hamis 9 ta' Mejju 2019 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-Qliġ u Telf u l-Karta tal-Bilanċ għall-perjodu finanzjarju mill-1 ta' Jannar 2018 sal-31 ta' Diċembru 2018, kif ukoll ir-Rapporti tad-Diretturi u l-Awdituri għall-istess perjodu, ikunu hawn riċevuti u approvati.

Riżoluzzjoni 2:

Illi l-hatra 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 Ordinarji – Negozju Speċjali

Riżoluzzjoni 3:

- a) Illi, nhar it-Tlieta 11 ta' Ġunju 2019, l-ammont ta' €53,077,206 mir-riżervi tal-Kumpanija jiġi kkapitalizzat bi skop li jinħarġu bħala ishma bonus 53,077,206 sehem ordinarju kollha mħallsa b'valur nominali ta' €1.00 kull sehem, li jirrappreżenta sehem bonus wieħed (1) għal kull għaxar (10) ishma miżmuma, li għandhom jiġu allokati lill-membri li jidhru fuq ir-reġistru tal-membri tal-Kumpanija mal-għeluq tan-negozju ta' nhar it-Tlieta 11 ta' Ġunju 2019 (Membri Eliġibbli), biex b'hekk jiżdied il-kapital azzjonarju maħruġ minn dak attwali ta' 530,772,064 sehem għal 583,849,270 sehem ta' €1.00 kull sehem kollha mħallsa, li jirriżulta f'kapital imħallsa ta' €583,849,270.
- b) Billi l-proporzjon tal-allokkazzjoni tal-ishma bonus għall-ishma rreġistrati miżmuma mill-Membri Eliġibbli huwa ta' sehem bonus wieħed (1) għal kull għaxar (10) ishma miżmuma, fil-proċess tal-allokkazzjoni l-Kumpanija għandha, fejn in-numru ta' ishma miżmuma mill-Membru Eliġibbli ma jistax ikun diviż b'10 eżatt, il-Kumpanija ser iżżid l-allokkazzjoni għall-eqreb sehem kull meta r-riżultat matematiku tal-formola tal-allokkazzjoni jinkludi intitolament frazzjonali li jkun ta' 0.5 ta' sehem jew aktar, u tnaqqas għall-eqreb sehem fil-każ li r-riżultat matematiku tal-formola tal-allokkazzjoni jinkludi intitolament frazzjonali li jkun ta' inqas minn 0.5 ta' sehem.

Riżoluzzjoni 4:

Illi d-Diretturi jkunu u jiġu hawn awtorizzati li joħorġu strument finanzjarju sa ammont massimu ta' €150 miljun f'valur nominali

of the Company at a pre-specified trigger point, without first offering the said instruments to shareholders proportionately to their holdings.

Extraordinary Resolution – Special Business

Resolution 5:

That the existing Memorandum and Articles of Association of the Company be hereby revoked and substituted in its entirety by the new memorandum and articles of association a copy of which may be obtained from the Company's website www.bov.com under the Investor Relations section (<https://www.bov.com/content/bov-agm-2019>) or from the Office of the Company Secretary at the House of the Four Winds, Triq I-Imtiehen, II-Belt Valletta VLT 1350.

By order of the Board.



Dr Ruth Spiteri Longhurst
Company Secretary

12 April 2019

li jikkwalifika għal Tier 1 Capital addizzjonali, li jista' jinkludi għażla ta' konverżjoni f'ishma ordinarji tal-Kumpanija b'punt ta' attivazzjoni speċifikat minn qabel, mingħajr ma l-ewwel jiġu offruti l-imsemmija strumenti lill-azzjonisti proporzjonalment għall-ishma tagħhom.

Riżoluzzjoni Straordinarja – Negożju Speċjali

Riżoluzzjoni 5:

Illi l-Memorandum u l-Artikli ta' Assoċjazzjoni tal-Kumpanija attwali qed jiġi hawn revokat u sostitwit fl-interita' tiegħu b'memorandum u artikli ta' assoċjazzjoni ġdid, kopja ta' dan tista' tinkiseb minn fuq is-sit elettroniku tal-Kumpanija www.bov.com taħt is-sezzjoni tal-Investor Relations (<https://www.bov.com/content/bov-agm-2019>) jew mill-Uffiċċju tas-Segretarju tal-Kumpanija fl-indirizz House of the Four Winds, Triq I-Imtiehen, II-Belt Valletta VLT 1350.

B'ordni tal-Bord.



Dr Ruth Spiteri Longhurst
Segretarju tal-Kumpanija

12 ta' April 2019

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 9 April 2019 (the "Record Date"). Only such Shareholders shall be entitled to attend and vote at the Annual General Meeting (the "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 agm2019@bov.com quoting the Activation Code (printed at the bottom left hand side of the Admission Form) and the Shareholder's 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 valid MSE number are quoted by the Shareholder. The Shareholder is to complete and send the electronic proxy from the same e-mail 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 I-Imtiehen, 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-awiz intbagħat lill-Azzjonisti kollha tal-Bank li kienu fuq ir-Regjistru tal-Borża ta' Malta fid-9 ta' April 2019 (ir-Record Date). Huma dawn l-Azzjonisti biss li għandhom id-dritt li jattendu u jivvutaw fil-Laqqgħa Ġenerali Annwali (LĠA). Kull tibdil fir-Regjistru 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. Partecipazzjoni u Votazzjoni mill-Azzjonisti

L-Azzjonist jista' jipparteċipa u jivvota fil-LĠA billi jattendi personalment għal-Laqqgħa, jew billi jahtar persuna li tattendi u tivvota waqt il-LĠA minflok (prokuratur/proxy).

Hatra ta' prokuratur:

- i. Il-prokuratur jista' jinħatar billi tintuża l-Formola ta' Prokura mehmuża li trid tintbagħat bil-posta jew tingieb fl-Uffiċċju tas-Segretarju tal-Kumpanija kif indikat aktar 'l isfel; jew
- ii. L-Azzjonisti jistgħu jagħzlu li jibagħtu l-prokura elettronika. F'dan il-każ, l-Azzjonisti huma mitluba li jibagħtu e-mail fuq agm2019@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 mill-istess indirizz tal-e-mail li jkun irċeviha fuqu. Hekk kif il-Bank jirċievi l-prokura kompluta, il-Bank jibgħat konferma elettronika lill-Azzjonist.

Meta Azzjonist ikun korp ġuridiku, li jinkludi kumpanija, partnership, assoċjazzjoni ta' persuni, fondazzjoni jew entità oħra, formola ta' prokura trid tiġi eżegwita (kemm jekk favur iċ-Chairman tal-Laqqgħa jew rappreżentant ieħor tal-Azzjonist) skont il-Memorandum u l-Artikli ta' Assoċjazzjoni jew dokumenti kostituzzjonali simili tal-entità. L-Uffiċċju tas-Segretarju tal-Kumpanija jirriserva d-dritt li jittlob 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 I-Imtiehen, 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-envelopp mehmuż għal dan l-iskop.

C. Completing the Proxy Form

A 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/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 (X) 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.

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

D. Admission to the AGM

In order to be admitted to the AGM, a Shareholder being a natural person 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.

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 partikolari, fejn il-prokura qed timtela bil-kitba (bl-idejn), id-dettalji għandhom ikunu mimlija b'mod ċar u legibbli.

Huwa importanti li tinnota dan li ġej:

- i. L-Azzjonist għandu jindika jekk jixtieqx jahtar bħala prokuratur tiegħu liċ-Chairman tal-Laqqgħa jew lil persuna oħra. F'każ illi l-Azzjonist jixtieq jahtar persuna oħra li mhux iċ-Chairman tal-Laqqgħa 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 partikolari, l-Azzjonist għandu jindika l-preferenza tal-votazzjoni tiegħu/tagħha f'dejn kull riżoluzzjoni fil-kaxxa t-tajba, billi jew inizzel in-numru ta' voti (ishma miżmuma) jew billi jagħmel salib (X) jew marka (✓) (minflok ma jniżzel 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 partikolari jitqies bħala invalidu;

Jekk l-Azzjonist inizzel in-numru ta' voti, dawn jistgħu jinqasmu fi kwalunkwe proporzjon, ikun 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 partikolari 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. 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 jingħatahom id-dokument tal-vot.

In the case of shares held jointly by several persons, 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 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 spouses, both spouses, or either of them, may attend the AGM, provided that:

- i. Irrespective of whether both spouses, 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 spouses.

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 and upon presentation of his/her I.D. Card.

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 shall be issued and admittance to the AGM will be discontinued.

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. 350, 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 24 March 2019, that is at least forty six (46) days before the date set for the AGM (9 May 2019).

Fil-każ ta' ishma miżmuma minn numru ta' persuni flimkien, hlief fil-każ ta' ishma miżmuma flimkien bejn konjuġi, il-persuna li hija msemija l-ewwel fuq ir-Regjistru tal-Borża ta' Malta biss tithalla tattendi u tivvota waqt il-LGA.

Ir-rappreżentant ta' Azzjonisti li għandhom ishma f'ismijiet konġunti, u li mhuwiex l-ewwel wiehed imniżżel fuq ir-Regjistru, ikun biss eliġibbli li jattendi u jivvota fil-LGA 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 bejn konjuġi, il-konjuġi flimkien, jew wiehed minnhom biss, jista' jattendi l-LGA, sakemm:

- i. Irrispettivament jekk il-konjuġi jattendux il-LGA flimkien, jew jekk jattendux wehdom, ser jinħarġilhom dokument tal-vot wiehed biss u wiehed biss minnhom ikun intitolat li jivvota; u
- ii. Jekk jixtiequ jaħtru prokuratur, il-Formola ta' Prokura għandha tiġi ffirmata miż-żewġ konjuġi.

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-LGA, sakemm il-Formola ta' Prokura tkun eżegwita b'mod tajjeb favur tiegħu/tagħha u jekk tkun waslet fl-Uffiċċju tas-Segretarju tal-Kumpanija kif indikat aktar 'l fuq, taħt Sezzjoni B u filwaqt li tiġi pprezentata l-Karta tal-Identità tiegħu/tagħha.

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

Id-dhul għal-LGA ser jibda siegħa qabel il-ħin appuntat.

Wara li l-LGA tkun bdiet, id-dokumenti tal-vot jkomplu jinħarġu sakemm il-LGA tipproċedi sabiex jittiehed 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 l-ebda dokument ta' vot ieħor u d-dhul għal-LGA jitleqq.

E. Abbozz ta' Riżoluzzjonijiet u Dokumenti

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

Kif ġie ddikjarat fil-Company Announcement Nru 350 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-LGA u li jipprezentaw abbozz ta' riżoluzzjonijiet għal suġġetti biex jiġu inkluzi fl-aġenda tal-LGA. Dawn it-talbiet kellhom jiġu sottomessi lill-Bank sal-24 ta' Marzu 2019, li tiġi s-sitta u erbghin (46) ġurnata qabel id-data indikata tal-LGA (id-9 ta' Mejju 2019).

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-Imtiehen, 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 on the resolutions shall take place by show of hands unless a poll is demanded by any person who is entitled to demand a poll according to the Bank's Articles of Association or in accordance with any applicable law. If a poll is demanded and 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

The Appointment of 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

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 wkoll disponibbli fl-Uffiċċju tas-Segretarju tal-Kumpanija, fl-indirizz House of the Four Winds, Triq l-Imtiehen, Il-Belt Valletta VLT 1350, Malta, u fuq is-sit elettroniku tal-Bank www.bov.com taħt is-Sezzjoni tal-Investor Relations. Kif mitlub mil-Listing Rule 12.11.2, din is-sezzjoni tas-sit elettroniku ser tindika wkoll 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 jittiehed vot, l-Azzjonist (jew il-prokurator) jista' jivvota favur jew kontra r-riżoluzzjoni jew jista' jagħzel 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 indikat fuq il-Formola ta' Prokura.

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

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

Fil-każ ta' votazzjoni permezz ta' wiri tal-idejn, prokurator li għie 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 wiehed favur u vot ieħor kontra r-riżoluzzjoni.

Elezzjoni tad-Diretturi

Il-Hatra ta' Diretturi Mhux Eżekuttivi hija regolata mill-Artiklu 25 tal-Artikli ta' Assoċjazzjoni u l-hatriet jistgħu jsiru minn:

- a. Azzjonisti Kwalifikanti – jigiġifieri membrili 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' ishma miżmuma bi dritt tal-vot; u
- b. Kwalunkwe Membru jew Membri, hliet għal Azzjonisti Kwalifikanti, li bħala aggregat għandhom mhux inqas minn €50,000 f'valur nominali ta' ishma u bi drittijiet tal-vot fil-Bank, u li huma intitolati jagħmlu rakkomandazzjonijiet lin-Nominations and Governance Committee ta' persuni kompetenti u idonei għall-hatra bħala Direttur Mhux Eżekuttiv tal-Bank; jew

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.

Currently, the Board of Directors of the Bank is composed of nine 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 AGM scheduled for 9 May 2019. The Directors who have been longest in office and who shall be retiring are:

- Scerri Taddeo
- Grech James
- Zrinzo Joseph M

Thus, three vacancies for Non-Executive Directors have arisen.

One out of these three vacancies, namely Taddeo Scerri is appointed by a Qualifying Shareholder of the Bank, pursuant to Article 25 of the Articles of Association. In this regard, the Bank received the recommended candidate from the Qualifying Shareholder and Taddeo Scerri was reconfirmed for re-appointment by the Government of Malta, as Chairman and Director of the Bank.

In so far as the two other vacancies are concerned, the Bank received two nominations from the Non-Qualifying Shareholders, namely nominations relating to James Grech and Joseph M. Zrinzo.

Since all nominees were deemed by the Nominations and Governance Committee to be fit and proper to act as Directors of the Bank, no election will take place during the forthcoming AGM.

The appointments of Taddeo Scerri, James Grech and Joseph M Zrinzo are subject to regulatory approval.

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

Thus, with effect from 9 May 2019, the Board of Directors for the Financial Year 2019 shall be composed of the following Directors:

1. Scerri Taddeo (Chairman)
2. Agius Stephen
3. Attard Alan
4. Azzopardi Paul V
5. Borg Miguel
6. Grech James
7. Lupi Alfred
8. Mallia Mario
9. Mangion Anita
10. Piras Antonio
11. Zrinzo Joseph M

c. In-Nominations and Governance Committee nnifsu jirrekluta persuni kompetenti u idonei li jkollhom l-attribwiti tajba li jistgħu jżidu l-valur għall-Bord tad-Diretturi.

Preżentament, il-Bord tad-Diretturi tal-Bank huwa magħmul minn disa' Diretturi Mhux Eżekuttivi u żewġ Diretturi Eżekuttivi.

Skont l-Artiklu 28.2 tal-Memorandum u l-Artiklu ta' Assoċjazzjoni tal-Bank, terz mid-disa' Diretturi Mhux Eżekuttivi tal-Bank, jiġifieri, dawk li ilhom l-iktar fil-kariga, ser jirtiraw fil-Laqqha Ġenerali Annwali li jmiss skedata għad-9 ta' Mejju 2019. Id-Diretturi li ilhom l-iktar fil-kariga u li ser jirtiraw huma:

- Scerri Taddeo
- Grech James
- Zrinzo Joseph M

Għalhekk, ser ikun hemm tliet postijiet vakanti għal Diretturi Mhux Eżekuttivi.

Wieħed minn dawn it-tliet postijiet vakanti, jiġifieri Taddeo Scerri huwa mahtur minn Azzjonist Kwalifikanti tal-Bank, skont l-Artiklu 25 tal-Artiklu ta' Assoċjazzjoni. F'dan ir-rigward, il-Bank irċieva l-kandidat rakkomandat mill-Azzjonist Kwalifikanti u Taddeo Scerri reġa' ġie kkonfermat għal hatra mill-ġdid mill-Gvern ta' Malta, bħala Chairman u Direttur tal-Bank.

Fir-rigward taż-żewġ postijiet vakanti l-oħra, il-Bank irċieva żewġ nomini mill-Azzjonisti Mhux Kwalifikanti, jiġifieri dawk ta' James Grech u Joseph M. Zrinzo.

Billi dawn in-nominati kollha ġew meqjusa min-Nominations and Governance Committee li huma kompetenti u idonei biex jinhatru bħala Diretturi tal-Bank, mhux ser issir elezzjoni matul il-LĠA li jmiss.

Il-hatriet ta' Taddeo Scerri, James Grech u Joseph M Zrinzo huma soġġetti għal approvazzjoni regolatorja.

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

Għalhekk, b'effett mid-9 ta' Mejju 2019, il-Bord tad-Diretturi għas-Sena Finanzjarja 2019 se jkun magħmul mid-Diretturi li ġejjin:

1. Scerri Taddeo (iċ-Chairman)
2. Agius Stephen
3. Attard Alan
4. Azzopardi Paul V
5. Borg Miguel
6. Grech James
7. Lupi Alfred
8. Mallia Mario
9. Mangion Anita
10. Piras Antonio
11. Zrinzo Joseph M

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-Imtiehen, Il-Belt Valletta VLT 1350, Malta, or by e-mail to agm2019@bov.com by not later than Thursday, 2 May 2019.

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 that 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 agm2019@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.

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 imwiegħba miċ-Chairman tal-Laqgħa jew mid-Diretturi jew minn persuni li d-Diretturi jistgħu jiddelegaw għal dak il-ghan. 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, Triq l-Imtiehen, Il-Belt Valletta VLT 1350, Malta, jew bl-e-mail fuq agm2019@bov.com sa mhux aktar tard mill-Hamis, 2 ta' Mejju 2019.

Filwaqt li iċ-Chairman tal-Laqgħa ser ifittex li jwiegħeb għall-mistoqsijiet kollha li jitressqu waqt il-LĠA b'konnessjoni mar-riżoluzzjonijiet imressqa quddiem il-LĠA, wieħed għandu jinnota li twegħiba ġenerali waħda tista' tingħata mill-Bank fejn il-mistoqsijiet għandhom l-istess kontenut, u l-ebda twegħiba ma hi ser tingħata mill-Bank fiċ-ċirkustanzi msemmija hawn taht:

- i. Twegħiba 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 twegħiba; jew
- iii. Il-Bank mhux f'pożizzjoni li jagħti risposta immedjata, f'liema każ, iżda, ir-risposta ser tkun sussegwentement imqiegħda fuq is-sit elettroniku 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 bl-e-mail fuq agm2019@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 uffċjali.

SHAREHOLDERS' CIRCULAR

45TH 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 three resolutions being proposed at the forthcoming Annual General Meeting (the **"AGM"**) of the Company, for the purpose of considering and if thought fit approve the changes to the Company's Memorandum and Articles of Association as well as other special business which is being proposed at the AGM.

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 9 April 2019 (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 6.16 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, namely, 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. 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.

ĊIRKULARI GHALL-AZZJONISTI

II-45 LAQGHJA 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 ta' rreġistrazzjoni tal-kumpanija C 2833 u bl-uffiċċju rreġistrat tagħha fi 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta (il-**"Kumpanija"**) dwar tliet riżoluzzjonijiet li qed jiġu proposti fil-Laqgħa Ġenerali Annwali (il-**"LĠA"**) li jmiss tal-Kumpanija, bil-għan li jiġu kkunsidrati u jekk meqjusa xierqa approvati t-tibdil fil-Memorandum u l-Artikli ta' Assoċjazzjoni tal-Kumpanija kif ukoll negozju speċjali ieħor li qed jiġi propost fil-LĠA.

1. INFORMAZZJONI IMPORTANTI

Din iċ-Ċirkulari, li fiha informazzjoni dwar ir-riżoluzzjonijiet li se jiġu proposti għall-approvazzjoni fil-LĠA li jmiss, inkluż it-tibdil propost fil-Memorandum u l-Artikli ta' Assoċjazzjoni tal-Kumpanija, kif approvat mill-Bord tad-Diretturi tal-Kumpanija, qed titqassam 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 fid-9 ta' April 2019 (il-**"Membri"**).

Din iċ-Ċirkulari qed tinħareġ f'konformità mal-Listing Rules maħruġa mil-Listing Authority, b'mod partikolari r-rekwiżiti stabbiliti fil-Listing Rule 6.16 għal ċirkularijiet relatati ma' tibdil fil-memorandum u l-artikli ta' assoċjazzjoni, u Listing Rule 6.2 dwar il-kontenut taċ-ċirkulari kollha.

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

Id-diretturi kollha tal-Kumpanija, sad-data ta' din iċ-Ċirkulari, jiġifieri, 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-Ċirkulari. Fl-aħjar għarfien u twemmin tad-Diretturi, li ħadu l-prekawzjonijiet kollha raġonevoli 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 taffetwa is-sinifikat ta' din l-informazzjoni.

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

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

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 three resolutions relating to the special business of the Company, as set out in this Circular.

The Circular sets out an explanation to members of the material changes that are being proposed in the Company's Memorandum and Articles of Association. Members will note that clauses in the document have been re-numbered and a different numbering protocol adopted, in other instances grammatical errors have been corrected or syntax changed to ensure a better reading of the document. There are a number of other minor and consequential amendments to the Memorandum and Articles of Association which are not substantive. These changes do not require any explanation and shall therefore not be referred to in this document.

A. PROPOSED ORDINARY RESOLUTIONS - SPECIAL BUSINESS

RESOLUTION 3: CHANGES IN SHARE CAPITAL

Following the admission to the Official List of 5,772,064 Bank of Valletta p.l.c. fully paid up ordinary shares of a nominal value of €1.00 each subsequent to the Scrip Dividend Election for the 2017 Final Dividend, the issued and paid up capital of Bank of Valletta p.l.c. increased to €530,772,064 divided into 530,772,064 ordinary shares with a nominal value of €1.00 each fully paid up, with effect from 18 May 2018.

Further to the above, the Board of Directors is proposing a bonus issue on the 11 June 2019 of 1 share for every 10 shares held in the Company (the "**Bonus Share Issue**"). This will result in the issue of an additional 53,077,206 shares (after fractions) by the Company and the capitalisation of retained earnings in the amount of €53,077,206.

Following the Bonus Share Issue, the issued share capital of the Company will, on the 11 June 2019, increase from the current 530,772,064 to 583,849,270 shares of €1.00 each (fully paid up), and therefore, the Company's paid up share capital will increase from €530,772,064 to €583,849,270.

The last date on which transfers will be accepted for registration with the Company, in order for the holders of shares to participate in the Bonus Share Issue is 6 June 2019. The Company's share register as at close of business on 11 June 2019 will include trades undertaken up to and including 6 June 2019. The shares issued pursuant to the Bonus Share Issue will rank *pari passu* with the existing listed share capital of the Company. An application will be made for the listing of the shares issued pursuant to the Bonus Share Issue on the official list of the Malta Stock Exchange. The shares issued in terms of the Bonus Share Issue are expected to be admitted to listing on Tuesday 11 June 2019 and trading therein is expected to commence on Wednesday 12 June 2019.

2. INTRODUZZJONI

Apparti mir-riżoluzzjonijiet relatati man-negozju ordinarju tal-Kumpanija li qed jittressqu quddiem il-Membri fil-LGA, id-Diretturi qed iressqu wkoll quddiem il-Membri tliet riżoluzzjonijiet relatati man-negozju speċjali tal-Kumpanija, kif stabbilit f'din iċ-Ċirkulari.

Iċ-Ċirkulari taghti spjegazzjoni lill-membri dwar il-bidliet materjali li qed jiġu proposti fil-Memorandum u l-Artikli ta' Assoċjazzjoni tal-Kumpanija. Il-membri ser jinnotaw li l-klawsoli fid-dokument ġew innumerati mill-ġdid u ġie adottat protokoll ta' numerazzjoni differenti, li f'stanzji oħra żbalji grammatikali ġew ikkoreġuti jew inbidlet is-sintassi biex jiġi żgurat qari aħjar tad-dokument. Hemm numru ta' emendi żgħar u konsegwenzjali oħra fil-Memorandum u fl-Artikli ta' Assoċjazzjoni li mhumieq sostantivi. Dawn il-bidliet ma jeftieġu l-ebda spjegazzjoni u għalhekk mhix ser issir referenza għalihom f'dan id-dokument.

A. RIŻOLUZZJONIJIET ORDINARJI PROPOSTI – NEGOZJU SPEĊJALI

RIŻOLUZZJONI 3: TIBDIL FIL-KAPITAL AZZJONARJU

Wara l-inklużjoni fil-Lista Uffiċjali ta' 5,772,064 sehem ordinarju tal-Bank of Valletta p.l.c. kompletament imħallsa ta' valur nominali ta' €1.00 kull wieħed, u wara l-Scrip Dividend Election għad-Dividend Finali tal-2017, il-kapital maħruġ u mħallas tal-Bank of Valletta p.l.c. żdied għal €530,772,064 maqsum f'530,772,064 sehem ordinarju b'valur nominali ta' €1.00 kull wieħed, kompletament imħallsa, b'effett mit-18 ta' Mejju 2018.

Minbarra dan, il-Bord tad-Diretturi qed jipproponi l-hruġ ta' ishma bonus fil-11 ta' Ġunju 2019 ta' sehem wieħed (1) għal kull għaxar (10) ishma miżmuma fil-Kumpanija (il-"**Hruġ ta' Ishma Bonus**"). Dan ser jirriżulta fil-hruġ ta' 53,077,206 sehem ġdid (wara l-frazzjonijiet) mill-Kumpanija u l-kapitalizzazzjoni ta' retained earnings fl-ammont ta' €53,077,206.

Wara l-Hruġ ta' Ishma Bonus, il-kapital azzjonarju maħruġ tal-Kumpanija, fil-11 ta' Ġunju 2019, ser jiżdied mill-530,772,064 sehem attwali għal 583,849,270 sehem ta' €1.00 kull wieħed (kollha mħallsa), u għalhekk, il-kapital azzjonarju mħallas tal-Kumpanija se jiżdied minn €530,772,064 għal €583,849,270.

L-aħħar ġurnata li fiha t-trasferimenti ser jiġu aċċettati għar-registrazzjoni mal-Kumpanija, sabiex id-detenturi tal-ishma jipparteċipaw fil-Hruġ ta' Ishma Bonus hija s-6 ta' Ġunju 2019. Ir-registru tal-ishma tal-Kumpanija mal-għeluq tan-negozju tal-11 ta' Ġunju 2019 se jinkludi n-negozju tal-ishma li jkun sar sas-6 ta' Ġunju 2019. L-ishma maħruġa skont il-Hruġ ta' Ishma Bonus għandhom jikklassifikaw *pari passu* mal-kapital azzjonarju kkwotati eżistenti tal-Kumpanija. Ser issir applikazzjoni biex l-ishma maħruġa skont il-Hruġ ta' Ishma Bonus jiġu kkwotati fuq il-lista uffiċjali tal-Borża ta' Malta. L-ishma maħruġa f'termini tal-Hruġ ta' Ishma Bonus huma mistennija li jiżdiedu fil-lista nhar it-Tlieta 11 ta' Ġunju 2019 u n-negozjar filhom huwa mistenni li jibda nhar l-Erbgħa 12 ta' Ġunju 2019.

The effects of these changes to the share capital of the Company are intended to further strengthen the paid up capital position in the Company's statement of financial position.

Resolution 3 will propose:

- a. That, on Tuesday 11 June 2019, the amount of €53,077,206 from the Company's reserves is capitalised for the purpose of a bonus share issue of 53,077,206 fully paid ordinary shares of a nominal value of €1.00 per share, representing 1 bonus share for every 10 shares held, to be allotted to the members appearing on the register of members of the Company as at the close of business on Tuesday 11 June 2019 (Eligible Members), thereby increasing the issued share capital from the current 530,772,064 shares to 583,849,270 shares of €1.00 each share fully paid up, resulting in a paid up capital of €583,849,270.
- b. Since the allocation ratio of bonus shares to registered shares held by the Eligible Member is 1 bonus share for every 10 shares held, in the allocation process the Company shall, where the number of shares held by the Eligible Member is not exactly divisible by 10, round up the allocation to the nearest share whenever the mathematical result of the allocation formula contains a fractional entitlement which is of 0.5 of a share or more, and round down to the nearest share in the event that the mathematical result of the allocation formula contains a fractional entitlement which is of less than 0.5 of a share.

L-effetti ta' dan it-tibdil fil-kapital azzjonarju tal-Kumpanija huma maħsuba biex isaħħu aktar il-pożizzjoni tal-kapital imħallas fir-rapport tal-pożizzjoni finanzjarja tal-Kumpanija.

Riżoluzzjoni 3 se ttipponi:

- a. Illi, minn nhar it-Tlieta 11 ta' Ġunju 2019, l-ammont ta' €53,077,206 mir-riżervi tal-Kumpanija jiġi kkapitalizzat għall-finijiet tal-ħruġ ta' ishma bonus ta' 53,077,206 ishma ordinarji kollha mħallsa b'valur nominali ta' €1.00 kull sehem, li jirrappreżenta sehem bonus wieħed (1) għal kull għaxar (10) ishma miżmuma, li għandhom jiġu allokati lill-membri li jidhru fuq ir-reġistru tal-membri tal-Kumpanija mal-għeluq tan-negozju ta' nhar it-Tlieta 11 ta' Ġunju 2019 (Membri Eliġibbli), biex b'hekk jiżdied il-kapital azzjonarju maħruġ minn dak attwali ta' 530,772,064 sehem għal 583,849,270 sehem ta' €1.00 kull sehem kollha mħallsa, li jirriżulta f'kapital imħallas ta' €583,849,270.
- b. Illi, peress li proporzjon ta' allokkazzjoni ta' dawn l-ishma bonus għall-ishma li jkollu Membru Eliġibbli huwa ta' sehem bonus wieħed (1) għal kull għaxar (10) ishma miżmuma, waqt il-proċess tal-allokkazzjoni, fejn in-numru ta' ishma miżmuma mill-Membru Eliġibbli ma jistax ikun diviż b'10, il-Kumpanija ser iżżid l-allokkazzjoni għall-eqreb sehem kull meta r-riżultat matematiku tal-formola tal-allokkazzjoni jagħti frazzjoni ta' 0.5 ta' sehem jew aktar, u ser tnaqqas għall-eqreb sehem fil-każ meta r-riżultat matematiku tal-formola tal-allokkazzjoni jagħti frazzjoni li hija anqas minn 0.5 ta' sehem.

Bank of Valletta p.l.c. Proposed changes to Share Capital	Position at 31 December 2018	Bonus Issue of 1 for 10	Position following Bonus Issue
Number of Authorised Shares	1,000,000,000		1,000,000,000
Value per Share	€1.00	€1.00	€1.00
Value of Authorised Share Capital	€1,000,000,000		€1,000,000,000
Number of Issued and Paid Up Shares	530,772,064	53,077,206	583,849,270
Value of Issued and Paid Up Capital	€530,772,064	€53,077,206	€583,849,270
Amount of Capitalisation of Retained Profits		€53,077,206	

RESOLUTION 4: WAIVER OF PRE-EMPTION RIGHTS

The proposed resolution reads as follows:

It is hereby resolved that the Directors be and are hereby authorised to issue a financial instrument up to a maximum amount of €150 million in nominal value that qualifies for additional tier one capital, which may include a conversion option into ordinary shares of the Company at a pre-specified trigger point, without first offering the said instruments to shareholders proportionately to their holdings.

RIŻOLUZZJONI 4: RINUNZJA TAL-JEDDIJET TA' PRELAZZJONI

Ir-riżoluzzjoni proposta taqra kif ġej:

Illi qed jiġi maqbul, li d-Diretturi jkunu u jiġu hawn awtorizzati li joħorgu strument finanzjarju sa ammont massimu ta' €150 miljun f'valur nominali li jikkwalifika għal Tier 1 Capital addizzjonali, li jista' jinkludi għażla ta' konverżjoni f'ishma ordinarji tal-Kumpanija b'punt ta' attivazzjoni speċifikat minn qabel, mingħajr ma l-ewwel jiġu offruti l-imsemmija strumenti lill-azzjonisti proporzjonalment għall-ishma tagħhom.

Explanatory note to the proposed resolution:

In terms of Article 8 of the Company's Articles of Association, the Directors may not issue Equity Securities without first offering those securities to the current shareholders *pro rata* to their then current holdings, unless the general meeting approves otherwise.

The Company needs to continue to enhance its capital base and capital buffers that would provide against potential future losses. In this context the Directors intend to issue a financial instrument which would qualify for Additional Tier One ("AT1") capital under applicable regulatory requirements that would have the effect of enhancing the Company's capital base.

For a financial instrument to qualify as AT1, it must be subordinated to depositors, the Company's general creditors and the subordinated debt of the Company. The instrument which is intended to be issued as a debt instrument may be callable by the Company after a term of not less than five years and only following regulatory approval and subject to a number of targets being attained. These instruments qualify for AT1 status because they are designed with key features and characteristics that are loss absorbing either through conversion into ordinary shares of the Bank at an objective pre-specified trigger event, or by a write down mechanism which allocates losses to the instrument at pre-specified trigger points.

In view of the possibility that these instruments may have a conversion option into the ordinary share capital of the Company and therefore qualify as Equity Securities under the Memorandum and Articles of Association, the Directors cannot issue these instruments without offering them to shareholders *pro rata* to their shareholding, unless the general meeting approves otherwise.

AT1 instruments are highly complex instruments that as market best practice are issued to institutional and professional investors only, normally in high nominal denominations. The Directors are of the view that these are not instruments that ought to be issued to retail investors in view of their complexity and their inherent economic dynamics. Additionally, the high nominal values that normally characterise such instruments would not make them adequately divisible to enable the Company to offer them on a *pro rata* basis to its shareholders. The Company's shareholder base is principally composed of retail investors for whom investment in these instruments is likely to be unsuitable. Accordingly, the Board of Directors is seeking shareholder approval to issue up to €150 million of such AT1 instruments including, if determined by the Directors to be to the benefit of the Company, with a conversion option to convert such AT1 instruments into ordinary shares of the Company, without first offering the instrument to shareholders.

Nota ta' spjegazzjoni dwar ir-riżoluzzjoni proposta:

Skont l-Artiklu 8 tal-Artikli ta' Assocjazzjoni tal-Kumpanija, id-Diretturi ma jistghux joħorġu Titoli ta' Ekwità mingħajr ma l-ewwel joffru dawk it-titoli lill-azzjonisti kurrenti *pro rata* għall-investimenti kurrenti tagħhom, sakemm il-Laqqgħa Generali ma tapprovax mod ieħor.

Il-Kumpanija jehtieg li tkompli ttejjeb il-baži tal-kapital tagħha u l-buffers kapitali li jipprovdu kontra telf potenzjali fil-futur. F'dan il-kuntest id-Diretturi għandhom il-ħsieb li joħorġu strument finanzjarju li jikkwalifika għal Tier 1 Capital Addizzjonali ("AT1") skont ir-rekwiżiti regolatorji applikabbli li jkollhom l-effett li jtejbju l-baži tal-kapital tal-Kumpanija.

Biex strument finanzjarju jikkwalifika bħala AT1, għandu jkun subordinat għad-depożitanti, għall-kredituri ġenerali tal-Kumpanija u għad-dejn subordinat tal-Kumpanija. L-istrument li huwa maħsub biex jinħareġ bħala strument ta' dejn jista' jiġi mħallas mill-Kumpanija wara terminu ta' mhux inqas minn ħames snin u biss wara l-approvazzjoni regolatorja u suġġett li jintlaħqu numru ta' miri. Dawn l-istrumenti jikkwalifikaw għall-istatus ta' AT1 għaliex huma mfassla b'karatteristiċi ewlenin li jassorbu t-telf, jew b'permezz tal-konverżjoni f'ishma ordinarji tal-Bank meta jseħħ avveniment speċifikat minn qabel, jew b'permezz ta' mekkanizmu ta' write down li jalloka t-telf għall-istrument f'punti ta' attivazzjoni speċifikati minn qabel.

Fid-dawl tal-possibbiltà li dawn l-istrumenti jista' jkollhom l-għażla ta' konverżjoni fil-kapital azzjonarju ordinarju tal-Kumpanija u għalhekk jikkwalifikaw bħala Titoli ta' Ekwità skont il-Memorandum u l-Artikli ta' Assocjazzjoni, id-Diretturi ma jistghux joħorġu dawn l-istrumenti mingħajr ma joffruhom lill-azzjonisti *pro rata* għall-ishma tagħhom, sakemm il-Laqqgħa Generali ma tapprovax mod ieħor.

L-istrumenti AT1 huma strumenti kumplessi ħafna u skont l-aħjar prassi tas-suq jinħarġu lil investuri istituzzjonali u professjonali biss, normalment f'denominazzjonijiet nominali għoljin. Id-Diretturi huma tal-fehma li dawn mhumiex strumenti li għandhom jinħarġu lil retail investors fid-dawl tal-kumplessità u d-dinamika ekonomika inerenti tagħhom. Barra minn hekk, il-valuri nominali għoljin li normalment jikkaratterizzaw dawn l-istrumenti ma jagħmluhomx diviżibbli b'mod adegwat biex jippermettu lill-Kumpanija toffrihom fuq baži *pro rata* lill-azzjonisti tagħha. Il-baži tal-azzjonisti tal-Kumpanija hija prinċipalment komposta minn retail investors li għalihom investment f'dawn l-istrumenti x'aktarx ma jkunx adattat. Għaldaqstant, il-Bord tad-Diretturi qed ifittex l-approvazzjoni tal-azzjonisti biex joħroġ sa €150 miljun minn dawn l-istrumenti AT1, inkluż jekk ikun determinat mid-Diretturi li huwa għall-benefiċċju tal-Kumpanija, bl-għażla ta' konverżjoni biex dawn l-istrumenti AT1 jiġu kkonvertiti f'ishma ordinarji tal-Kumpanija, mingħajr dan l-istrument ma jiġi offrut l-ewwel lill-azzjonisti.

B. PROPOSED EXTRAORDINARY RESOLUTION – SPECIAL BUSINESS

RESOLUTION 5: CHANGES TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The proposed resolution reads as follows:

That the existing Memorandum and Articles of Association of the Company be hereby revoked and substituted in its entirety by the new memorandum and articles of association a copy of which may be obtained from the Company's website www.bov.com under the Investor Relations section (<https://www.bov.com/content/bov-agm-2019>) or from the Office of the Company Secretary at the House of the Four Winds, Triq l-Imtiehen, Il-Belt Valletta VLT 1350.

The material changes being proposed to the Company's Memorandum and Articles of Association are set out below, including explanations relating to such material changes.

Amendments to clauses 4.5 and 4.6 of the Memorandum of Association

It is being proposed that clauses 4.5 and 4.6 of the Memorandum of Association of Bank of Valletta p.l.c. shall be deleted and substituted by the following:

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, licensed collective investment scheme or licensed retirement fund 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, licensed collective investment schemes or licensed retirement funds 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, or an entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction;

"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, or an entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction;

"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, or an entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction;

"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, or a fund or entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction; and

"licensed retirement fund" shall mean a retirement fund as defined by the Retirement Pensions Act (Cap. 514 of

B. RIŻOLUZZJONI STRAORDINARJA PROPOSTA – NEGOZJU SPEĊJALI

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

Ir-riżoluzzjoni proposta taqra kif ġej:

Illi l-Memorandum u l-Artikli tal-Assoċjazzjoni tal-Kumpanija huma hawn revokati u sostitwiti kollha kemm huma bil-memorandum u l-artikli tal-assoċjazzjoni l-ġodda liema kopja tista' tinkiseb mis-sit elettroniku tal-Kumpanija www.bov.com taħt is-Sezzjoni tal-Investor Relations (<https://www.bov.com/content/bov-agm-2019>) jew mill-Uffiċċju tas-Segretarju tal-Kumpanija, f'House of the Four Winds, Triq l-Imtiehen, Il-Belt Valletta VLT 1350.

L-emendi materjali li qed jiġu proposti fil-Memorandum u l-Artikli tal-Assoċjazzjoni tal-Kumpanija qegħdin speċifikati hawn taħt, u jinkludu spjegazzjoni għal kull bidla materjali:

Emendi għal klawnsoli 4.5 u 4.6 tal-Memorandum ta' Assoċjazzjoni

Huwa propost illi klawnsoli 4.5 u 4.6 tal-Memorandum ta' Assoċjazzjoni tal-Bank of Valletta p.l.c. ikunu abrogati u mibdula sabiex jinqraw hekk:

the Laws of Malta) having a retirement fund licence as set out in the Retirement Pensions Act (Cap. 514 of the Laws of Malta), as that Act may be replaced, amended or renumbered, or a fund or entity in another jurisdiction which is regulated by equivalent legislation in such other jurisdiction.

Explanatory note to the above changes:

The change being proposed in this clause is self-explanatory. It is to the effect that a large shareholder, namely any person who currently holds more than 5% of the Company's issued share capital that is a bank, credit institution, financial institution, insurance company, licensed collective investment scheme or licensed retirement fund, may be able to sell its large shareholding, namely any holding of more than 5% of the Company's issued share capital, to any of the following institutions: banks, credit institutions, financial institutions, insurance companies, licensed collective investment schemes or licensed retirement funds.

The proposed amendment to the aforementioned clauses is the inclusion of the reference to 'licensed retirement funds' as one of the entities that shall be permitted to own a large shareholding in the Company. This therefore grants a large shareholder of the Company, wishing to dispose of its large shareholding in the Company, with 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 licensed and regulated entities may be the holders of a large shareholding in the Company. The proposed amendment also seeks to capture entities which would qualify as large shareholders in terms of the relevant equivalent legislation in other jurisdictions.

Amendments to Article 7 of the Articles of Association and further amendments to the Articles of Association in connection with the insertion of a new Article 27A.

It is being proposed that a new Article 7.3 be inserted immediately following Article 7.2 of the Articles of Association as follows:

- 7.3** In respect of shares held subject to usufruct, the names of the bare owner and the usufructuary shall be entered in the register of Members. The usufructuary shall, for all intents and purposes, be deemed vis-a-vis the Company to be the registered holder of the shares so held and shall be entitled to all the rights and advantages conferred by Membership of the Company, including the right to receive dividends and to attend and vote at meetings of the Company, but shall not have the right to dispose of the shares so held without the consent of the bare owner. If there is more than one usufructuary, the provisions of Article 7.1 shall apply *mutatis mutandis*.

Explanatory note to the above change:

The change being proposed is intended to clarify and regulate the current practical state of affairs when shares issued by the Company are held subject to usufruct. This will not result in any changes from a practical point of view, but is merely intended to formalise the process currently in place.

27A Co-Option of Additional Non-Executive Directors

It is being proposed that Clause 2 of the Articles of Association be revised as follows:

Non-Executive Director means the persons appointed to the office of director of the Company pursuant to the provisions of article 25 or article 27A as may be applicable.

Nota ta' spjegazzjoni dwar it-tibdil t'hawn fuq:

It-tibdil li qed jiġi propost f'din il-klawsola huwa spjegatorju fih innifsu. Azzjonist kbir, jiġifieri kwalunkwe persuna li bħalissa għandha aktar minn 5% tal-kapital azzjonarju maħruġ tal-Kumpanija li hija bank, istituzzjoni ta' kreditu, istituzzjoni finanzjarja, kumpanija tal-assigurazzjoni, skema ta' investiment kollettiv liċenzjata jew fond għall-irtirar liċenzjat, ikun jista' jbigħ is-sehem sostanzjali tiegħu, jiġifieri kwalunkwe sehem ta' aktar minn 5% tal-kapital azzjonarju maħruġ tal-Kumpanija, lil kwalunkwe waħda mill-istituzzjonijiet li ġejjin: banek, istituzzjonijiet ta' kreditu, istituzzjonijiet finanzjarji, kumpaniji tal-assigurazzjoni, skemi ta' investiment kollettiv liċenzjati jew fondi għall-irtirar liċenzjati.

L-emenda proposta għall-klawsoli msemmija hawn fuq hija l-inkluzjoni tar-referenza għal "fondi għall-irtirar liċenzjati" bħala waħda mill-entitajiet li għandhom jithallew ikollhom sehem kbir fil-Kumpanija. Dan għalhekk jagħti lil azzjonist kbir tal-Kumpanija, li jixtieq jiddisponi mis-sehem kbir tiegħu fil-Kumpanija, segment usa' fis-suq fejn jista' jbigħ u b'hekk jiddisponi mill-ishma tiegħu f'daqqa, filwaqt li fl-istess ħin jiġi żgurat li l-entitajiet liċenzjati u regolati biss ikunu jistgħu jsiru d-detenturi ta' ishma kbar fil-Kumpanija. L-emenda proposta tfittex ukoll li tkopri entitajiet li jikkwalifikaw bħala azzjonisti kbar f'termini tal-leġiżlazzjoni ekwivalenti rilevanti f'ġurisdizzjonijiet oħra.

Emendi f'Artiklu 7 tal-Artikli ta' Assoċjazzjoni u aktar emendi fl-Artikli ta' Assoċjazzjoni għar-rigward tal-inkluzjoni tal-Artiklu l-gdid 27A

Huwa propost illi Artiklu ġdid 7.3 jiġi introdott immedjatament wara Artiklu 7.2 tal-Artikli ta' Assoċjazzjoni kif ġej:

Nota ta' spjegazzjoni dwar it-tibdil t'hawn fuq:

L-emenda li qed tiġi proposta hija intenzjonata sabiex tikkjarifika u tirregola l-prassi tas-sitwazzjoni attwali meta l-ishma maħruġa mill-Kumpanija huma suġġetti għal użufrutt. Mill-perspettiva prattika, din l-emenda mhux se tirrizulta f'tibdil, pero hija maħsuba sabiex jiġi fformalizzat il-proċess attwali.

27A Co-Option ta' Diretturi Mhux Eżekuttivi Addizzjonali

Illi klawsola 2 tal-Artikli ta' Assoċjazzjoni tiġi riveduta kif ġej:

It is also being proposed that Clauses 23.3 and 23.4 of the Articles of Association be revised as follows:

Illli klawnsoli 23.3 u 23.4 tal-Artikli ta' Assoċjazzjoni jiġu riveduti kif ġej:

- 23.3 The Board of Directors shall consist of a maximum of three (3) Executive Directors and a maximum of nine (9) Non-Executive Directors. In the event of the co-option of additional Non-Executive Directors as set out in Article 27A, the maximum number of Non-Executive Directors shall be eleven (11).
- 23.4 Without prejudice to the provisions of Article 23.6 and Article 27A.5, once appointed to office in accordance with the provisions of these Articles, a Non-Executive Director shall hold office for a maximum period of three (3) years unless he resigns or is earlier removed or is due to retire by rotation in accordance with these Articles.

It is being proposed that a new clause 27A be introduced immediately following Article 27.17:

Illli klawnsola 27A ġdida tiġi introdotta immedjatament wara l-Artiklu 27.17:

- 27A.1 In the event that (i) the appointment of an additional Non-Executive Director is required for compliance with regulatory requirements; or (ii) in the opinion of the Committee, the then current composition of the Board does not have the appropriate mix of collective skills, knowledge and experience, then notwithstanding that all nine (9) positions of Non-Executive Directors are duly occupied, the Committee shall, pursuant to its functions under the provisions of Article 27.13, recommend to the Non-Executive Directors the co-option to the Board of Directors of up to an additional two (2) Non-Executive Directors.
- 27A.2 Upon a determination of the Committee as provided in Article 27A.1 the Committee shall at the earliest available opportunity communicate such determination to the Board.
- 27A.3 Upon a notification to the Board as provided in Article 27A.2, the Board shall consider the recommendations of the Committee and determine whether to proceed on those recommendations or not. In the event that it resolves to proceed with the recommendations of the Committee, the Board may itself make recommendations to the Committee as to fit and proper individuals for co-option; and/or seek from the Committee recommendations for fit and proper individuals to be co-opted as Non-Executive Directors and whose co-option, in the opinion of the Committee would (i) meet the regulatory requirements; and/or (ii) provide the Board with a more appropriate mix of collective skills, knowledge and experience required for the better direction of the Company.
- 27A.4 The Committee, after taking into account any recommendations made by the Board in accordance with the provisions of Article 27A.3 and its own recommendations to the Board, shall evaluate the individuals concerned in accordance with the process applicable for such assessment from time to time as provided in Article 27.16 and shall make a final recommendation to the Board on the co-option of a maximum of two (2) candidates who, in the opinion of the Committee are most suitable for appointment in the light of the collective skills, knowledge and experience required in the Board or the regulatory requirements that need to be complied with.
- 27A.5 The co-option of a Non-Executive Director or Non-Executive Directors pursuant to the provisions of this Article 27A shall be made by a resolution passed by a majority vote of the Non-Executive Directors. Any Non-Executive Director co-opted in accordance with this Article 27A shall be co-opted for a fixed term of three (3) years and shall not be subject to the rules on rotation of Directors as set out in Article 28, but shall, unless he resigns or is otherwise removed, remain in office for the full term of office. Subject to the provisions of Article 23.6 and the provisions of this Article 27A, such Non-Executive Director or Non-Executive Directors, having been co-opted pursuant to this Article 27A shall, however, be eligible for re-appointment for further terms of three (3) years each term.

Explanatory note to the above changes:

The change being proposed is to address situations where, notwithstanding the efforts that may be made by the Nominations and Governance Committee to ensure that the Board of Directors of the Company has the necessary mix of skills and experience, there may arise situations where those efforts may not yield the appropriate mix and combination of skills; or where the regulator may require certain skills which may not be present on the Board. In these situations,

Nota ta' spjegazzjoni dwar it-tibdil t'hawn fuq:

It-tibdil li qed jiġi propost għandu jindirizza sitwazzjonijiet fejn, minkejja l-isforzi li jistgħu jsirumin-Nominations and Governance Committee biex jiżgura li l-Bord tad-Diretturi tal-Kumpanija jkollu taħlita ta' ħiliet u esperjenza neċessarja, jista' jkun hemm sitwazzjonijiet fejn daww l-isforzi jistgħu ma jwasslux għal ħiliet kollettivi neċessarji; jew fejn ir-regolatur jista' jirrikjedi ċerti ħiliet li jistgħu ma jkunux preżenti fil-Bord. F'dawn is-sitwazzjonijiet, il-Bord ikollu jirreaġixxi fi żmien relattivament qasir biex

the Board would need to react in a relatively short time to ensure that the composition of the Board fulfils its ultimate aim. Accordingly, it is proposed that the Board of Directors itself would be given the power to co-opt up to a maximum additional two Non-Executive Directors to sit on the Board of Directors of the Company, only in those instances where the nine Non-Executive Director positions are already filled, but the then current Board complement does still not have the composition required by regulation or in the opinion of the Nominations and Governance Committee, the Board still does not have the appropriate mix of collective skills, knowledge and experience, as set out in Article 27A.1. Such co-opted Non-Executive Directors would be appointed for a three (3) year term which shall not be subject to rotation but shall be eligible for re-appointment subject to the provisions of Article 23.6.

Rotation of Directors and Age Limit of Directors

It is being proposed that clauses 23.2, 23.3, 23.4, 28.1, 28.4, 28.6, 30.3 and 30.4 of the Articles of Association are revised as follows:

- 23.2 All Directors of the Company shall be individuals: **PROVIDED** that and without prejudice to the provisions of Article 28.4, the age limit for all Non-Executive Directors shall be seventy-five (75) years of age.
- 23.3 The Board of Directors shall consist of a maximum of three (3) Executive Directors and a maximum of nine (9) Non-Executive Directors. In the event of the co-option of additional Non-Executive Directors as set out in Article 27A, the maximum number of Non-Executive Directors shall be eleven (11).
- 23.4 Without prejudice to the provisions of Article 23.6 and Article 27A.5, once appointed to office in accordance with the provisions of these Articles, a Non-Executive Director shall hold office for a maximum period of three (3) years unless he resigns or is earlier removed or is due to retire by rotation in accordance with these Articles.
- 28.1 The provisions of this Article 28 shall not apply to Non-Executive Directors who have been co-opted to the Board in accordance with the provisions of Article 27A above. At the first annual general meeting of the Company following the adoption of this Article, all the Directors shall retire from office, and at that annual general meeting Non-Executive Directors shall, subject to the rotation provisions in this Article, be appointed or re-appointed as the case may be, for a period of three (3) years.
- 28.4 A retiring Director shall, subject to the provisions of Article 23.6, be eligible for re-election or re-appointment:

Provided that any Non-Executive Director who reaches seventy-five (75) years of age at any time during his/her term of office, such Non-Executive Director shall complete such term of office but shall not be eligible for re-appointment or re-election in accordance with this Article 28.4.
- 28.6 These provisions on rotation shall, subject to the provisions of Article 27A.5 and Article 28.7, apply to all Non-Executive Directors whether appointed by a Qualifying Shareholder, or otherwise, but shall not apply to the Executive Directors.
- 30.3 Any vacancy among the Directors, may be filled by:
 - 30.3.1. Without prejudice to the provisions of Article 27A.5 above, the co-option of another person to the office of director, made by the Board of Directors on the recommendation of the Nominations and Governance Committee; or
 - 30.3.2. In the event that the retiring Director is one appointed by a Qualifying Shareholder, by the appointment of another person nominated by such Qualifying Shareholder, subject to approval by the Nominations and Governance Committee.

jiżgura li l-kompożizzjoni tal-Bord tissodisfa l-għan aħhari tiegħu. Għaldaqstant, qed jiġi propost li l-Bord tad-Diretturi nnifsu jingħata s-setgħa li jahtar b'co-option sa massimu ta' żewġ Diretturi Mhux Eżekuttivi addizzjonali biex ikunu parti mill-Bord tad-Diretturi tal-Kumpanija. Dan iseħħ biss f'dawk iċ-ċirkustanzi fejn id-disa' pożizzjonijiet tad-Diretturi Mhux Eżekuttivi jkunu diġà okkupati, iżda l-kompożizzjoni attwali tal-Bord ta' dak iż-żmien tkun għadha mhux il-kompożizzjoni meħtieġa skont ir-regolamentazzjoni jew skont l-opinjoni tan-Nominations and Governance Committee, il-Bord ikun għad m'għandux il-hiliet, l-għarfien u l-esperjenza kollettiva neċessarja, kif stabbilit fl-Artiklu 27A.1. Dawn id-Diretturi Mhux Eżekuttivi maħtura b'co-option se jkunu maħtura għal terminu ta' tliet (3) snin u m'għandhomx ikunu suġġetti għal rotazzjoni, imma jistgħu jerġgħu jiġu maħtura suġġett għall-proviżjonijiet tal-Artiklu 23.6.

Rotazzjoni tad-Diretturi u l-Età Massima tad-Diretturi

Illi klawnsoli 23.2, 23.3, 23.4, 28.1, 28.4, 28.6, 30.3 u 30.4 tal-Artikli ta' Assocjazzjoni jiġu riveduti kif ġej:

30.4 Without prejudice to the provisions of Article 27A above, any vacancy among the Directors filled by virtue of a co-option as aforesaid, shall be valid until the next annual general meeting, when the director so appointed shall be one of the Non-Executive Directors subject to Rotation in accordance with the provisions of Article 28.

Explanatory note to the above changes:

The change being proposed is that the provisions concerning the Rotation of Directors shall not be applicable to the Non-Executive Directors appointed by co-option by the other Non-Executive Directors of the Company. Moreover, a new provision regulating retiring directors has been introduced, specifying that Non-Executive Directors who reach seventy-five (75) years of age will no longer remain eligible for re-appointment or re-election once their term of office has expired.

3. 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 2018; and
- c) the Company's Interim Report for the period 1 January 2018 to 30 June 2018.

4. 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 these resolutions at the forthcoming AGM.

12 April 2019.

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 at House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350, Malta.

Nota ta' spjegazzjoni dwar it-tibdil t'hawn fuq:

It-tibdil li qed jiġi propost huwa li d-dispożizzjonijiet li jikkonċernaw ir-Rotazzjoni tad-Diretturi m'għandhomx ikunu applikabbli għad-Diretturi Mhux Eżekuttivi maħtura b'co-option mid-Diretturi Mhux Eżekuttivi l-oħra tal-Kumpanija. Barra minn hekk, ġiet introdotta dispożizzjoni ġdida li tirregola d-diretturi li jirtiraw, li tispjega li d-Diretturi Mhux Eżekuttivi li jilhqgħu l-età ta' ħamsa u sebghin (75) sena ma jibqgħux eliġibbli għal hatra mill-ġdid la darba jiskadi l-mandat tagħhom.

3. DOKUMENTI DISPONIBBLI GHALL-ISPEZZJONI

Id-dokumenti li ġejjin 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 ġurnata (14) 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 2018; u
- c) ir-Rapport Interim tal-Kumpanija għall-perjodu mill-1 ta' Jannar 2018 sat-30 ta' Ġunju 2018.

4. RAKKOMANDEZZJONI TAD-DIRETTURI

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

12 ta' April 2019.

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 mill-House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350, Malta.

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.