



Extraordinary General Meeting 2017

Laqgħa Ġenerali Straordinarja 2017

Notice and Circular to Shareholders
Awiż u Ċirkulari lill-Azzjonisti

Notice to Shareholders

in terms of Article 38 of the Articles of Association

Notice is hereby given that an Extraordinary General Meeting of the Bank of Valletta p.l.c. (the Company) will be held at the Grand Master Suite, Conference Centre, Hilton Malta, St. Julian's, on Thursday 27 July 2017 at 10.00 a.m., for the purpose of considering and, if thought fit, approving two extraordinary resolutions and two ordinary resolutions set out below:

Extraordinary Resolutions

Resolution 1:

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-egm-2017>) or from the Office of the Company Secretary at the House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350.

Resolution 2:

That the authorised share capital of the Company be and is hereby increased, subject to regulatory approval, from €500 million to €1,000 million.

Ordinary Resolutions

Resolution 3:

That for the purposes of Article 67.1 of the Articles of Association (now renumbered to Article 33.1), the aggregate emoluments that may be paid to the Directors of the Company in any financial year shall be up to a maximum of €450,000.

Resolution 4:

That the Board of Directors be and is hereby duly authorised and empowered to issue new shares of the Company up to the prescribed amount, as defined in the Articles of Association, for a period of five years from the date of this resolution.

By order of the Board.



Dr Ruth Spiteri Longhurst
Company Secretary

6 July 2017

Avviż lill-Azzjonisti

skont l-Artiklu 38 tal-Artikli ta' Assoċjazzjoni

L-Azzjonisti qegħdin jiġu nnotifikati li Laqgħa Ġenerali Straordinarja tal-Bank of Valletta p.l.c. (il-Kumpanija) ser issir fil-Grand Master Suite, Conference Centre, Hilton Malta, San Ġiljan, nhar il-Hamis 27 ta' Lulju 2017 fl-10.00 a.m., bil-għan illi jiġu kkunsidrati u, jekk jinħass li jkun xieraq, jiġu approvati żewġ riżoluzzjonijiet straordinarji u żewġ riżoluzzjonijiet ordinarji segwenti:

Riżoluzzjonijiet Straordinarji

Riżoluzzjoni 1:

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 mill-websajt tal-Kumpanija www.bov.com taht is-Sezzjoni tal-Investor Relations (<https://www.bov.com/content/bov-egm-2017>) jew mill-Uffiċċju tas-Segretarju tal-Kumpanija, f'House of the Four Winds, Triq I-Imtiehen, il-Belt Valletta VLT 1350.

Riżoluzzjoni 2:

Illi l-kapital azzjonarju awtorizzat tal-Kumpanija huwa hawn miżjud minn €500 miljun għal €1,000 miljun, liema zieda hija soġġetta għal approvazzjoni regolatorja.

Riżoluzzjonijiet Ordinarji

Riżoluzzjoni 3:

Illi għal fini ta' Artiklu 67.1 tal-Artikli tal-Assoċjazzjoni (issa rinumerat għal Artiklu 33.1), ir-rimunerazzjoni totali li tista' tithallas lid-Diretturi tal-Kumpanija f'sena finanzjarja hi ta' massimu ta' €450,000.

Riżoluzzjoni 4:

Illi l-Bord tad-Diretturi huwa hawn awtorizzat u għandu s-setgħa li joħroġ ishma ġodda tal-Kumpanija sal-ammont preskritt, kif definit fl-Artikli tal-Assoċjazzjoni, għal perjodu ta' ħames snin mid-data ta' din ir-riżoluzzjoni.

B'ordni tal-Bord.



Dr Ruth Spiteri Longhurst
Segretarja tal-Kumpanija

6 ta' Lulju 2017

EXPLANATORY NOTES

A. Record Date

This notice has been mailed to the Bank's Shareholders on the Register at the Central Securities Depository of the Malta Stock Exchange (MSE) on the 27 June 2017 (the Record Date). Only such Shareholders shall be entitled to attend and vote at the Extraordinary General Meeting (EGM). 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 EGM.

B. Participation and Voting by Shareholders

A Shareholder may participate and vote at the EGM either by personally attending the Meeting or by appointing a person to attend and vote at the EGM 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 egm2017@bov.com quoting the Activation Code (printed at the bottom left hand side of the Admission Form) and the MSE number. The Bank will then send the electronic proxy form to the Shareholder for completion. The Bank will not accept to send an electronic proxy unless the said Activation Code and the MSE number are quoted by the Shareholder. The Shareholder is to complete and send the electronic proxy on the same email address as received. Upon receipt of the completed proxy, the Bank will send an electronic acknowledgement to the Shareholder.

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

In order to be valid, the completed form of proxy must reach the Office of the Company Secretary at House of the Four Winds, Triq l-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 EGM. Shareholders opting to send the proxy by mail are advised to use the business reply service envelope enclosed.

NOTI TA' SPJEGAZZJONI

A. Record Date

Dan l-avviż intbagħat lill-Azzjonisti kollha tal-Bank li kienu fuq ir-Registru tal-Borża ta' Malta fis-27 ta' Ġunju 2017 (ir-Record Date). Huma dawn l-Azzjonisti biss li għandhom id-dritt li jattendu u jivvutaw fil-Laqqgħa Ġenerali Straordinarja (LĠS). Kull tibdil fir-Registru 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-LĠS.

B. Partecipazzjoni u Votazzjoni mill-Azzjonisti

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

Hatra ta' prokuratur:

- i. Il-prokuratur jista' jinħatar billi tintuża l-Formola ta' Prokura hawn inkluża 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 elettronikament. F'dan il-każ, l-Azzjonisti huma mitluba li jibagħtu email fuq egm2017@bov.com waqt li jikkwotaw l-Activation Code (li huwa stampat isfel fuq in-naħa tax-xellug tal-Admission Form) u n-numru tal-kont rispettiv tagħhom tal-Borża ta' Malta (MSE). Il-Bank imbagħad jibgħat il-prokura elettronika lill-Azzjonist biex timtela minnu. Il-Bank mhuwiex ser jaċċetta li jibgħat il-prokura elettronika sabiex timtela jekk l-Activation Code u n-numru tal-MSE ma jiġux ikkwotati mill-Azzjonist. L-Azzjonist irid jimla u jibgħat il-prokura elettronika fuq l-istess indirizz tal-email li jkun irċievha fuqu. Hekk kif il-Bank jirċievi l-prokura kompluta, il-Bank jibgħat riċevuta elettronika lill-Azzjonist.

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

Sabiex tkun valida, il-formola ta' prokura kompluta trid tasal l-Uffiċċju tas-Segretarju tal-Kumpanija, fl-indirizz House of the Four Winds, Triq l-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-LĠS. Dawk l-Azzjonisti li jixtiequ jibagħtu l-prokura bil-posta huma mitluba li jagħmlu dan billi jużaw l-envelope inkluż għal dan l-iskop.

C. Completing the Proxy Form

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

It is important to note the following:

- i. The Shareholder is to indicate whether the Shareholder wishes to appoint as proxy the Chairman of the Meeting or another person. In the case that the Shareholder wishes to appoint a person other than the Chairman of the Meeting as proxy, the full name, address and I.D. Card number of the proxy must be inserted in the appropriate space;
- ii. The Shareholder is to indicate whether the Shareholder wishes the appointed proxy to vote as the proxy wishes or whether the Shareholder wishes to instruct the appointed proxy how to vote, by marking the appropriate box indicated in the Proxy Form. In the event that no indication is made, it shall be deemed that the Shareholder authorises the appointed proxy to vote as the proxy wishes;
- iii. When voting for a resolution, if the Shareholder wishes that the appointed proxy votes in a particular manner, the Shareholder should indicate his/her voting preference against each resolution in the appropriate box either by inserting the number of votes (shares held) or by the use of a cross (X) or mark (✓) (instead of inserting a number of votes) under either 'For' or 'Against' or 'Abstain'. The cross or mark will be interpreted that the Shareholder has assigned all the votes accordingly. If a cross or a mark is placed under each of 'For' or 'Against' or 'Abstain' for the same resolution, the Shareholder's vote on that particular resolution will be invalid;

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

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

C. Mili tal-Formola ta' Prokura

Azzjonist li jixtieq jipparteċipa fil-LĠS bi prokura għandu jimla d-dettalji kollha mitluba fil-Formola ta' Prokura, u b'mod partikulari, fejn il-prokura qed timtela bil-kitba (bl-idejn), id-dettalji għandhom ikunu mimlija, b'mod ċar u 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 partikulari, l-Azzjonist għandu jindika l-preferenza tal-votazzjoni tiegħu/tagħha hdejn kull riżoluzzjoni fil-kaxxa t-tajba, billi jew inizzel in-numru ta' voti (ishma miżmuma) jew billi jagħmel salib (X) jew marka (✓) (minflok ma jnizzel 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 mnizzlin kemm taħt 'For', 'Against' jew 'Abstain' għall-istess riżoluzzjoni, il-vot tal-Azzjonist fuq dik ir-riżoluzzjoni partikulari jitqies bħala invalidu;

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

- 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-LĠS.

D. Admission to the EGM

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

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

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 EGM, if a Form of Proxy has been duly executed in his/her favour by all other joint holders.

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

- i. Irrespective of whether both the husband and the wife, or either of them, attend the EGM, only one voting document will be issued and only one of them shall be entitled to vote; and
- ii. If they wish to appoint a proxy, the Form of Proxy must be signed by both husband and wife.

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

A Shareholder who is a minor may be represented at the EGM 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 EGM.

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

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

D. Dhul għal-LĠS

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

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

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

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

- i. Irrispettivament jekk il-miżżewġin jattendux il-LĠS flimkien, jew jekk jattendix wieħed jew waħda minnhom biss, ser jinħarġillhom dokument tal-vot wieħed biss u wieħed biss minnhom ikun intitolat li jivvota; u
- ii. Jekk jixtiequ jaħtru prokuratur, il-Formola ta' Prokura għandha tiġi ffirmata kemm mir-raġel kif ukoll mill-mara.

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

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

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

Wara li l-LĠS tkun bdiet, id-dokumenti tal-vot jkomplu jinħarġu sakemm il-LĠS 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 ebda dokument ta' vot ieħor u d-dhul għal-LĠS jittwaqqaf.

E. Draft Resolutions and Documents

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

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 I-Imtiehen, Il-Belt Valletta VLT 1350, Malta, and on the Bank's website www.bov.com under the Investor Relations Section (<https://www.bov.com/content/bov-egm-2017>). Pursuant to Listing Rule 12.11.2, this section of the website will also indicate the total number of shares and voting rights at the date of the Notice.

F. Voting

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

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

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

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

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 EGM – 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 I-Imtiehen, Il-Belt Valletta VLT 1350, Malta, or by e-mail to egm2017@bov.com by not later than Thursday, 20 July 2017.

E. Abbozz ta' Riżoluzzjonijiet u Dokumenti

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

lċ-Ċirkulari lill-Azzjonisti u l-Formola ta' Prokura qegħdin jintbagħtu direttament lill-Azzjonisti flimkien ma' dan l-Avviż. Din id-dokumentazzjoni hija kollha disponibbli fl-Uffiċċju tas-Segretarju tal-Kumpanija, fl-indirizz House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350, Malta, u fuq il-websajt tal-Bank www.bov.com taht is-Sezzjoni tal-*Investor Relations* (<https://www.bov.com/content/bov-egm-2017>). Kif mitlub mil-*Listing Rule 12.11.2*, din is-sezzjoni tal-websajt ser tindika ukoll in-numru totali ta' ishma u drittijiet tal-vot fid-data ta' dan l-Avviż.

F. Votazzjoni

Il-votazzjoni għar-riżoluzzjoniet 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 muri 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 indipendentament 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 ġie maħtur minn diversi Azzjonisti u li nġhata 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.

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-LĠS – u li jkollhom dawn il-mistoqsijiet imwieġba miċ-Chairman tal-Laqqha jew mid-Diretturi jew minn persuni li d-Diretturi jistgħu jiddelegaw għal dak il-ghan. lċ-Chairman qiegħed jistieden l-Azzjonisti sabiex, jekk jixtiequ, jissottomettu bil-miktub xi mistoqsijiet relatati mar-riżoluzzjonijiet, lis-Segretarju tal-Kumpanija, bil-posta fl-indirizz House of the Four Winds, Il-Belt Valletta VLT 1350, Malta, jew bil-posta elettronika fl-indirizz egm2017@bov.com sa mhux aktar tard mill-Ħamis, 20 ta' Lulju 2017.

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

- i. An answer would interfere unduly with the preparation for the EGM, 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 EGM 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 egm2017@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.

Filwaqt li ċ-Chairman tal-Laqqgħa ser ifittex li jwieġeb għall-mistoqsijiet kollha li jittressqu waqt il-LĠS b'konnessjoni mar-riżoluzzjonijiet impressqa quddiem il-LĠS, wieħed għandu jinnota li tweġiba ġenerali waħda tista' tingħata mill-Bank fejn:

- i. Tweġiba tista' ittellef il-preparazzjoni tal-LĠS, tinvolvi informazzjoni kunfidenzjali jew tista' tikkawża preġudizzju lill-interessi kummerċjali tal-Bank;
- ii. Mhux fl-interess tal-andament b'mod ordnat tal-LĠS li tingħata tweġiba; jew
- iii. Il-Bank mhux f'pożizzjoni li jagħti risposta immedjata, f'liema każ, iżda, ir-risposta ser tkun sussegwentement imqiegħda fuq il-websajt tal-Bank.

F'każ ta' diffikultajiet jew mistoqsijiet, l-Azzjonisti huma ġentilment mitluba li jikkuntattjaw l-Uffiċċju tas-Segretarju tal-Kumpanija fuq 2275 3556 jew fuq l-indirizz tal-posta elettronika egm2017@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.

Circular to shareholders

The purpose of this Circular is to inform the Members of Bank of Valletta p.l.c., a public limited liability company registered in Malta and having its registered office at 58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta (the “Company”) on the forthcoming extraordinary general meeting of the Company, for the purpose of considering and if thought fit approve the proposed two extraordinary resolutions and two ordinary resolutions explained hereunder.

1. IMPORTANT INFORMATION

This Circular, which contains information about the resolutions to be proposed for approval at the forthcoming extraordinary general meeting, 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 27 June 2017.

This Circular is being issued in compliance with the Listing Rules issued by the Listing Authority, in particular the requirements set out in Listing Rule 6.16 for circulars relating to changes to the memorandum and articles of association, and Listing Rule 6.2 on the contents of all circulars.

Where any or all of the shares in the Company held by a recipient of this Circular have been sold or transferred by the date of receipt of this document, a copy of this Circular should be passed on to the person through whom the sale or transfer was effected for transmission of the Circular to the purchaser or transferee.

All the directors of the Company as at the date of this Circular Taddeo Scerri, Stephen Agius, Alan Attard, Paul V Azzopardi, James Grech, Alfred Lupi, 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. 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 securities held, this Circular is passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Ċirkulari lill-Azzjonisti

L-għan ta' din iċ-Ċirkolari huwa li tinforma lill-Membri tal-Bank of Valletta p.l.c., kumpanija pubblika b'responsabbiltà limitata registrata f'Malta u bl-uffiċċju registrat tagħha f'58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta (il-“Kumpanija”) dwar il-laqqgħa ġenerali straordinarja li jmiss tal-Kumpanija, bil-għan li jiġu kkunsidrati u jekk meqjus xieraq approvati żewġ riżoluzzjonijiet straordinarji u żewġ riżoluzzjonijiet ordinarji proposti kif spjegati hawn taht.

1. INFORMAZZJONI IMPORTANTI

Din iċ-Ċirkolari, li fiha informazzjoni dwar ir-riżoluzzjonijiet li se jiġu proposti għall-approvazzjoni fil-laqqgħa ġenerali straordinarja li jmiss, inkluż it-tibdil propost fil-memorandum u fl-artikli tal-assocjazzjoni tal-Kumpanija, kif approvat mill-Bord tad-Diretturi tal-Kumpanija, qed titqassam lill-Membri kollha, jiġifieri l-azzjonisti li jidhru fuq ir-reġistru tal-membri tal-Kumpanija fil-Lista Uffiċjali tal-Borża ta' Malta mal-għeluq tan-negozju tas-27 ta' Ġunju 2017.

Din iċ-Ċirkolari qed tinħareġ f'konformità mal-Listing Rules maħruġa mil-Listing Authority b'mod partikolari r-rekwiziti stabbiliti fil-Listing Rule 6.16 għal ċirkularijiet relatati ma' tibdil fil-memorandum u fl-artikli tal-assocjazzjoni, u Listing Rule 6.2 dwar il-kontenut taċ-ċirkularijiet kollha.

Meta l-ishma kollha jew parti minnhom fil-Kumpanija miżmuma minn riċevitur ta' din iċ-Ċirkolari jkunu nbiegħu jew ġew ittrasferiti sad-data ta' meta rċieva dan id-dokument, kopja ta' din iċ-Ċirkolari għandha tingħadda lill-persuna li permezz tagħha sar il-bejgħ jew it-trasferiment tal-ishma biex iċ-Ċirkolari tingħata lil min xtara jew akkwista l-ishma.

Id-Diretturi kollha tal-Kumpanija fid-data ta' din iċ-Ċirkolari, Taddeo Scerri, Stephen Agius, Alan Attard, Paul V Azzopardi, James Grech, Alfred Lupi, Anita Mangion, Antonio Piras u Joseph M Zrinzo (id-“**Diretturi**”) jaċċettaw ir-responsabbiltà għall-informazzjoni li fiha din iċ-Ċirkolari. Sal-aħjar konnoxxenza u twemmin tad-Diretturi, li ħadu l-prekawzjonijiet kollha raġonevoli sabiex jiżguraw li dan huwa l-każ, l-informazzjoni li fiha din iċ-Ċirkolari hija konformi mal-fatti u ma tinkludi l-ebda ommissjoni li x'aktarx taffettwa s-sinifikat ta' din l-informazzjoni.

Din iċ-Ċirkolari hija importanti u teħtieġ l-attenzjoni immedjata tiegħek. 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 t-titoli kollha miżmuma jew parti minnhom, tgħaddi din iċ-Ċirkolari lill-persuna li permezz tagħha sar il-bejgħ jew it-trasferiment tal-ishma biex iċ-Ċirkolari tingħata lil min xtara jew akkwista l-ishma.

2. INTRODUCTION

The resolutions being proposed to the members of the Company refer to (a) changes in the memorandum and articles of association of the Company, (b) the increase in the authorised share capital, (c) an increase of the maximum aggregate emoluments that may be paid to Directors in any financial year and (d) the due authorisation of the directors to issue new shares up to the authorised limit for another five (5) years from the date of the resolution as required by article 85 of the Companies Act (Cap.386 of the Laws of Malta).

Since its original adoption in 1997 the Company's memorandum and articles of association have not been comprehensively reviewed, but amendments have been effected to that document as and when the need arose to effect such amendments. In view of regulatory developments, as well as changes in the legal infrastructure, the directors have considered fit to undertake a more comprehensive review of the memorandum and articles of association. This review should bring this document in line with the demands of the current operational and corporate environment and addresses the regulatory and legal needs of the company, in particular aligning it to the principles of good corporate governance.

The resolution referring to the authority of the directors to issue new shares is intended to extend the five (5) year authority to the board since their current authorisation expires on the 18 December 2017.

This Circular sets out an explanation to members of the material changes that are being proposed in the Company's constitutional documents. 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 which are not substantive. These changes do not require any explanation and shall therefore not be referred to in this document.

3. THE RESOLUTIONS

The resolutions that will be put to the vote at the forthcoming extraordinary general meeting shall be four and shall read as follows:

Extraordinary Resolutions

Resolution 1

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-egm-2017>) or from the Office of the Company Secretary at the House of the Four Winds, Triq l-Imtiehen, Il-Belt Valletta VLT 1350.

2. INTRODUZZJONI

Ir-riżoluzzjonijiet li qed jiġu proposti lill-membri tal-Kumpanija jirreferu għal (a) tibdil fil-memorandum u fl-artikli tal-assoċjazzjoni tal-Kumpanija, (b) żieda fil-kapital azzjonarju awtorizzat, (c) żieda fl-emolumenti totali massimi li tista' tiġi mhallsa lid-Diretturi f'sena finanzjarja u (d) l-awtorizzazzjoni dovuta tad-Diretturi biex joħorġu ishma ġodda sal-limitu awtorizzat għal hames (5) snin oħra mid-data tar-riżoluzzjoni kif meħtieġ mill-Artiklu 85 tal-Att dwar il-Kumpanniji (Kap. 386 tal-Liġijiet ta' Malta).

Sa mill-adozzjoni oriġinali tiegħu fl-1997, il-memorandum u l-artikli tal-assoċjazzjoni tal-Kumpanija qatt ma ġie rivedut b'mod komprensiv, imma saru emendi fid-dokument kif u meta kien meħtieġ li jsiru tali emendi. Fid-dawl tal-iżviluppi regolatorji, kif ukoll ta' tibdil fl-infrastruttura legali, id-Diretturi ħassew li jkun xieraq li titwettaq reviżjoni aktar komprensiva tal-memorandum u l-artikli tal-assoċjazzjoni li għandha ġġib dan id-dokument f'konformità mat-talbiet tal-ambjent operazzjonali u korporattiv attwali u li jkun jindirizza l-ħtiġijiet regolatorji u legali tal-Kumpanija b'mod partikolari billi jiġi allinjat mal-prinċipji ta' governanza korporattiva tajba.

Ir-riżoluzzjoni li tirreferi għall-awtorità tad-Diretturi li joħorġu ishma ġodda hija maħsuba biex testendi l-awtorità ta' hames (5) snin lill-Bord għalix l-awtorizzazzjoni attwali tagħhom tiskadi fit-18 ta' Diċembru 2017.

Din iċ-Ċirkolari tagħti spjegazzjoni lill-membri tat-tibdil materjali li qed jiġi propost fid-dokumenti kostituzzjonali tal-Kumpanija. Il-membri se jinnotaw li klawżoli fid-dokument ġew innumerati mill-ġdid u li ġie adottat protokoll ta' numerazzjoni differenti, li f'istanzi oħra żbalji grammatikali ġew ikkoreġuti jew inbidlet is-sintassi biex jiġi żgurati qari aħjar tad-dokument. Hemm numru ta' emendi żgħar u konsegwenzjali oħra fil-memorandum u fl-artikli li mhumiex sostantivi. Dan it-tibdil ma jeħtieġ l-ebda spjegazzjoni u għalhekk mhux se jiġsemma f'dan id-dokument.

3. IR-RIŻOLUZZJONIJIET

Ir-riżoluzzjonijiet li se jitressqu għall-votazzjoni fil-laqgħa ġenerali straordinarja li jmiss huma erbgħa u għandhom jinqraw kif ġej:

Riżoluzzjonijiet Straordinarji

Riżoluzzjoni 1

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 mill-websajt tal-Kumpanija www.bov.com taħt is-Sezzjoni tal-*Investor Relations* (<https://www.bov.com/content/bov-egm-2017>) jew mill-Uffiċċju tas-Segretarju tal-Kumpanija, f'House of the Four Winds, Triq l-Imtiehen, Il-Belt Valletta VLT 1350.

Resolution 2

That the authorised share capital of the Company be and is hereby increased, subject to regulatory approval, from €500 million to €1,000 million.

Ordinary Resolutions

Resolution 3

That for the purposes of Article 67.1 of the Articles of Association (now renumbered to Article 33.1), the aggregate emoluments that may be paid to the Directors of the Company in any financial year shall be up to a maximum of €450,000.

Resolution 4

That the board of directors be and is hereby duly authorised and empowered to issue new shares of the Company up to the prescribed amount, as defined in the Articles of Association, for a period of five years from the date of this resolution.

4. RESOLUTION 1 – CHANGES TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Changes to the Memorandum of Association

The main changes to the memorandum of association consist of the following:

- a. The increase in the authorised share capital of the Bank from €500 million to €1,000 million. This is subject to regulatory approval;
- b. The increase in the aggregate limit that an individual or single shareholder may hold in the issued share capital of the Company from 3 per cent of the total issued share capital to 5 per cent of the total issued share capital; and
- c. The increase of the total complement of the Board of Directors from a maximum of 10 directors to a maximum of 12 directors.

Explanatory Note to the Changes

- a. The Bank's current authorised share capital is equivalent to €500 million divided into 500 million ordinary shares of a nominal value of €1 each share. In view of the capitalisation of reserves on a number of occasions that the Bank has undertaken over a number of years, the issued share capital has currently reached the €420 million mark. In an environment of banking regulation that continues to make increased demands on the capital structure of credit institutions, and the already announced capital issue to be undertaken by the Bank over the coming twelve months of around €150 million, the Directors are proposing the creation of sufficient space in the authorised share capital of the Company

Riżoluzzjoni 2

Illi l-kapital azzjonarju awtorizzat tal-Kumpanija huwa hawn miżjud minn €500 miljun għal €1,000 miljun, liema żieda hija soġġetta għal approvazzjoni regolatorja.

Riżoluzzjonijiet Ordinarji

Riżoluzzjoni 3

Illi għal fini ta' Artiklu 67.1 tal-Artikli tal-Assoċjazzjoni (issa rinumerat għal Artiklu 33.1), ir-rimunerazzjoni totali li tista' titthallas lid-Diretturi tal-Kumpanija f'sena finanzjarja hi ta' massimu ta' €450,000.

Riżoluzzjoni 4

Illi l-Bord tad-Diretturi huwa hawn awtorizzat u għandu s-setgħa li joħroġ ishma ġodda tal-Kumpanija sal-ammont preskritt, kif definit fl-Artikli tal-Assoċjazzjoni, għal perjodu ta' hames snin mid-data ta' din ir-riżoluzzjoni.

4. RIŻOLUZZJONI 1 – TIBDIL FIL-MEMORANDUM U FL-ARTIKLI TAL-ASSOĊJAZZJONI

Tibdil fil-Memorandum tal-Assoċjazzjoni

It-tibdil prinċipali fil-memorandum tal-assoċjazzjoni jikkonsisti f'dan li ġej:

- a. Iż-żieda fil-kapital azzjonarju awtorizzat tal-Bank minn €500 miljun għal €1,000 miljun. Din iż-żieda hija soġġetta għal approvazzjoni regolatorja;
- b. Iż-żieda fil-limitu aggregat li individwu jew azzjonist wieħed jista' jzomm fil-kapital azzjonarju maħruġ tal-Kumpanija minn 3 fil-mija tal-kapital azzjonarju totali maħruġ għal 5 fil-mija tal-kapital azzjonarju totali maħruġ; u
- c. Iż-żieda fit-total tal-membri tal-Bord tad-Diretturi minn 10 għal 12-il direttur.

Nota ta' Spjega tat-Tibdil

- a. Il-kapital azzjonarju awtorizzat attwali tal-Bank huwa ekwivalenti għal €500 miljun maqsum f'500 miljun sehem ordinarju ta' valur nominali ta' €1 kull sehem. Fid-dawl tal-kapitalizzazzjoni tar-riżervi f'numru ta' okkażjonijiet li l-Bank wettaq fuq numru ta' snin, il-kapital azzjonarju maħruġ bħalissa lahaq il-livell ta' €420 miljun. F'ambjent ta' regolamentazzjoni bankarja li tkompli tqiegħed domandi dejjem akbar fuq l-istruttura tal-kapital ta' istituzzjonijiet tal-kreditu u tal-ħruġ ta' ishma bi dritt diġà mħabbar li l-Bank se jwettaq matul it-tmax-il xahar li ġejjin ta' madwar €150 miljun, id-Diretturi qed jipproponu l-ħolqien ta' biżżejjed spazju fil-kapital azzjonarju awtorizzat tal-Kumpanija li

that would enable them to react to demands on capital increases as may be necessary.

- b. The second proposal refers to the maximum limit of the issued share capital which any one shareholder may hold in the Company. This is being increased from the current limit of 3 per cent of total issued share capital of the Bank to 5 per cent of the Bank's issued share capital. It is also proposed that the same exemptions from this prohibition be retained in the memorandum of association. The rationale underlying this change is a function of the increased share capital base of the company, taking into account the proposed increase in share capital through a capital issue over the coming 12 months. The net impact of this change on the current issued share capital base of €420 million in nominal value is that the 3 per cent threshold amounts to €12.6 million (in nominal value) whilst the increased threshold of 5 per cent, would allow single investors to hold up to €21 million (in nominal value) of shares in the Company.
- c. The current total number of Directors is 9, and in exceptional circumstances set out in the memorandum, 11 directors. It is being proposed that the number of directors be increased from 9 to a full complement of a maximum of 12 directors. This is an amendment which forms part of a full re-structuring of the Board of Directors and its appointment, together with the introduction of a Nominations and Governance Committee (NGC) that is explained as part of the explanatory note of the articles of association.

The full text of the amendments to the relative clauses in the memorandum of association of the Bank is attached to this Circular as **Annex A**.

Changes to the Articles of Association

The changes being proposed to the articles of association briefly consist of the following:

- a. the articles relative to the Board of Directors, including the introduction of the distinction between executive and non-executive directors of the board, with article 23 setting out the general provisions relative to directors;
- b. a specific article 24 that deals with the appointment of executive directors;
- c. a specific article 25 that deals with the appointment of non-executive directors;
- d. a specific article 26 that deals with the election of non-executive directors to the board;
- e. the introduction of the NGC in article 27;
- f. the concept of Rotation of Directors in a new article 28;
- g. the statutory recognition of the Chief Executive Officer (CEO) in article 36;
- h. a number of minor consequential amendments.

jippermettilhom jirreagjixxu għad-domandi għal żidiet fil-kapital li jistgħu jkunu meħtieġa.

- b. It-tieni proposta tirreferi għal-limitu massimu tal-kapital azzjonarju maħruġ li kwalunkwe azzjonist jista' jkollu fil-Kumpanija. Dan qed jiżdied mill-limitu attwali ta' 3 fil-mija tal-kapital azzjonarju totali maħruġ tal-Bank għal 5 fil-mija tal-kapital azzjonarju maħruġ tal-Bank. Qed jiġi propost ukoll li l-istess eżenzjonijiet minn din il-projbizzjoni jinżammu fil-memorandum tal-assoċjazzjoni. Ir-razzjonal wara dan it-tibdil huwa funzjoni taż-żieda fil-baži tal-kapital azzjonarju tal-Kumpanija, filwaqt li titqies iż-żieda proposta fil-kapital azzjonarju permezz tal-ħruġ ta' ishma bi dritt matul it-12-il xahar li ġejjin. L-impatt nett ta' dan fuq il-baži tal-kapital azzjonarju maħruġ ta' €420 miljun f'valur nominali, il-livell limitu ta' 3 fil-mija jammonta għal €12.6 miljun (f'valur nominali) filwaqt li l-livell limitu miżjud jippermetti investituri individwali li jżommu sa €21 miljun (f'valur nominali) ta' ishma fil-Kumpanija.
- c. In-numru totali attwali ta' Diretturi huwa 9, u f'ċirkostanzi eċċezzjonali stabbiliti fil-memorandum, 11-il direttur. Qed jiġi propost li n-numru ta' diretturi jiżdied għal total ta' 12-il direttur. Din hija emenda li tiffirma parti minn ristrutturar sħiħ tal-Bord tad-Diretturi u tal-ħatra tiegħu, flimkien mal-introduzzjoni ta' *Nominations and Governance Committee* (NGC) li qed jiġi spjegat bħala parti min-Nota ta' Spjega tal-artikli tal-assoċjazzjoni.

It-test sħiħ tal-emendi għall-klawżoli relattivi fil-memorandum tal-assoċjazzjoni tal-Bank huwa mehmuż ma' din iċ-Ċirkolari bħala **Annex A**.

Tibdil fl-Artikli tal-Assoċjazzjoni

Fil-qosor, it-tibdil li qed jiġi propost fl-artikli tal-assoċjazzjoni jikkonsisti f'dan li ġej:

- a. l-artikoli relattivi għall-Bord tad-Diretturi, inkluż l-introduzzjoni tad-distinzjoni bejn diretturi eżekuttivi u diretturi mhux eżekuttivi tal-Bord, b'artiklu 23 jistabbilixxi d-dispożizzjonijiet ġenerali relattivi għad-diretturi;
- b. artiklu 24 li jittratta l-ħatra ta' diretturi eżekuttivi;
- c. artiklu 25 li jittratta l-ħatra ta' diretturi mhux eżekuttivi;
- d. artiklu 26 li jittratta l-elezzjoni tad-diretturi mhux eżekuttivi fuq il-Bord;
- e. l-introduzzjoni tan-NGC f'artiklu 27;
- f. il-kunċett tar-Rotazzjoni tad-Diretturi f'artiklu 28 li huwa ġdid;
- g. ir-rikonoxximent statutorju tal-Uffiċjal Kap Eżekuttiv f'artiklu 36;
- h. numru ta' emendi żgħar konsegwenzjali.

Explanatory Note

The proposed amendments are somewhat significant in the introduction of new concepts and principles of good governance within the corporate structure of the Company. The cumulative effect of the amendments being proposed is the introduction of a balance of executive directors and non-executive directors on the board, which is required under the Code of Good Corporate Governance in the Listing Rules; together with the introduction of a NGC consisting of non-executive directors that would be tasked with the scrutiny and approval of fit and proper persons that may take the office of director and senior executives of the Bank.

a. Composition of the Board

The Board of Directors of the Bank has hitherto been composed exclusively of non-executive directors, without any representation on the board of executive members who are in effect tasked with the effective day-to-day management of the Bank's business. The Directors believe that in line with the dictates of good governance principles, as enshrined in the code forming part of the Listing Rules, a mix of executive and non-executive directors on the board is a positive element that creates within the board a forum of debate and collective responsibility – where the non-executive directors may exercise their monitoring function over management and the executive arm of the board at the level of the board.

In line with the proposal, the board shall now consist of a maximum of 12 directors out of which 9 shall be non-executive directors and a maximum of 3 shall be executive. Clearly, the proposal conforms to the code of good governance in that it contemplates a majority of non-executive directors on the board.

b. Executive Directors

Executive Directors shall be appointed by the non-executive members of the board. The CEO of the Company shall become the first executive director by virtue of his office, so that upon appointment as CEO, he/she shall automatically take office as the first executive director and shall remain in office until his/her post as CEO terminates. With respect to the other two executive directors, the non-executive directors are bound to appoint at least one such director and may, if they consider it appropriate to do so on the basis of the skill, competence and experience required at the board, appoint the third executive director. In either case any person so appointed shall be a senior executive officer of the Company answerable directly to the CEO or the Board of Directors.

Nota ta' Spjega tat-Tibdil

L-emendi proposti huma kemmxejn sinifikanti bl-introduzzjoni ta' kunċetti u prinċipji godda ta' governanza tajba fl-istruttura korporattiva tal-Kumpanija. L-effett kumulattiv tal-emendi li qed jiġu proposti huwa l-introduzzjoni ta' bilanċ ta' diretturi eżekuttivi u diretturi mhux eżekuttivi fuq il-Bord, li huwa meħtieġ taħt il-*Code of Good Corporate Governance* fil-Listing Rules; flimkien mal-introduzzjoni ta' NGC li jikkonsisti minn diretturi mhux eżekuttivi li jkunu inkarigati mill-iskrutinju u l-approvazzjoni ta' persuni idonei li jistgħu jieħdu l-kariga ta' direttur tal-Bank u ta' uffiċjali eżekuttivi tal-Bank.

a. Kompożizzjoni tal-Bord

Il-Bord tad-Diretturi tal-Bank sa issa kien kompost esklussivament minn diretturi mhux eżekuttivi, mingħajr l-ebda rappreżentanza fuq il-Bord ta' membri eżekuttivi li fil-fatt ikunu inkarigati bil-ġestjoni effettiva ta' kuljum tan-negożju tal-Bank. Id-Diretturi jemmnu li f'konformità mal-ħtiġijiet tal-prinċipji ta' governanza tajba, kif minquxa fil-kodiċi li jiffirma parti mil-*Listing Rules*, taħlita ta' diretturi eżekuttivi u mhux eżekuttivi fuq il-Bord hija element pożittiv li johloq fil-Bord forum ta' dibattitu u responsabbiltà kollettiva – fejn id-diretturi mhux eżekuttivi jistgħu jeżerċitaw il-funzjoni ta' monitoraġġ tagħhom fuq il-manigment eżekuttiv fil-livell tal-Bord.

F'konformità mal-proposta, il-Bord issa għandu jikkonsisti minn massimu ta' 12-il direttur li minnhom 9 għandhom ikunu diretturi mhux eżekuttivi u massimu ta' 3 għandhom ikunu diretturi eżekuttivi. B'mod ċar, il-proposta tikkonforma mal-kodiċi ta' governanza tajba għalix tikkontempla maġġoranza ta' diretturi mhux eżekuttivi fuq il-Bord.

b. Diretturi Eżekuttivi

Diretturi Eżekuttivi għandhom jinħatru mill-membri mhux eżekuttivi tal-Bord. L-Uffiċjal Kap Eżekuttiv tal-Kumpanija għandu jsir l-ewwel direttur eżekuttiv bis-saħħa tal-kariga tiegħu, sabiex mal-ħatra bħala Uffiċjal Kap Eżekuttiv, huwa/hija għandu b'mod awtomatiku jieħu l-kariga tal-ewwel direttur eżekuttiv u għandu jibqa' fil-kariga sakemm tispicċa l-pożizzjoni tiegħu/tagħha ta' Uffiċjal Kap Eżekuttiv. Fir-rigward taż-żewġ diretturi eżekuttivi l-oħra, id-diretturi mhux eżekuttivi huma obbligati jaħtru tal-inqas direttur eżekuttiv wieħed u jistgħu, jekk iqisu li huwa xieraq li jagħmlu hekk fuq il-bażi tal-ħiliet, il-kompetenza u l-esperjenza meħtieġa fuq il-Bord, jaħtru t-tielet direttur eżekuttiv. F'kwalunkwe każ kwalunkwe persuna li tinħatar b'dan il-mod għandha tkun uffiċjal eżekuttiv għoli tal-Kumpanija li jwieġeb direttament lill-Uffiċjal Kap Eżekuttiv jew lill-Bord tad-Diretturi.

In any of the cases mentioned above, the persons appointed to senior executive management shall have to be approved by the NGC and therefore would be subject to scrutiny by that committee before they are appointed to the board.

The term of office of the executive directors, other than the CEO, shall be for three years. They may be removed by the non-executive directors during their term of office only if just cause is shown to the satisfaction of the NGC.

c. Non-Executive Directors – Qualifying Shareholders

The current practice whereby non-executive directors are appointed either by Qualifying Shareholders by letter addressed to the Company; or by other shareholders at the general meeting is being retained.

In either case however any recommendation made by a member shall require the approval, as a fit and proper person, of the NGC before that person may take up office as a director of the Company. A Qualifying Shareholder, namely a shareholder holding 10% or more of the issued share capital of the Company – will no longer be able to simply make an appointment by letter addressed to the Company. Rather, a qualifying shareholder shall be able to make a recommendation to the NGC, and only if in line with the scrutiny and assessment of that committee such person is considered as fit and proper, may that person take up office as a director. The NGC shall have the power and authority to refuse the recommendation of a Qualifying Shareholder as not meeting the right attributes required in the board, and therefore not to approve a recommendation made by a Qualifying Shareholder. In such cases a Qualifying Shareholder shall be required to make other recommendations. In this context the NGC shall have the task of maintaining an open dialogue with Qualifying Shareholders as to the required experience and competence at the board with a view to ensuring that, as far as practicably possible, nominations made by qualifying shareholders will properly address the requirements of the board.

d. Non-Executive Directors – Non Qualifying Shareholders

The threshold applicable for Non-Qualifying Shareholders to nominate Non-Executive Directors is being increased from 5,000 shares to €50,000 in nominal value. This in effect consists of two changes, the first being that the threshold is no longer the number of shares but rather the nominal value of shares held. This is considered a better metric since each time there has been a share split in the past, the number of shares in issue would increase, thus diluting the original requirement for the threshold. Adopting the nominal value of the shares would ensure that notwithstanding any number of share splits that may take place in the future, the threshold will remain constant. This

F'kwalunkwe wiehed mill-każijiet imsemmija hawn fuq, il-persuni maħtura fil-manigment eżekuttiv għoli għandhom ikunu approvati min-NGC u għalhekk ikunu sugġetti għal skrutinju minn dak il-kumitat qabel jinħatru fuq il-Bord.

It-terminu tal-kariga tad-diretturi eżekuttivi, li mhumiex l-Uffiċjal Kap Eżekuttiv, għandu jkun għal tliet snin. Dawn jistgħu jitneħħew mid-diretturi mhux eżekuttivi matul it-terminu tal-kariga tagħhom biss jekk tintwera raġuni ġusta li tissodisfa lin-NGC.

c. Diretturi Mhux Eżekuttivi – Azzjonisti Kwalifikanti

Il-prattika attwali li biha d-diretturi mhux eżekuttivi jiġu maħtura jew mill-Azzjonisti Kwalifikanti permezz ta' ittra indirizzata lill-Kumpanija; jew minn azzjonisti oħra fil-laqgħa generali se tinżamm.

F'kwalunkwe każ madankollu, ir-rakkomandazzjoni li ssir minn membru għandha teħtieġ l-approvazzjoni tan-NGC qabel dik il-persuna tkun tista' tieġu l-kariga bħala direttur tal-Kumpanija. L-Azzjonist Kwalifikanti, jiġifieri azzjonist li jkollu 10% jew aktar tal-kapital azzjonarju maħruġ tal-Kumpanija – mhux se jkun jista' aktar sempliċiment jagħmel hatra permezz ta' ittra indirizzata lill-Kumpanija. Minflok, l-azzjonist kwalifikanti għandu jkun jista' jagħmel rakkomandazzjoni lin-NGC, u biss jekk f'konformità mal-iskrutinju u l-valutazzjoni ta' dak il-kumitat dik il-persuna titqies idonea, li dik il-persuna tkun tista' tieġu l-kariga ta' direttur. In-NGC għandu jkollu s-setgħa u l-awtorità li jirrifjuta r-rakkomandazzjoni ta' Azzjonist Kwalifikanti jekk il-persuna nnominata ma tkunx tissodisfa l-attribwiti xierqa meħtieġa mill-Bord u għalhekk li ma japprovax ir-rakkomandazzjoni li tkun saret minn azzjonist kwalifikanti. F'dawn il-każijiet, l-Azzjonist Kwalifikanti għandu jkun mitlub jagħmel rakkomandazzjonijiet oħra. F'dan il-kuntest in-NGC għandu jkollu l-kompitu li jzomm djalogu miftuħ mal-Azzjonisti Kwalifikanti dwar l-esperjenza u l-kompetenza meħtieġa fuq il-Bord bil-għan li jiġi żgurat li, sa fejn huwa prattikament possibbli, in-nominazzjonijiet li jsiru mill-Azzjonisti Kwalifikanti jkunu jindirizzaw b'mod xieraq il-ħtiġijiet tal-Bord.

d. Diretturi Mhux Eżekuttivi – Azzjonisti Mhux Kwalifikanti

Il-livell limitu applikabbli għall-Azzjonisti Mhux Kwalifikanti biex jinnominaw Diretturi Mhux Eżekuttivi qed jiżdied minn 5,000 sehem għal €50,000 f'valur nominali. Dan fil-fatt jikkonsisti f'żewġ tibdiliet, l-ewwel waħda hija li l-livell limitu m'għadux aktar in-numru ta' ishma imma minflok sar il-valur nominali tal-ishma miżmuma. Dan huwa meqjus metrika aħjar għaliex kull darba li fil-passat kien hemm qsim tal-ishma, in-numru ta' ishma maħruġa żdied, u b'hekk iwassal għal dilwizzjoni tar-rekwiżit oriġinali għal-livell limitu. L-adozzjoni tal-valur nominali tal-ishma tiżgura li minkejja kwalunkwe numru ta' qsim tal-azzjonijiet li jista' jkun hemm fil-gejjieni, il-livell limitu se jibqa' kostanti.

amendment is being proposed in order to retain the principle without the risk of similar dilution in the future. In addition, it is also being proposed that the overall threshold that ought to be required for the nomination of a candidate to become a director ought to be increased to €50,000 in nominal value, particularly since in the context of the current issued share capital the current threshold of 5,000 shares is relatively too low to justify an entitlement to make a nomination of a candidate. It is considered more appropriate to have a higher level of support from shareholders for a candidate to be considered, also taking into account that a person once nominated may well be appointed without the need of an election if the number of vacancies is lower or equal to the number of candidates.

Non-Qualifying Shareholders will be entitled to make recommendations to the Nominations and Governance Committee (NGC) of candidates who meet the criteria established by the NGC. The NGC shall screen both the candidates being proposed by the Qualifying Shareholders as well as those candidates who are nominated by the Non-Qualifying Shareholders. In addition, the NGC shall have the right to reject a nomination. If there are more approved candidates than there are vacancies, then an election would have to take place and shareholders shall elect the directors from amongst the candidates who have been approved by the Board of Directors, following the recommendation of the NGC.

e. Elections of Non-Executive Directors

It is only candidates whose nomination has been approved by the NGC that shall be presented to the shareholders in general meeting for an election. If there are as many candidates approved by the NGC as there are vacancies then no elections shall take place. In the event that there are more approved nominations than there are vacancies, then an election amongst the approved candidates shall take place. The process of election of non-executive directors has been retained as the one currently applicable.

f. The Nominations and Governance Committee

This is a new introduction in the governance structures of the Bank. It shall be composed of three non-executive directors and chaired by the Company's chairman. Two of the non-executive directors appointed on the NGC shall be independent directors. The new articles also provide a definition of what it entails to fall within the definition of independence, namely:

A Director is considered to be independent when he is free from any business, family or other relationship, with the Company, its controlling Shareholder or the management of either, that creates a conflict of interest such as to jeopardise exercise of his free judgement; and business relationship includes the situation of a significant supplier of goods or services (including

Din l-emenda qed tiġi proposta sabiex jinżamm il-prinċipju minghajr ir-riskju ta' dilwizzjoni simili fil-ġejjieni. Barra minn hekk, qed jiġi propost ukoll li l-livell limitu globali li jrid ikun meħtieġ għan-nominazzjoni ta' kandidat biex isir direttur għandu jiżdied għal €50,000 f'valur nominali, b'mod partikolari għaliex fil-kuntest tal-kapital azzjonarju maħruġ attwali, il-livell limitu attwali ta' 5,000 sehem huwa relattivament wisq baxx biex jiġġustifika l-intitolament li wiehed jagħmel nominazzjoni ta' kandidat. Huwa meqjus aktar xieraq li jkun hemm livell oghla ta' appoġġ mill-azzjonisti biex jiġi kkunsidrat kandidat, anke meta meta jitqies li ladarba persuna tiġi nnominata tista' tiġi maħtura minghajr il-meħtieġa ta' elezzjoni jekk in-numru ta' postijiet vakanti jkun anqas jew daqs in-numru ta' kandidati.

L-Azzjonisti Mhux Kwalifikanti se jkunu intitolati jagħmlu rakkomandazzjonijiet lin-NGC ta' kandidati li jissodisfaw il-kriterji stabbiliti min-NGC. In-NGC għandu janalizza kemm il-kandidati li jkunu qed jiġu proposti mill-Azzjonisti Kwalifikanti kif ukoll dawk il-kandidati li jiġu nnominati mill-Azzjonisti Mhux Kwalifikanti. Barra minn hekk, in-NGC għandu jkollu d-dritt li jirrifjuta nominazzjoni. Jekk ikun hemm aktar kandidati approvati milli jkun hemm postijiet vakanti, ikollha ssir elezzjoni u l-azzjonisti jkollhom jeleġġu lid-diretturi minn fost il-kandidati li jkunu ġew approvati mill-Bord tad-Diretturi, wara r-rakkomandazzjoni tan-NGC.

e. Elezzjonijiet ta' Diretturi Mhux Eżekuttivi

Huma biss il-kandidati li n-nomina tagħhom tkun ġiet approvata min-NGC li għandhom jiġu pprezentati quddiem l-azzjonisti fil-laqgħa ġenerali għal elezzjoni. Jekk ikun hemm numru ta' kandidati approvati min-NGC daqs kemm ikun hemm postijiet vakanti, ma jsiru l-ebda elezzjonijiet. Fil-każ li jkun hemm aktar nominazzjonijiet approvati milli jkun hemm postijiet vakanti, għandha ssir l-elezzjoni bejn il-kandidati approvati. Il-proċess tal-elezzjoni ta' diretturi mhux eżekuttivi nżammet bħal dik applikabbli bħalissa.

f. In-Nominations and Governance Committee

Dan huwa introduzzjoni ġdida fl-istrutturi ta' governanza tal-Bank. Għandu jkun magħmul minn tliet diretturi mhux eżekuttivi u ppresedut miċ-*Chairman* tal-Kumpanija. Tnejn mid-diretturi mhux eżekuttivi maħtura fuq in-NGC għandhom ikunu diretturi indipendenti. L-Artiklu l-ġdid jipprovdi wkoll definizzjoni ta' x'inhu meħtieġ biex taqa' taħt id-definizzjoni ta' indipendenza, jiġifieri:

Direttur huwa meqjus indipendenti meta jkun ħieles minn kwalunkwe relazzjoni kummerċjali, familjari jew relazzjoni oħra, mal-Kumpanija, mal-Azzjonist li jikkontrollaha jew mal-manigment tat-tnejn li huma, li tohloq kunflitt ta' interess b'tali mod li tipperikola l-eżerċizzju tal-ġudizzju liberu tiegħu; u relazzjoni kummerċjali tinkludi s-sitwazzjoni ta' fornitur sinifikanti

financial, legal, advisory or consulting services), of an employee, of a significant customer, and of organisations that receive significant contributions from the Company or its group.

The role of the NGC shall be: (i) to ensure that the composition of the board of directors of the Company shall be such as to provide it with the appropriate level and mix of experience, skills, and competence that may be required for the operation of a credit institution and (ii) to ensure that persons occupying the post of non-executive directors meet the requirements of legislation and regulation from time to time.

The Board of Directors is furthermore proposing that the Board will, from time to time, set out the terms of reference of the NGC. However certain fundamentals will be entrenched in the memorandum and articles, that will set out both the basic role of the NGC as well as the parameters within which the directors may provide the appropriate terms of reference, namely:

- i. To recommend to the Board, candidates having the right attributes, including:
 - integrity, skill, competence and experience individually; and
 - contributes to the collective skills, experience and competence required at the board.
- ii. To make recommendations to the board on persons considered as independent to occupy positions on the board;
- iii. To make recommendations on matters such as, succession planning; selection of senior management and the optimal size of the board.
- iv. To ensure that nominations to the board are made on merit and in line with the overall requirements of the skills and competence required in the board;
- v. To evaluate and test each candidate against guidelines issued from time to time by the regulators;
- vi. Periodically assess the skills, knowledge and experience that may be required within the board and make recommendations to the board.

In terms of the proposed articles¹ the NGC shall strive to act by consensus provided that, where such consensus is not achieved, it shall decide by majority vote, with any member having the right to make a dissenting opinion in the recommendations to the board.

With a view to avoid possible perceptions of conflicts of interest in the scrutiny and approval of candidates for appointment as non-executive directors, the articles provide that no member of the NGC shall be present when his nomination as a director or a matter which concerns that member in question, is being evaluated by the NGC. In such instances such member shall be substituted by another director. In this same context the proposals include a system of rotation that would, as far as practicably possible, ensure that members on

ta' prodotti jew servizzi (inkluż servizzi finanzjarji, legali, jew ta' konsulenza), ta' impjegat, ta' klijent sinifikanti, u ta' organizzazzjonijiet li jirċievu kontribuzzjonijiet sinifikanti mill-Kumpanija jew mill-grupp tagħha.

Ir-rwol tan-NGC għandu jkun: (i) li jiżgura li l-kompożizzjoni tal-Bord tad-Diretturi tal-Kumpanija għandu jkun tali li jipprovdiha bil-livell u t-taħlita xierqa ta' esperjenza, ħiliet, u kompetenza li jistgħu jkunu meħtieġa għall-operazzjoni ta' istituzzjoni ta' kreditu u (ii) li jiżgura li l-persuni li jokkupaw il-kariga ta' diretturi mhux eżekuttivi jissodisfaw ir-rekwiżiti tal-leġiżlazzjoni u tar-regolamenti minn żmien għal żmien.

Barra minn hekk, il-Bord tad-Diretturi qiegħed jipproponi li l-Bord minn żmien għal żmien għandu jstabbilixxi t-termini ta' referenza tan-NGC. Madankollu ċerti prinċipji fundamentali se jkunu minquxa fl-memorandum u artikli tal-assocjazzjoni, biex jstabbilixxu kemm ir-rwol bażiku tan-NGC kif ukoll il-parametri li fihom id-diretturi jistgħu jipprovdu t-termini ta' referenza xierqa, jiġifieri:

- i. Jirrakkomanda lill-Bord, il-kandidati li għandhom l-attribwiti xierqa, inkluż:
 - integrità, ħila, kompetenza u esperjenza fuq bażi individwali; u
 - jikkontribwixxu għall-ħiliet, l-esperjenza u l-kompetenza kollettivi meħtieġa fuq il-Bord.
- ii. Jagħmel rakkomandazzjonijiet lill-Bord dwar persuni meqjusa bħala indipendenti biex jokkupaw pożizzjonijiet fuq il-Bord;
- iii. Jagħmel rakkomandazzjonijiet lill-Bord dwar kwistjonijiet bħall-ippjanar tas-suċċessjoni, l-għażla tal-manigment superjuri u d-daqs ottimali tal-Bord.
- iv. Jiżgura li n-nominazzjonijiet għal fuq il-Bord isiru fuq il-mertu u f'konformità mar-rekwiżiti globali tal-ħiliet u tal-kompetenza meħtieġa fil-Bord;
- v. Jevalwa u jivverifika kull kandidat kontra linji gwida maħruġa minn żmien għal żmien mir-regolaturi;
- vi. Perjodikament jivaluta l-ħiliet, l-għarfien u l-esperjenza li jistgħu jkunu meħtieġa fil-Bord u jagħmel rakkomandazzjonijiet lill-Bord.

F'termini tal-Artikli¹ proposti fejn in-NGC għandu jistinka biex jaġixxi b'konsens dment li, fejn dan il-konsens ma jintlaħaqx, għandu jiddeċiedi b'vot ta' maġġoranza, b'kull membru jkollu d-dritt li jagħti opinjoni diverġenti fir-rakkomandazzjonijiet lill-Bord.

Bil-għan li jiġu evitati perċezzjonijiet possibbli ta' kunflitti ta' interess fl-iskrutinju u fl-approvazzjoni tal-kandidati għall-ħatra ta' diretturi mhux eżekuttivi, l-Artikli jipprovdu li l-ebda membru tan-NGC m'għandu jkun preżenti meta n-nomina tiegħu bħala direttur jew meta materja oħra li tikkonċerna lil dak il-membru, tkun qed tiġi evalwata min-NGC. F'dawn iċ-ċirkustanzi t-tali membru għandu jiġi sostitwit minn direttur ieħor. F'dan l-istess kuntest il-proposti jinkludu sistema ta' rotazzjoni li, sa fejn huwa prattikament possibbli, tiżgura li l-membri

¹ See article 27.11

¹ Ara l-Artiklu 27.11

the committee will not have an interest in the scrutiny of other candidates for the same position. In this respect members whose term of office expires during a particular year, and who would have an interest in being re-considered for the position of non-executive directors, will not be part of the NGC.

g. Rotation of Directors

This is again a new concept within the structures of the Board of Directors. In order to ensure continuity at Board of Directors' level the Articles are being revised² to provide that, subject to rotation in the first three years, when a non-executive Director is appointed to office, such director shall hold office for a period of three (3) years, unless he resigns or is removed earlier or is due to retire by rotation. Only three (3) board members shall retire from office in each year, thus leaving the other six (6) non-executive directors incumbents in office. This is expected to provide the board with a level of continuity that is not present in the current articles of association. The longest serving directors are the ones to retire first apart from those who do not seek re-election. This notwithstanding, if the NGC is of the view that in the event that the then compliment of the board has the right mix of skills, knowledge and experience, and that there is no value to be derived in changing the same composition of the board, the NGC may recommend to the Board of Directors that any retiring director ought to be re-appointed to his office³.

The articles also provide for a transitory period during the first 3 years from the adoption of this article⁴, so that notwithstanding that all directors at the next annual general meeting are elected for a term of 3 years, the first rotation of the first three directors shall take place following the first year in office and the next three directors after the first two years in office.

h. Other Consequential amendments

A number of amendments have become necessary as a consequence of the proposed amendments discussed above or for clarification purposes. These include:

- i. a clarification to allow the Company to offer new equity securities to the general public for subscription, where such new equity securities are not subscribed to by the existing members in terms of their pre-emptive right. Such new equity securities can only be offered to the general public under the same or other conditions, which however cannot be more favourable than an offer made to existing Members⁵;
- ii. that no person shall be entitled to occupy the office of non-executive director of the Company

fuq il-Kumitat ma jkollhomx interess fl-iskrutinju ta' kandidati oħra għall-istess pożizzjoni. F'dan ir-rigward il-membri li t-terminu tal-kariga tagħhom jiskadi matul sena partikolari, u li jkollhom interess li jerġgħu jiġu kkunsidrati għall-pożizzjoni ta' diretturi mhux eżekuttivi, mhux se jkun parti min-NGC.

g. Ir-Rotazzjoni tad-Diretturi

Dan huwa għal darb'oħra kuncett ġdid fl-istrutturi tal-Bord tad-Diretturi. Sabiex tiġi żgurata l-kontinwità fil-livell tal-Bord tad-Diretturi, l-Artikli qed jiġu riveduti² biex jipprovdur li, suġġett għar-rotazzjoni fl-ewwel tliet snin, meta Direttur Mhux Eżekuttiv jinħatar fil-kariga, dan id-Direttur għandu jzomm il-kariga għal perjodu ta' tliet (3) snin, sakemm ma jirriżenja jew ma jittneħħiex qabel jew ma jkunx wasal biex jirtira skont ir-rotazzjoni. Tliet (3) membri tal-bord biss għandhom jirtiraw mill-kariga kull sena, biex b'hekk is-sitt (6) diretturi mhux eżekuttivi l-oħra li diġà kienu hemm jithallew fil-kariga. Dan huwa mistenni li jipprovdur lill-Bord b'livell ta' kontinwità li mhux preżenti fl-artikli tal-assoċjazzjoni attwali. L-aktar diretturi li jkun ilhom fil-kariga huma dawk li jirtiraw l-ewwel apparti minn dawk li ma jkunux jixtiequ li jerġgħu jiġu eletti. Minkejja dan, jekk in-NGC ikun tal-opinjoni li fil-każ partikolari, il-membri attwali tal-Bord ikollhom it-tahlita tajba ta' ħiliet, għarfien u esperjenza, u li ma jkun hemm l-ebda valur x'jittiehed mit-tibdil fl-istess kompożizzjoni tal-Bord, in-NGC jista' jirrakkomanda lill-Bord tad-Diretturi biex kwalunkwe direttur li jkun se jirtira jkun jista' jerġa' jiġi maħtur fil-kariga tiegħu³.

L-artikli jipprovdur wkoll għal perjodu tranzitorju matul l-ewwel 3 snin mill-adozzjoni ta' dan l-Artiklu⁴, sabiex minkejja li d-diretturi kollha fil-laqgħa ġenerali annwali li jmiss ser jinħatru għal 3 snin, l-ewwel rotazzjoni tal-ewwel tliet diretturi għandha sseħħ wara l-ewwel sena fil-kariga u tat-tliet diretturi li jmiss wara l-ewwel sentejn fil-kariga.

h. Emendi Konsegwenzjali oħra

Numru ta' emendi saru meħtieġa bħala konsegwenza tal-emendi proposti diskussi hawn fuq jew għal skopijiet ta' kjarifika. Dawn jinkludu:

- i. kjarifika li tippermetti lill-Kumpanija toffri titoli ta' ekwità godda lill-pubbliku ġenerali għas-sottoskrizzjoni, fejn dawn it-titoli ta' ekwità godda ma jiġux sottoskritti mill-membri eżistenti f'termini tad-dritt premessi tagħhom. Dawn it-titoli ta' ekwità godda jistgħu jiġu offruti biss lill-pubbliku ġenerali taħt l-istess kundizzjonijiet jew kundizzjonijiet oħra, li madankollu ma jistgħux ikunu aktar favorevoli mill-offerta li tkun saret lill-Membri eżistenti⁵;
- ii. li l-ebda persuna m'għandha tkun intitolata biex tokkupa l-kariga ta' direttur mhux eżekuttiv tal-

² See Article 28

³ See Article 27.14 and 27.15

⁴ See Article 28.1 and 28.2

⁵ See Article 8.1

² Ara l-Artiklu 28

³ Ara l-Artiklu 27.14 u 27.15

⁴ Ara l-Artiklu 28.1 u 28.2

⁵ Ara l-Artiklu 8.1

for an aggregate period of more than 12 years in any period of 15 years. This is intended to ensure full and complete independence of thought and impartiality of judgement by non-executive directors, who after a long serving term may become too close to the Company and its management;

- iii. provision for committees of directors that may become necessary from time to time, and the introduction of a requirement that these committees are to be chaired by a director who satisfies the requirements of independence in accordance with the articles⁶;
- iv. the introduction of a new article that provides statutory recognition of the position of the CEO as the person who is responsible for the overall executive management of the Company⁷.

The full text of the amendments to the relative articles in the articles of association of the Bank is attached to this Circular as **Annex B**.

5. RESOLUTION 2 – INCREASE IN THE AUTHORISED SHARE CAPITAL

The new memorandum and articles of association already makes provision for the increase in authorised share capital of the Company from €500 million to €1,000 million. The rationale underlying this change is driven principally by the fact that the Company's issued share capital currently stands at €420 million, which is therefore €80 million short of the authorised limit. In view of the forthcoming capital issue already announced by the Bank that should be in the region of €150 million, this limit needs to be increased to allow for further shares to be issued under the capital issue.

The increase in the authorised share capital will not necessarily be issued but will be available, subject to the authorisation that needs to be given every five years by shareholders to the directors to issue such shares.

6. RESOLUTION 3 – DIRECTORS' REMUNERATION

Resolution 3 seeks the approval of the shareholders for an increase of the maximum aggregate emoluments that may be paid to Directors in any financial year.

Directors are eligible for payment for their services as Directors and for membership and chairing of any committees of the Board. Article 67.1 (now renumbered to Article 33.1) provides that the aggregate emoluments of all Directors shall, from time to time, be determined by the Company in general meeting. Any notice convening the general meeting during which

Kumpanija għal perjodu aggregat ta' aktar minn 12-il sena f'kwalunkwe perjodu ta' 15-il sena. Dan huwa maħsub biex jiżgura l-indipendenza sħiħa u kompluta tagħhom u l-imparzjalità tal-ġudizzju mid-diretturi mhux eżekuttivi, li wara kariga fit-tul jistgħu jkunu saru wisq viċin il-Kumpanija u l-manigment tagħha;

- iii. dispożizzjoni għall-kumitati tad-diretturi li jistgħu jsiru meħtieġa minn żmien għal żmien, u l-introduzzjoni ta' rekwiżit li dawn il-kumitati għandhom ikunu preseduti minn direttur li jissodisfa r-rekwiżiti tal-indipendenza skont l-artikli⁶;
- iv. l-introduzzjoni ta' artiklu ġdid li jipprovdi rikonoxximent statutorju tal-pożizzjoni ta' Uffiċjal Kap Eżekuttiv bħala l-persuna li hija responsabbli mill-ġestjoni eżekuttiva globali tal-Kumpanija⁷.

It-test sħiħ tal-emendi għall-Artikli relattivi fl-artikli tal-assocjazzjoni tal-Bank huwa meħmuż ma' din iċ-Ċirkolari bħala **Anness B**.

5. RIŻOLUZZJONI 2 – ŻIEDA FIL-KAPITAL AZZJONARJU AWTORIZZAT

Il-memorandum u l-artikli tal-assocjazzjoni ġdid diġà jagħmel dispożizzjoni għaż-żieda fil-kapital azzjonarju awtorizzat tal-Kumpanija minn €500 miljun għal €1,000 miljun. Ir-razzjonal wara dan it-tibdil huwa motivat prinċipalment mill-fatt li l-kapital azzjonarju maħruġ tal-Kumpanija bħalissa jinsab fil-livell ta' €420 miljun, li għalhekk jinsab €80 miljun inqas mill-limitu awtorizzat. Fid-dawl tal-ħruġ ta' ishma li jmiss u li diġà tħabbar mill-Bank li għandu jkun fir-reġjun ta' €150 miljun, dan il-limitu jeħtieġ li jiżdied biex jippermetti l-ħruġ ta' aktar ishma taħt il-ħruġ ta' kapital.

Iż-żieda fil-kapital azzjonarju awtorizzat mhux neċessarjament se tinħareġ imma se tkun disponibbli, suġġett għall-awtorizzazzjoni li jenħtieġ li tingħata kull ħames snin mill-azzjonisti lid-Diretturi biex johorġu dawn l-ishma.

6. RIŻOLUZZJONI 3 - RIMUNERAZZJONI TAD-DIRETTURI

Ir-Riżoluzzjoni 3 tfittex l-approvazzjoni tal-azzjonisti għal żieda fir-rimunerazzjoni totali massima li jistgħu jithallsu lid-Diretturi f'sena finanzjarja.

Id-Diretturi huma eliġibbli għal hlas għas-servizzi tagħhom bħala Diretturi u għas-sħubija tagħhom fi u għal meta jippresjedu kwalunkwe kumitat tal-Bord tad-Diretturi. L-Artiklu 67.1 (issa rinumerat mill-ġdid bħala l-Artiklu 33.1) jipprovdi li l-emolumenti totali tad-Diretturi kollha għandhom, minn żmien għal żmien, jiġu ddeterminati mill-Kumpanija f'laqgħa ġenerali. Kwalunkwe avviż li jlaqqa'

⁶ See Article 32.2

⁷ See Article 36

⁶ Ara l-Artiklu 32.2

⁷ Ara l-Artiklu 36

an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain reference to such fact.

In line with principles of good corporate governance, and following the recommendation of the regulators, the Company's Board will henceforth be composed of both non-executive and executive directors. As a result, Members on the Board will increase up to a maximum of 12 directors (9 non-executive and 3 executive). This mix of non-executive and executive directors should enhance further the Board's governance structure and oversight function. Moreover, regulators expect Board members to regularly attend training in order to keep abreast with regulatory and market developments, as well as to individually dedicate sufficient time for research and preparation ahead of Board and Committee meetings.

This resolution therefore proposes to increase the limit of the aggregate emoluments that may be paid to the Directors by way of remuneration for their services as Directors in terms of Article 67.1 of the Articles of Association (now renumbered to Article 33.1) from €350,000 up to a maximum of €450,000.

This revision in directors' emoluments is being proposed primarily for the following reasons:

- i. As already communicated to shareholders, this year the Bank is changing its accounting year end from 30 September to 31 December. Consequently, the current financial year 2017 will, exceptionally, have a duration of 15 months covering the period from 1 October 2016 to 31 December 2017. The increase in directors' emoluments will cover the 15 month financial period in 2017.
- ii. The changes in the memorandum and articles of association being proposed for shareholders' approval provide for the introduction of 3 executive directors. As a result, directors' emoluments are being revised to consider also the emoluments to be granted to executive directors appointed on the Board.
- iii. The number of Board Committees has increased during this year. Also, membership in Board Committees by the Company's directors has been augmented to reinforce governance and internal control structures as agreed with the regulatory authorities.

7. RESOLUTION 4 – AUTHORITY FOR DIRECTORS TO ISSUE SHARES

By means of Resolution 4 the directors are seeking the authorisation of shareholders to issue shares out of the increased authorised share capital equivalent to the difference between the current issued share capital and the increased authorised share capital. Currently Article 3.2 provides that the Company may, pursuant to and in accordance with the Companies Act (Cap.386 of the Laws of Malta) generally and unconditionally authorise the directors, during the prescribed period (five years) to exercise all the powers of the Company to issue and allot Equity Securities under

I-laqgħa generali li matulha tkun se tiġi proposta żieda fil-limitu massimu ta' dawn l-emolumenti totali, għandu jinkludi referenza għal dan il-fatt.

F'konformità mal-prinċipji ta' governanza korporattiva tajba, u wara r-rakkomandazzjoni tar-regolaturi, il-Bord tal-Kumpanija minn issa 'l quddiem se jkun magħmul minn kemm Diretturi mhux eżekuttivi kif ukoll Diretturi eżekuttivi. B'rizultat ta' dan, il-Membri fuq il-Bord se jżiedu sa massimu ta' 12-il Direttur (9 mhux eżekuttivi u 3 eżekuttivi). Din it-taħlita ta' Diretturi mhux eżekuttivi u eżekuttivi għandha ssaħħaħ aktar l-istruttura tal-governanza tal-Bord u l-funzjoni tas-sorveljanza. Barra minn hekk, ir-regolaturi jstennew li l-Membri tal-Bord jattendu regolarment għal taħriġ sabiex jibqgħu aġġornati dwar żviluppi regolatorji u tas-suq, kif ukoll li fuq bażi individwali jiddedikaw biżżejjed hin għar-riċerka u għat-tnejja qabel il-laqgħat tal-Bord u tal-Kumitati.

Din ir-riżoluzzjoni għalhekk tipproponi li żżid il-limitu tal-emolumenti totali li jistgħu jithallsu lid-Diretturi bħala rimunerazzjoni għas-servizzi tagħhom bħala Diretturi f'termini tal-Artiklu 67.1 tal-Artikli tal-Assoċjazzjoni (issa rinumerat għal Artiklu 33.1) minn €350,000 għal massimu ta' €450,000.

Din ir-reviżjoni fl-emolumenti tad-Diretturi qed tiġi proposta primarjament għal dawn ir-raġunijiet li ġejjin:

- i. Kif diġà kkomunikat lill-azzjonisti, din is-sena l-Bank qed jibdel tmiem is-sena finanzjarja tiegħu mit-30 ta' Settembru għall-31 ta' Diċembru. Konsegwentement, is-sena finanzjarja attwali tal-2017, b'mod eċċezzjonali, se tkun twila 15-il xahar u tkopri l-perjodu mill-1 ta' Ottubru 2016 sal-31 ta' Diċembru 2017. Iż-żieda fl-emolumenti tad-Diretturi se tkopri l-perjodu finanzjarju ta' 15-il xahar fl-2017.
- ii. It-tibdil fil-memorandum u fl-artikli tal-assoċjazzjoni li qed jiġi propost għall-approvazzjoni tal-azzjonisti jipprovdi għall-introduzzjoni ta' 3 Diretturi eżekuttivi. B'rizultat ta' dan, l-emolumenti tad-Diretturi qed jiġu riveduti biex iqisu wkoll l-emolumenti li se jingħataw lid-Diretturi eżekuttivi mahtura fuq il-Bord.
- iii. In-numru ta' Kumitati tal-Bord żdied matul din is-sena. Issaħħet ukoll is-sħubija fil-Kumitati tal-Bord mid-Diretturi tal-Kumpanija biex jiġu rinfurzati l-istrutturi ta' governanza u ta' kontroll intern kif maqbul mal-awtoritajiet regolatorji.

7. RIŻOLUZZJONI 4 – AWTORITÀ TAD-DIRETTURI LI JOHORĠU L-ISHMA

Permezz ta' Riżoluzzjoni 4 id-Diretturi qed ifittxu l-awtorizzazzjoni tal-azzjonisti biex joħorġu ishma mill-kapital azzjonarju awtorizzat miżjud ekwivalenti għad-differenza bejn il-kapital azzjonarju attwali maħruġ u l-kapital azzjonarju awtorizzat miżjud. Bħalissa l-Artiklu 3.2 jipprovdi li l-Kumpanija tista', skont l-Att dwar il-Kumpanniji (Kap. 386 tal-Liġijiet ta' Malta) b'mod ġenerali u mingħajr kundizzjoni tawtorizza lid-Diretturi, matul il-perjodu preskritt (f'ames snin) jeżerċitaw is-setgħat kollha tal-Kumpanija biex joħorġu u jallokaw Titoli ta' Ekwità taht tali termini u kundizzjonijiet inkluż (imma

such terms and conditions including (but not limited to) with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, up to the prescribed amount. Provided that such an authorisation shall be valid for a period of five years renewable for further periods of five years each.

The current authority of the board was granted during the 39th AGM held on the 19 December 2012 for a period of five years and expires on the 18 December 2017. This resolution proposes to renew this authority for a further five year period, with effect from the 27 July 2017 to expire on the 26 July 2022. It is also being proposed that the prescribed amount (i.e. the maximum amount of shares which can be issued by the directors during this five year period) is increased from €100,000,000 to €580,000,000, also with effect from the 27 July 2017.

The purpose of this authority is to grant flexibility to the board of directors to act in accordance with this authority without the need to convene a general meeting of the Company.

8. DOCUMENTS AVAILABLE FOR INSPECTION

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

- the Bank's Memorandum and Articles of Association;
- the Bank's last Annual Financial Report for the year ended 30 September 2016; and
- the Bank's last Interim Report for the period ended 31 March 2017.

9. DIRECTORS' RECOMMENDATION

The Board of Directors, having undertaken the necessary considerations, is of the view that the proposed resolutions are in the best interest of the Bank and of its Shareholders and are calculated to improve the governance structures of the Bank as well as add Shareholder value. The Board therefore recommends that the Shareholders vote in favour of these resolutions at the forthcoming Extraordinary General Meeting called for the 27 July 2017.

This Circular is dated the 6 July 2017

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

mhux limitat għal) bi drittijiet preferenzjali, differiti, jew drittijiet speċjali oħra jew tali restrizzjonijiet, kemm fir-rigward tad-dividendi kif ukoll tal-votazzjoni, tar-ritorn tal-kapital jew oħrajn, sal-ammont preskritt. Sakemm din l-awtorizzazzjoni tkun valida għal perjodu ta' hames snin u tiġgedded għal perjodi ulterjuri ta' hames snin kull wiehed.

L-awtorità attwali tal-Bord inghatat matul id-39 Laqgħa Ġenerali Annwali li saret fid-19 ta' Diċembru 2012 għal perjodu ta' hames snin u li tiskadi fit-18 ta' Diċembru 2017. Din ir-riżoluzzjoni tipproponi li ġgedded din l-awtorità għal perjodu ta' hames snin oħra, b'effett mis-27 ta' Lulju 2017 u li tkun tiskadi fis-26 ta' Lulju 2022. Qed jiġi propost ukoll li l-Ammont Preskritt (jiġifieri l-ammont massimu ta' ishma li jista' jinħareġ mid-Diretturi matul dan il-perjodu ta' hames snin) jiżdied minn €100,000,000 għal €580,000,000, ukoll b'effett mis-27 ta' Lulju 2017.

L-għan ta' din l-awtorità huwa li tagħti l-flessibilità lill-Bord tad-Diretturi biex jaġixxu skont din l-awtorità mingħajr il-htieġa li jlaqqgħu laqgħa ġenerali tal-Kumpanija.

8. DOKUMENTI DISPONIBBLI GĦALL-ISPEZZJONI

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

- il-Memorandum u l-Artikli tal-Assoċjazzjoni tal-Bank;
- l-aħħar Rapport Finanzjarju Annwali tal-Bank għas-sena li għalqet fit-30 ta' Settembru 2016; u
- l-aħħar Rapport Interim tal-Bank għall-perjodu li għalaq fil-31 ta' Marzu 2017.

9. RAKKOMANDEZZJONI TAD-DIRETTURI

Il-Bord tad-Diretturi wara li qies il-kunsiderazzjonijiet neċessarji huwa tal-opinjoni li r-riżoluzzjonijiet proposti huma fl-aħjar interess tal-Bank u tal-Azzjonisti tiegħu u huma maħsuba biex itejbu l-istrutturi ta' governanza tal-Bank kif ukoll biex iżidu l-valur għall-Azzjonisti. Il-Bord għalhekk jirrakkomanda li l-Azzjonisti jivvutaw favur dawn ir-riżoluzzjonijiet fil-Laqgħa Ġenerali Straordinarja li jmiss imsejja għas-27 ta' Lulju 2017.

Din iċ-Ċirkolari hija datata s-6 ta' Lulju 2017

Approvata u maħruġa mill-Bank of Valletta p.l.c., bl-indirizz reġistrat f'58, Triq San Żakkarija, Il-Belt Valletta VLT 1130, Malta u mill-Head Office, House of the Four Winds, Triq I-Imtiehen, Il-Belt Valletta VLT 1350, Malta.

ANNEX A**A. Changes to the Memorandum of Association****A.1 Clause 4 – Capital**

That a new heading '4. CAPITAL' is inserted immediately after clause 3.1.14.

That the current clause 4 is renumbered to clause 4.1.

That, with effect from 27 July 2017 the current text of clause 4 (now clause 4.1) be deleted and replaced by the amended text, so that clause 4.1 will now read:

4.1. The authorised share capital of the Company is €1,000,000,000 divided into 1,000,000,000 shares of €1.00 each.

That the current unnumbered clause immediately after clause 4.1 is numbered as clause 4.2.

Increase in the aggregate shareholding

That the current text of clauses 4.1, 4.1.1, 4.1.2, 4.2, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.3 and 4.4 be deleted and replaced by the amended text, so that clauses 4.3, 4.3.1, 4.3.2, 4.4, 4.4.1, 4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.5 and 4.6 will now read:

4.3. No person may at any time, whether directly or indirectly and in any manner whatsoever:

4.3.1. acquire such number of shares in the Company as would in aggregate be in excess of five per cent (5%) of the issued share capital of the Company; or

4.3.2. with the exception of existing large shareholders, hold such number of shares in the Company as would in aggregate be in excess of five per cent (5%) of the issued share capital of the Company.

4.4. The provisions of clause 4.3 shall not apply in the following cases:

4.4.1. where an underwriter or sub-underwriter becomes a large shareholder by virtue of an underwriting or sub-underwriting arrangement;

4.4.2. where a Member is already a large shareholder; and consequent to an election to exercise, in whole or in part, as may be applicable, a scrip dividend option declared by the Company such large shareholder shall further increase its shareholding in the Company, provided that following such increase such large shareholder shall not acquire any further shares in the Company, except as allowed by virtue of the exceptions under this clause 4.4, or unless his

ANNEX A**A. Tibdil fil-Memorandum tal-Assoċjazzjoni****A.1 Klawsola 4 – Kapital**

Illi jiġi mdaħħal titolu ġdid '4. CAPITAL' eżatt wara klawsola 3.1.14.

Illi l-klawsola eżistenti 4 tiġi rinumerata bħala klawsola 4.1.

Illi, b'effett mis-27 ta' Lulju 2017, tiġi mneħħija l-klawsola eżistenti 4 (issa klawsola 4.1) u tiġi mibdula sabiex klawsola 4.1 tingara hekk:

4.1. The authorised share capital of the Company is €1,000,000,000 divided into 1,000,000,000 shares of €1.00 each.

Illi l-klawsola eżistenti bla numru eżatt wara klawsola 4.1 tiġi rinumerata bħala klawsola 4.2.

Żieda fl-ishma totali

Illi l-klawsoli eżistenti 4.1, 4.1.1, 4.1.2, 4.2, 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.3 u 4.4 jiġu mibdula sabiex il-klawsoli 4.3, 4.3.1, 4.3.2, 4.4, 4.4.1, 4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.5 u 4.6 ser jinqraw hekk:

4.3. No person may at any time, whether directly or indirectly and in any manner whatsoever:

4.3.1. acquire such number of shares in the Company as would in aggregate be in excess of five per cent (5%) of the issued share capital of the Company; or

4.3.2. with the exception of existing large shareholders, hold such number of shares in the Company as would in aggregate be in excess of five per cent (5%) of the issued share capital of the Company.

4.4. The provisions of clause 4.3 shall not apply in the following cases:

4.4.1. where an underwriter or sub-underwriter becomes a large shareholder by virtue of an underwriting or sub-underwriting arrangement;

4.4.2. where a Member is already a large shareholder; and consequent to an election to exercise, in whole or in part, as may be applicable, a scrip dividend option declared by the Company such large shareholder shall further increase its shareholding in the Company, provided that following such increase such large shareholder shall not acquire any further shares in the Company, except as allowed by virtue of the exceptions under this clause 4.4, or unless his

aggregate holding of shares in the Company falls below five per cent (5%) of the issued share capital of the Company, in which case any acquisition of shares thereafter shall be subject to the provisions of clause 4.3;

aggregate holding of shares in the Company falls below five per cent (5%) of the issued share capital of the Company, in which case any acquisition of shares thereafter shall be subject to the provisions of clause 4.3;

- 4.4.3. to the Company, where the Company purchases any of its own shares in accordance with the Act;
- 4.4.4. to any shareholder whose holding of shares in the Company shall come to exceed five per cent (5%) of the issued share capital of the Company solely as a result of either (i) the cancellation of shares and the subsequent reduction of share capital of the Company; or (ii) the exercise by a shareholder of its rights to subscribe for its proportionate share of a rights issue made by the Company. **Provided** that any shareholder, whose holding shall exceed five per cent (5%) as a result of either (i) the cancellation of shares; or (ii) the subscription of the proportionate share of a rights issue by the Company, shall not acquire any further shares in the Company for so long as the number of shares held by such shareholder shall exceed five percent (5%) of the issued share capital of the Company.
- 4.4.5. to any shareholder whose holding of shares in the Company shall come to exceed five per cent (5%) of the issued share capital of the Company solely as a result of the shareholder electing to exercise, in whole or in part, as may be applicable, a scrip dividend option declared by the Company. **Provided** that any shareholder, whose holding shall exceed five percent (5%) as a result of the exercise of his right to subscribe for such scrip dividend, shall not acquire any further shares in the Company, except in accordance with the exceptions in this clause 4.4 for so long as the number of shares held by them shall exceed five percent (5%) of the issued share capital of the Company.
- 4.5. The provisions of clause 4.3 shall not apply in cases where a large shareholder, being a bank, credit institution or financial institution 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 or financial institutions 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.

- 4.4.3. to the Company, where the Company purchases any of its own shares in accordance with the Act;
- 4.4.4. to any shareholder whose holding of shares in the Company shall come to exceed five per cent (5%) of the issued share capital of the Company solely as a result of either (i) the cancellation of shares and the subsequent reduction of share capital of the Company; or (ii) the exercise by a shareholder of its rights to subscribe for its proportionate share of a rights issue made by the Company. **Provided** that any shareholder, whose holding shall exceed five per cent (5%) as a result of either (i) the cancellation of shares; or (ii) the subscription of the proportionate share of a rights issue by the Company, shall not acquire any further shares in the Company for so long as the number of shares held by such shareholder shall exceed five percent (5%) of the issued share capital of the Company.
- 4.4.5. to any shareholder whose holding of shares in the Company shall come to exceed five per cent (5%) of the issued share capital of the Company solely as a result of the shareholder electing to exercise, in whole or in part, as may be applicable, a scrip dividend option declared by the Company. **Provided** that any shareholder, whose holding shall exceed five percent (5%) as a result of the exercise of his right to subscribe for such scrip dividend, shall not acquire any further shares in the Company, except in accordance with the exceptions in this clause 4.4 for so long as the number of shares held by them shall exceed five percent (5%) of the issued share capital of the Company.
- 4.5. The provisions of clause 4.3 shall not apply in cases where a large shareholder, being a bank, credit institution or financial institution 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 or financial institutions 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 term “large shareholder” means any shareholder holding in aggregate five percent (5%) or more of the issued share capital of the Company on the date of adoption of these articles.

A.2 Clause 6 – Directors

That a new heading ‘6. DIRECTORS’ is inserted immediately after clause 5.

That the current clause 6 be deleted and replaced by clause 6.1, so that clause 6.1 will now read:

6.1. The number of Directors should not be less than seven (7) and not more than twelve (12), and they shall be appointed in the manner provided in the Articles of Association.

4.6. For the purposes of this clause 4 the term “large shareholder” means any shareholder holding in aggregate five percent (5%) or more of the issued share capital of the Company on the date of adoption of these articles.

A.2 Klawsola 6 – Diretturi

Illli jigi mdaħħal titolu ġdid ‘6. DIRECTORS’ eżatt wara klawsola 5.

Illli l-klawsola eżistenti 6 tigi mibdula bi klawsola 6.1, sabiex klawsola 6.1 ser tingara hekk:

6.1. The number of Directors should not be less than seven (7) and not more than twelve (12), and they shall be appointed in the manner provided in the Articles of Association.

ANNEX B**B. Changes to the Articles of Association****B.1 Article 3 – Share Capital and Rights**

The Board of Directors is proposing that with effect from the 27 July 2017, the “Prescribed Period” as defined in Article 3.3.1(a) (now renumbered 3.4.1) of the Articles of Association is renewed for another five years to expire on the 26 July 2022, and that the “Prescribed Amount” as defined in Article 3.3.1(b) (now renumbered 3.4.2), that is the maximum amount of shares which can be issued by the directors during this five year period, is increased from €100,000,000 to €580,000,000.

B.2 Article 8 – Issue of New Shares

That a new heading ‘8. ISSUE OF NEW SHARES’ is inserted immediately after Article 7.2.

That the current text of Article 8.1 be deleted and replaced by the amended text, so that Article 8.1 will now read:

8.1. Subject to the provisions of this Article and unless the shareholders in general meeting approve otherwise, the Company shall not allot any Equity Securities to any Person unless an offer has first been made to each existing Member to allot to each such Member a proportion of those new Equity Securities which is as nearly as practicably equal to the proportion in nominal value of the Equity Securities held by him/her of the aggregate nominal value of Equity Securities of the Company in issue at the time of the offer. Such offer shall be made to all existing Members on the same terms. Any such Equity Securities not subscribed to by the existing Members in terms of their pre-emptive right may be offered for subscription to other Person/s or the general public under the same terms or under different terms which however cannot be more favourable than the terms of the offer made to existing Members.

B.3 Article 23 – Directors – General Provisions

That the current heading ‘Directors’ is deleted and replaced by the heading ‘23. DIRECTORS – GENERAL PROVISIONS’.

That the current Articles 59.1, 59.2, 60.1.1, 60.1.2, 60.1.3, 60.1.4, 60.2.1, 60.2.2, 60.2.3, 60.2.4 and 60.2.5 are deleted and replaced by the hereunder Articles 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 23.7, 23.8, 23.9, 23.10, 23.11 and 23.12, so that Articles 23.1 to 23.12 will now read:

23.1. The administration and management of the Company shall be conducted by a Board of Directors, consisting of Executive and Non-Executive Directors as provided in the Memorandum of Association.

ANNEX B**B. Tibdil fl-Artikli tal-Assoċjazzjoni****B.1 Artiklu 3 – Kapital Azzjonarju u Drittijiet**

Il-Bord tad-Diretturi qed jipproponi illi, b’effett mis-27 ta’ Lulju 2017, il-“Perjodu Preskritt” kif definit fl-Artiklu 3.3.1(a) (issa rinumerat b’hal 3.4.1) tal-Artikli tal-Assoċjazzjoni jiġi mġedded għal hames snin oħra li jiskadi fis-26 ta’ Lulju 2022, u li l-“Ammont Preskritt” kif definit fl-Artiklu 3.3.1(b) (issa rinumerat b’hal 3.4.2), jiġifieri l-ammont massimu ta’ ishma li jistgħu joħorġu d-diretturi matul dan il-perjodu ta’ hames snin, ser jiżdied minn €100,000,000 għal €580,000,000.

B.2 Artiklu 8 – Hruġ ta’ Ishma Ġodda

Illi jiżdied titolu ġdid ‘8. ISSUE OF NEW SHARES’ eżatt wara Artiklu 7.2.

Illi l-Artiklu eżistenti 8.1 jiġi mibdul sabiex Artiklu 8.1 ser jinqara hekk:

8.1. Subject to the provisions of this Article and unless the shareholders in general meeting approve otherwise, the Company shall not allot any Equity Securities to any Person unless an offer has first been made to each existing Member to allot to each such Member a proportion of those new Equity Securities which is as nearly as practicably equal to the proportion in nominal value of the Equity Securities held by him/her of the aggregate nominal value of Equity Securities of the Company in issue at the time of the offer. Such offer shall be made to all existing Members on the same terms. Any such Equity Securities not subscribed to by the existing Members in terms of their pre-emptive right may be offered for subscription to other Person/s or the general public under the same terms or under different terms which however cannot be more favourable than the terms of the offer made to existing Members.

B.3 Artiklu 23 – Diretturi – Dispożizzjonijiet Ġenerali

Illi t-titolu eżistenti ‘Directors’ jitneħħa u jiġi mibdul bit-titlu ‘23. DIRECTORS – GENERAL PROVISIONS’.

Illi l-Artikli eżistenti 59.1, 59.2, 60.1.1, 60.1.2, 60.1.3, 60.1.4, 60.2.1, 60.2.2, 60.2.3, 60.2.4 u 60.2.5 jiġu mibdula bl-Artikli 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 23.7, 23.8, 23.9, 23.10, 23.11 u 23.12, sabiex Artiklu 23.1 sa 23.12 ser jinqraw hekk:

23.1. The administration and management of the Company shall be conducted by a Board of Directors, consisting of Executive and Non-Executive Directors as provided in the Memorandum of Association.

- 23.2. All Directors of the Company shall be individuals.
- 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.
- 23.4. Without prejudice to the provisions of Article 23.6, 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.
- 23.5. An Executive Director who is appointed to the office of director by virtue of occupying the post of Chief Executive Officer of the Company shall hold the office of Executive Director for such time as he occupies that office; whilst in the case that he is appointed by the Non-Executive Directors from amongst the most senior executive officers of the Company, until such time as the Non-Executive Directors remove or replace such director.
- 23.6. A Director whose term of office expires shall be eligible for re-appointment, provided that no person shall be entitled to occupy the office of Non-Executive Director of the Company for an aggregate period of more than 12 years in any period of 15 years.
- 23.7. A Director shall not be required to have a shareholding qualification, but this notwithstanding, a Director who is not a Member shall be entitled to attend and speak at general meetings of the Company, but except as provided for in these Articles he shall not be entitled to vote.
- 23.8. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Company shall declare the nature of his interest at a meeting of the Directors pursuant to the provisions of the Act.
- 23.9. A Director shall not vote at a meeting of Directors in respect of any transaction, contract, or arrangement in which he has a material interest, whether direct or indirect.
- 23.10. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premia for the purchase or provision of any such gratuity, pension or allowance. PROVIDED that a resolution to this effect has been approved by the shareholders in general meeting.
- 23.2. All Directors of the Company shall be individuals.
- 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.
- 23.4. Without prejudice to the provisions of Article 23.6, 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.
- 23.5. An Executive Director who is appointed to the office of director by virtue of occupying the post of Chief Executive Officer of the Company shall hold the office of Executive Director for such time as he occupies that office; whilst in the case that he is appointed by the Non-Executive Directors from amongst the most senior executive officers of the Company, until such time as the Non-Executive Directors remove or replace such director.
- 23.6. A Director whose term of office expires shall be eligible for re-appointment, provided that no person shall be entitled to occupy the office of Non-Executive Director of the Company for an aggregate period of more than 12 years in any period of 15 years.
- 23.7. A Director shall not be required to have a shareholding qualification, but this notwithstanding, a Director who is not a Member shall be entitled to attend and speak at general meetings of the Company, but except as provided for in these Articles he shall not be entitled to vote.
- 23.8. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Company shall declare the nature of his interest at a meeting of the Directors pursuant to the provisions of the Act.
- 23.9. A Director shall not vote at a meeting of Directors in respect of any transaction, contract, or arrangement in which he has a material interest, whether direct or indirect.
- 23.10. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premia for the purchase or provision of any such gratuity, pension or allowance. PROVIDED that a resolution to this effect has been approved by the shareholders in general meeting.

23.11. The Board of Directors shall have power to transact all business of whatever nature not expressly reserved by the Memorandum and Articles of Association of the Company to be exercised by the Company in general meeting or by any provision contained in these Articles.

23.12. A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the Directors.

B.4 Article 24 – Appointment of Executive Directors

That a new heading '24. APPOINTMENT OF EXECUTIVE DIRECTORS' is inserted immediately after Article 23.12.

That new Articles 24.1, 24.2, 24.2.1, 24.2.2, 24.3, 24.4, 24.4.1, 24.4.2, and 24.5 are inserted immediately after the heading '24. APPOINTMENT OF EXECUTIVE DIRECTORS', so that Articles 24.1 to 24.5 will read:

24.1. The Chief Executive Officer of the Company 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 on the Board throughout his or her tenure of the position of Chief Executive Officer.

24.2. In addition to the appointment provided in article 24.1, the Non-Executive Directors:

24.2.1. shall also appoint one (1) other Executive Director to the Board from amongst the most senior executive positions of the Company as set out in Article 24.3, and

24.2.2. may appoint up to one (1) other Executive Director to the Board from amongst the most senior executive positions of the Company as set out in Article 24.3,

in either case the appointments made pursuant to the provisions of articles 24.2.1 and 24.2.2 shall require the approval of the Nominations and Governance Committee.

24.3. The executive officers referred to in Article 24.2 shall be selected by the Non-Executive Directors from amongst the chief officers of the Company or such senior executive positions within the Company, irrespective of the nomenclature with which such offices may be known from time to time, but the persons so appointed shall be the highest ranking executive officers within the company accountable directly to the Board of Directors or accountable directly to the Chief Executive Officer.

23.11. The Board of Directors shall have power to transact all business of whatever nature not expressly reserved by the Memorandum and Articles of Association of the Company to be exercised by the Company in general meeting or by any provision contained in these Articles.

23.12. A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the Directors.

B.4 Artiklu 24 – Hatra ta' Diretturi Eżekuttivi

Il-li jżied titolu ġdid '24. APPOINTMENT OF EXECUTIVE DIRECTORS' eżatt wara Artiklu 23.12.

Il-li jiġu mdahhla Artikli ġodda 24.1, 24.2, 24.2.1, 24.2.2, 24.3, 24.4, 24.4.1, 24.4.2, u 24.5 eżatt wara t-titolu '24. Appointment of Executive Directors', sabiex Artikli 24.1 sa 24.5 ser jinqraw hekk:

24.1. The Chief Executive Officer of the Company 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 on the Board throughout his or her tenure of the position of Chief Executive Officer.

24.2. In addition to the appointment provided in article 24.1, the Non-Executive Directors:

24.2.1. shall also appoint one (1) other Executive Director to the Board from amongst the most senior executive positions of the Company as set out in Article 24.3, and

24.2.2. may appoint up to one (1) other Executive Director to the Board from amongst the most senior executive positions of the Company as set out in Article 24.3,

in either case the appointments made pursuant to the provisions of articles 24.2.1 and 24.2.2 shall require the approval of the Nominations and Governance Committee.

24.3. The executive officers referred to in Article 24.2 shall be selected by the Non-Executive Directors from amongst the chief officers of the Company or such senior executive positions within the Company, irrespective of the nomenclature with which such offices may be known from time to time, but the persons so appointed shall be the highest ranking executive officers within the company accountable directly to the Board of Directors or accountable directly to the Chief Executive Officer.

24.4. An Executive Director appointed pursuant to Article 24.2 shall have a term of office of three (3) years and shall thereafter be eligible for re-appointment, and may not be removed from office by the Non-Executive Directors:

24.4.1. unless his office as a senior executive has also been terminated; or

24.4.2. without just cause being shown to the satisfaction of the Nomination and Governance Committee; **Provided** that it shall be deemed a sufficiently just cause to remove an Executive Director appointed in accordance with the provisions of article 24.2.2 during his tenure of office, if the Non-Executive Directors with the approval of the Committee are of the opinion that, in the then prevailing circumstances, the nature and extent of the skills and competence required on the Board can be better served by the appointment of another Executive Director eligible for such appointment under these articles, in which case the Non-Executive Directors may proceed, after the approval of the Nominations and Governance Committee, to terminate the original appointment and to appoint another senior officer with the appropriate skills and competence in his stead.

24.5. An Executive Director appointed pursuant to the provisions of articles 24.2.1 and 24.2.2 shall be entitled to be heard by the Nominations and Governance Committee before any recommendation is made by that Committee to the Board on the termination of that Executive Director's position as Executive Director.

B.5 Article 25 – Appointment of the Non-Executive Directors

That a new heading '25. APPOINTMENT OF THE NON-EXECUTIVE DIRECTORS' is inserted immediately after Article 24.5.

That new Articles 25.1 and 25.2 are inserted immediately after the heading '25. Appointment of the Non-Executive Directors', so that Articles 25.1 and 25.2 will read:

25.1. The Non-Executive Directors of the Company shall be appointed (i) by letter addressed to the Company in the case an appointment by Shareholders having a Qualifying Shareholding, in accordance with the provisions of Article 25.3 below; and (ii) otherwise by the shareholders in the annual general meeting of the Company in accordance with the provisions of these Articles.

24.4. An Executive Director appointed pursuant to Article 24.2 shall have a term of office of three (3) years and shall thereafter be eligible for re-appointment, and may not be removed from office by the Non-Executive Directors:

24.4.1. unless his office as a senior executive has also been terminated; or

24.4.2. without just cause being shown to the satisfaction of the Nomination and Governance Committee; **Provided** that it shall be deemed a sufficiently just cause to remove an Executive Director appointed in accordance with the provisions of article 24.2.2 during his tenure of office, if the Non-Executive Directors with the approval of the Committee are of the opinion that, in the then prevailing circumstances, the nature and extent of the skills and competence required on the Board can be better served by the appointment of another Executive Director eligible for such appointment under these articles, in which case the Non-Executive Directors may proceed, after the approval of the Nominations and Governance Committee, to terminate the original appointment and to appoint another senior officer with the appropriate skills and competence in his stead.

24.5. An Executive Director appointed pursuant to the provisions of articles 24.2.1 and 24.2.2 shall be entitled to be heard by the Nominations and Governance Committee before any recommendation is made by that Committee to the Board on the termination of that Executive Director's position as Executive Director.

B.5 Artiklu 25 – Hatra ta' Diretturi Mhux Eżekuttivi

Il-li jżied titolu ġdid '25. APPOINTMENT OF THE NON-EXECUTIVE DIRECTORS' eżatt wara Artiklu 24.5.

Il-li jiġu mdaħhla Artikli ġodda 25.1 u 25.2 eżatt wara t-titolu '25. Appointment of the Non-Executive Directors', sabiex Artikli 25.1 u 25.2 ser jinqraw hekk:

25.1. The Non-Executive Directors of the Company shall be appointed (i) by letter addressed to the Company in the case an appointment by Shareholders having a Qualifying Shareholding, in accordance with the provisions of Article 25.3 below; and (ii) otherwise by the shareholders in the annual general meeting of the Company in accordance with the provisions of these Articles.

25.2. No person who occupies a senior executive position in the Company and is eligible for appointment as a Director in accordance with the provisions of Article 24 shall be eligible for appointment to the office of Non-Executive Director.

That a new sub-heading '25.3 Appointments by Qualifying Shareholders' is inserted immediately after Article 25.2.

That new Articles 25.3.1, 25.3.2, 25.3.3, 25.3.4, 25.3.5, 25.3.6 and 25.3.7 are inserted immediately after the sub-heading '25.3 Appointments by Qualifying Shareholders', so that Articles 25.3.1 to 25.3.7 will read:

25.3.1. Subject to the provisions of this Article 25.3, a Qualifying Shareholder shall be entitled to appoint a Non-Executive Director for each Qualifying Shareholding and shall accordingly utilise its Qualifying Shareholding to make recommendations to the chairman of the Nominations and Governance Committee of one person for each Qualifying Shareholding to the office of non-executive director by letter addressed to the chairman of the Nominations and Governance Committee. Such a recommendation to the Chairman of the Nominations and Governance Committee shall be made not less than ninety (90) days prior to the date of the meeting appointed for the election of Directors pursuant to Article 26.

25.3.2. Such nominations shall be made in such form and shall contain such information as the Nominations and Governance Committee may from time to time determine.

25.3.3. The Nominations and Governance Committee shall communicate with and engage in active discussion with Qualifying Shareholders on the needs and requirements of the Board from time to time with a view to ensuring, as far as practicably possible, that nominations made by Qualifying Shareholders will address the requirements of the Board with respect to collective knowledge, skills and experience on the Board.

25.3.4. Any person recommended by a Qualifying Shareholder shall be subject to approval by the Nominations and Governance Committee as a fit and proper person and shall not be or become entitled to act or take office as a Director unless approved by the Nominations and Governance Committee; and the Nominations and Governance Committee shall be empowered to reject any recommendation made in accordance with these Articles if in its considered opinion that nomination does not satisfy the needs of the Board or if the person nominated is not, after due vetting in line with applicable processes and procedures, fit and proper to occupy the office of director.

25.2. No person who occupies a senior executive position in the Company and is eligible for appointment as a Director in accordance with the provisions of Article 24 shall be eligible for appointment to the office of Non-Executive Director.

Illi jżdid sub-titolu ġdid '25.3 Appointments by Qualifying Shareholders' eżatt wara Artiklu 25.2.

Illi jiġu mdaħħla Artikli ġodda 25.3.1, 25.3.2, 25.3.3, 25.3.4, 25.3.5, 25.3.6 u 25.3.7 eżatt wara s-sub-titolu '25.3 Appointments by Qualifying Shareholders', sabiex Artikli 25.3.1 sa 25.3.7 ser jinqraw hekk:

25.3.1. Subject to the provisions of this Article 25.3, a Qualifying Shareholder shall be entitled to appoint a Non-Executive Director for each Qualifying Shareholding and shall accordingly utilise its Qualifying Shareholding to make recommendations to the chairman of the Nominations and Governance Committee of one person for each Qualifying Shareholding to the office of non-executive director by letter addressed to the chairman of the Nominations and Governance Committee. Such a recommendation to the Chairman of the Nominations and Governance Committee shall be made not less than ninety (90) days prior to the date of the meeting appointed for the election of Directors pursuant to Article 26.

25.3.2. Such nominations shall be made in such form and shall contain such information as the Nominations and Governance Committee may from time to time determine.

25.3.3. The Nominations and Governance Committee shall communicate with and engage in active discussion with Qualifying Shareholders on the needs and requirements of the Board from time to time with a view to ensuring, as far as practicably possible, that nominations made by Qualifying Shareholders will address the requirements of the Board with respect to collective knowledge, skills and experience on the Board.

25.3.4. Any person recommended by a Qualifying Shareholder shall be subject to approval by the Nominations and Governance Committee as a fit and proper person and shall not be or become entitled to act or take office as a Director unless approved by the Nominations and Governance Committee; and the Nominations and Governance Committee shall be empowered to reject any recommendation made in accordance with these Articles if in its considered opinion that nomination does not satisfy the needs of the Board or if the person nominated is not, after due vetting in line with applicable processes and procedures, fit and proper to occupy the office of director.

25.3.5. Upon approval by the Nominations and Governance Committee of a nomination made by a Qualifying Shareholder, the person so nominated shall, subject to there being sufficient vacancies on the Board and subject to the provisions of Article 28, be appointed as Director for a term of three (3) years.

25.3.6. A Qualifying Shareholding may only be utilised for the purpose of making recommendations and appointments of Non-Executive Directors in accordance with the provisions of this Article 25.3. Accordingly, a Qualifying Shareholder shall not be entitled to use a Qualifying Shareholding or any part thereof (i) to recommend other fit and proper persons for appointment as Non-Executive Directors in accordance with the provisions of Article 25.4; and (ii) to participate in an election of Non-Executive Directors in accordance with the provisions of Article 26.

25.3.7. A Qualifying Shareholder shall not be entitled to recommend other fit and proper persons for appointment as Non-Executive Directors in accordance with the provisions of Article 25.4 nor to participate in an election of Non-Executive Directors in accordance with the provisions of Article 26, with any shares held in excess of the Qualifying Shareholding.

That a new sub-heading '25.4 Other Nominations and Appointments by Shareholders' is inserted immediately after Article 25.3.7.

That new Articles 25.4.1, 25.4.2, 25.4.3, 25.4.4, 25.4.5, 25.4.6, 25.4.7, 25.4.8 and 25.4.9 are inserted immediately after the sub-heading '25.4 Other Nominations and Appointments by Shareholders', so that Articles 25.4.1 to 25.4.9 will read:

25.4.1. Any Member or number of Members, excluding Qualifying Shareholders, who in the aggregate hold not less than €50,000 (fifty thousand Euros) in nominal value of shares having voting rights in the Company shall be entitled to recommend a fit and proper person for appointment as a Non-Executive Director of the Company to the Nominations and Governance Committee, but no person shall be or become entitled to act or take office as a Director unless such person is duly approved by the Nominations and Governance Committee; and the Nominations and Governance Committee shall be empowered to reject any recommendation made in accordance with these Articles if in its considered opinion that nomination does not satisfy the needs of the Board or if the person nominated is not, after due vetting in line with applicable processes and procedures, fit and proper to occupy the office of director.

25.3.5. Upon approval by the Nominations and Governance Committee of a nomination made by a Qualifying Shareholder, the person so nominated shall, subject to there being sufficient vacancies on the Board and subject to the provisions of Article 28, be appointed as Director for a term of three (3) years.

25.3.6. A Qualifying Shareholding may only be utilised for the purpose of making recommendations and appointments of Non-Executive Directors in accordance with the provisions of this Article 25.3. Accordingly, a Qualifying Shareholder shall not be entitled to use a Qualifying Shareholding or any part thereof (i) to recommend other fit and proper persons for appointment as Non-Executive Directors in accordance with the provisions of Article 25.4; and (ii) to participate in an election of Non-Executive Directors in accordance with the provisions of Article 26.

25.3.7. A Qualifying Shareholder shall not be entitled to recommend other fit and proper persons for appointment as Non-Executive Directors in accordance with the provisions of Article 25.4 nor to participate in an election of Non-Executive Directors in accordance with the provisions of Article 26, with any shares held in excess of the Qualifying Shareholding.

Il li jżdid sub-titolu ġdid '25.4 Other Nominations and Appointments by Shareholders' eżatt wara Artiklu 25.3.7.

Il li jiġu mdaħħla Artikli ġodda 25.4.1, 25.4.2, 25.4.3, 25.4.4, 25.4.5, 25.4.6, 25.4.7, 25.4.8 u 25.4.9 eżatt wara s-sub-titolu '25.4 Other Nominations and Appointments by Shareholders', sabiex Artikli 25.4.1 sa 25.4.9 ser jinqraw hekk:

25.4.1. Any Member or number of Members, excluding Qualifying Shareholders, who in the aggregate hold not less than €50,000 (fifty thousand Euros) in nominal value of shares having voting rights in the Company shall be entitled to recommend a fit and proper person for appointment as a Non-Executive Director of the Company to the Nominations and Governance Committee, but no person shall be or become entitled to act or take office as a Director unless such person is duly approved by the Nominations and Governance Committee; and the Nominations and Governance Committee shall be empowered to reject any recommendation made in accordance with these Articles if in its considered opinion that nomination does not satisfy the needs of the Board or if the person nominated is not, after due vetting in line with applicable processes and procedures, fit and proper to occupy the office of director.

- 25.4.2. In addition to the nominations that may be made by Members pursuant to the provisions of Article 25.4.1, the Directors themselves or the Nominations and Governance Committee, may make recommendations and nominations of fit and proper persons to the shareholders for the appointment of Directors at the annual general meeting, if in the opinion of the Nominations and Governance Committee such person is required for the Board to have the appropriate level and mix of overall skills, knowledge and experience required for the Directors collectively to undertake their proper functions and duties in accordance with applicable law and regulation.
- 25.4.3. For the purpose of enabling Members to make recommendations in accordance with the provisions of Article 25.4.1, the Company shall grant a period of at least fourteen (14) days to Members to nominate candidates for appointment as Directors. Such notice may be given by the publication of an advertisement in at least two (2) daily newspapers. All such nominations, including the candidate's acceptance to be nominated as director, shall on pain of disqualification be made on the form to be prescribed by the Directors from time to time and shall reach the Office of the Company Secretary not later than fourteen (14) days after the publication of the said notice (the "Submission Date"). **Provided** that the Submission Date shall not be less than ninety (90) days prior to the date of the meeting appointed for such election. Nominations to be made by the Directors or the Nominations and Governance Committee shall also be made by not later than the date established for the closure of nominations to Members pursuant to this Article.
- 25.4.4. Nominations may be received by the Company by hand, by regular postal services or by electronic mail. In the event of receipt of documents by electronic mail the Company may from time to time establish policies and rules to better regulate the receipt of nominations.
- 25.4.5. All Approved Nominations made in accordance with the provisions of this Article 25.4 shall be proposed to the shareholders for election.
- 25.4.6. At an election of directors all Shareholders, holding Shares in the Company having voting rights, with the exception of Qualifying Shareholders, shall be entitled to vote.
- 25.4.7. Any Member whose shareholding in the Company falls below the Qualifying Shareholding on the Record Date, shall forfeit any right to appoint
- 25.4.2. In addition to the nominations that may be made by Members pursuant to the provisions of Article 25.4.1, the Directors themselves or the Nominations and Governance Committee, may make recommendations and nominations of fit and proper persons to the shareholders for the appointment of Directors at the annual general meeting, if in the opinion of the Nominations and Governance Committee such person is required for the Board to have the appropriate level and mix of overall skills, knowledge and experience required for the Directors collectively to undertake their proper functions and duties in accordance with applicable law and regulation.
- 25.4.3. For the purpose of enabling Members to make recommendations in accordance with the provisions of Article 25.4.1, the Company shall grant a period of at least fourteen (14) days to Members to nominate candidates for appointment as Directors. Such notice may be given by the publication of an advertisement in at least two (2) daily newspapers. All such nominations, including the candidate's acceptance to be nominated as director, shall on pain of disqualification be made on the form to be prescribed by the Directors from time to time and shall reach the Office of the Company Secretary not later than fourteen (14) days after the publication of the said notice (the "Submission Date"). **Provided** that the Submission Date shall not be less than ninety (90) days prior to the date of the meeting appointed for such election. Nominations to be made by the Directors or the Nominations and Governance Committee shall also be made by not later than the date established for the closure of nominations to Members pursuant to this Article.
- 25.4.4. Nominations may be received by the Company by hand, by regular postal services or by electronic mail. In the event of receipt of documents by electronic mail the Company may from time to time establish policies and rules to better regulate the receipt of nominations.
- 25.4.5. All Approved Nominations made in accordance with the provisions of this Article 25.4 shall be proposed to the shareholders for election.
- 25.4.6. At an election of directors all Shareholders, holding Shares in the Company having voting rights, with the exception of Qualifying Shareholders, shall be entitled to vote.
- 25.4.7. Any Member whose shareholding in the Company falls below the Qualifying Shareholding on the Record Date, shall forfeit any right to appoint

a Non-Executive Director or Non-Executive Directors, as the case may be, in terms of Article 25.3 above and shall be entitled to participate in the nominations process pursuant to Article 25.4 and in the election of Non-Executive Directors pursuant to Article 26.

25.4.8. In the event the number of Approved Nominations made to shareholders pursuant to the provisions of this Article 25.4 is equal to or less than the number of vacancies on the Board of Directors, taking into account the appointments made pursuant to Article 25.3, no election shall take place and all the candidates approved by the Nominations and Governance Committee shall take office as directors.

25.4.9. Where the number of Approved Nominations is more than the number of vacancies remaining on the Board of Directors, after taking into account the appointments made pursuant to Article 25.3, then an election shall take place in accordance with the provisions of Article 26.

B.6 Article 26 – Election of Non-Executive Directors

That a new heading '26. ELECTION OF NON-EXECUTIVE DIRECTORS' is inserted immediately after Article 25.4.9.

That new Articles 26.1, 26.2, 26.3, 26.4, 26.5, 26.5.1 and 26.6 are inserted immediately after the heading '26. Election of Non-Executive Directors', so that Articles 26.1 to 26.6 will read:

26.1. Whenever in terms of these Articles an election is necessary amongst Approved Candidates, such election shall be conducted in the manner prescribed by these Articles or in such manner as close as practicably possible thereto as the Directors may consider equitable in the circumstances.

26.2. The Nominations and Governance Committee shall submit to the Board for approval, a list of Approved Candidates in an order of preference by placing at the top of the list the Approved Candidate that in the opinion of the Committee would be the preferred candidate having the skills, knowledge and experience necessary in the Board. The remainder of the list shall be compiled in the same manner according to the order of preference determined by the Committee. In the event that the Committee does not express any preference as between certain candidates than the candidates falling in the same category of preference shall be listed by the Committee in alphabetical order and a note to that effect shall be made by the Committee. The Chairman and the Company Secretary shall sign the list for purposes of verification.

a Non-Executive Director or Non-Executive Directors, as the case may be, in terms of Article 25.3 above and shall be entitled to participate in the nominations process pursuant to Article 25.4 and in the election of Non-Executive Directors pursuant to Article 26.

25.4.8. In the event the number of Approved Nominations made to shareholders pursuant to the provisions of this Article 25.4 is equal to or less than the number of vacancies on the Board of Directors, taking into account the appointments made pursuant to Article 25.3, no election shall take place and all the candidates approved by the Nominations and Governance Committee shall take office as directors.

25.4.9. Where the number of Approved Nominations is more than the number of vacancies remaining on the Board of Directors, after taking into account the appointments made pursuant to Article 25.3, then an election shall take place in accordance with the provisions of Article 26.

B.6 Artiklu 26 – Elezzjoni ta' Diretturi Mhux Eżekuttivi

Illi jiżdied titolu ġdid '26. ELECTION OF NON-EXECUTIVE DIRECTORS' eżatt wara Artiklu 25.4.9.

Illi jiġu mdaħħla Artikli ġodda 26.1, 26.2, 26.3, 26.4, 26.5, 26.5.1 u 26.6 eżatt wara t-titolu '26. Election of Non-Executive Directors', sabiex Artikli 26.1 sa 26.6 ser jinqraw hekk:

26.1. Whenever in terms of these Articles an election is necessary amongst Approved Candidates, such election shall be conducted in the manner prescribed by these Articles or in such manner as close as practicably possible thereto as the Directors may consider equitable in the circumstances.

26.2. The Nominations and Governance Committee shall submit to the Board for approval, a list of Approved Candidates in an order of preference by placing at the top of the list the Approved Candidate that in the opinion of the Committee would be the preferred candidate having the skills, knowledge and experience necessary in the Board. The remainder of the list shall be compiled in the same manner according to the order of preference determined by the Committee. In the event that the Committee does not express any preference as between certain candidates than the candidates falling in the same category of preference shall be listed by the Committee in alphabetical order and a note to that effect shall be made by the Committee. The Chairman and the Company Secretary shall sign the list for purposes of verification.

26.3. On the notice calling the annual general meeting at which an election of directors is to take place there shall be proposed one resolution for the appointment of Non-Executive Directors consisting of a list of Approved Candidates in the order in which the names were placed in accordance with the provisions of Article 26.2 and with such notes, if any, contemplated in that Article.

26.4. The Directors shall further ensure that any Member may vote for Approved Candidates by proxy.

26.5. The election of Non-Executive Directors shall take place by way of a poll amongst Shareholders eligible to participate in an election of Non-Executive Directors according to the provisions of these Articles.

26.5.1. On a poll taken for the election of Non-Executive Directors, each Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way and may award to one or more Approved Candidates such number of votes as do not in aggregate exceed the total number of Shares held. The Approved Candidate or Candidates, as the case may be, obtaining the highest number of votes in the poll that would fill all vacancies on the Board for Non-Executive Directors, shall be appointed Directors.

26.6. Each Member shall be entitled, in the event of a poll, to use all or part only of his votes on a particular Approved Candidate. In the event of a poll, the ballot paper which shall be used by shareholders to cast their votes shall contain the list of candidates in the order in which the names were drawn in accordance with the provisions of Article 26.2.

B.7 Article 27 – The Nominations and Governance Committee

That a new heading '27. THE NOMINATIONS AND GOVERNANCE COMMITTEE' is inserted immediately after Article 26.6.

That new Articles 27.1, 27.2, 27.3, 27.3.1, 27.3.2, 27.4, 27.5, 27.6, 27.6.1, 27.6.2, 27.6.3, 27.6.4, 27.6.5, 27.6.6, 27.7, 27.8, 27.9, 27.10, 27.11, 27.12, 27.13, 27.14, 27.15, 27.16 and 27.17 are inserted immediately after the heading '27. The Nominations and Governance Committee', so that Articles 27.1 to 27.17 will read:

27.1. The Board of Directors shall appoint a Nominations and Governance Committee (in this Article 27 referred to as the Committee) consisting of three Non-Executive Directors, at least two of whom shall be independent Non-Executive Directors.

26.3. On the notice calling the annual general meeting at which an election of directors is to take place there shall be proposed one resolution for the appointment of Non-Executive Directors consisting of a list of Approved Candidates in the order in which the names were placed in accordance with the provisions of Article 26.2 and with such notes, if any, contemplated in that Article.

26.4. The Directors shall further ensure that any Member may vote for Approved Candidates by proxy.

26.5. The election of Non-Executive Directors shall take place by way of a poll amongst Shareholders eligible to participate in an election of Non-Executive Directors according to the provisions of these Articles.

26.5.1. On a poll taken for the election of Non-Executive Directors, each Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way and may award to one or more Approved Candidates such number of votes as do not in aggregate exceed the total number of Shares held. The Approved Candidate or Candidates, as the case may be, obtaining the highest number of votes in the poll that would fill all vacancies on the Board for Non-Executive Directors, shall be appointed Directors.

26.6. Each Member shall be entitled, in the event of a poll, to use all or part only of his votes on a particular Approved Candidate. In the event of a poll, the ballot paper which shall be used by shareholders to cast their votes shall contain the list of candidates in the order in which the names were drawn in accordance with the provisions of Article 26.2.

B.7 Artiklu 27 – In-Nominations and Governance Committee

Il-li jżdid titolu ġdid '27. THE NOMINATIONS AND GOVERNANCE COMMITTEE' eżatt wara Artiklu 26.6.

Il-li jiġu mdaħhla Artikli ġodda 27.1, 27.2, 27.3, 27.3.1, 27.3.2, 27.4, 27.5, 27.6, 27.6.1, 27.6.2, 27.6.3, 27.6.4, 27.6.5, 27.6.6, 27.7, 27.8, 27.9, 27.10, 27.11, 27.12, 27.13, 27.14, 27.15, 27.16 u 27.17 eżatt wara t-titolu '27. THE NOMINATIONS AND GOVERNANCE COMMITTEE', sabiex Artikli 27.1 sa 27.17 ser jinqraw hekk:

27.1. The Board of Directors shall appoint a Nominations and Governance Committee (in this Article 27 referred to as the Committee) consisting of three Non-Executive Directors, at least two of whom shall be independent Non-Executive Directors.

- 27.2. The Committee shall be chaired by the Chairman. In the event that the Chairman is appointed pursuant to the provisions of Article 29.1 of these Articles none of the other two (2) members of the Committee shall be appointed from amongst the Directors appointed by the same Member appointing the Chairman.
- 27.3 The Members of the Committee, other than the Chairman, shall as far as practicably possible, be appointed from amongst Non-Executive Directors who have no direct personal interest in the election or appointment of directors. Accordingly, it shall be composed of members who:
- 27.3.1. either do not re-submit themselves for re-appointment at the forthcoming election; and/or
 - 27.3.2. who are by virtue of the provisions of Article 28 on the Rotation of Directors to remain in office.
- 27.4. The Board of Directors shall, to the extent that they are not inconsistent with any provision of these Articles, set out the terms of reference of the Committee and shall keep the same under review from time to time.
- 27.5. The Committee shall have all such powers, authorities as may be necessary or desirable for the Committee to be able to undertake its role and function as set out in these Articles, and as may be set out in the terms of reference of the Committee from time to time, including the power to engage consultants to assist and advise it on the proper performance of its role and function in accordance with these Articles and applicable law.
- 27.6. The role and functions of the Committee shall be set out in the terms of reference but shall at all times include the function to determine:
- 27.6.1. the collective skills that may be required in the Board of Directors; and
 - 27.6.2. the individual attributes of directors with the aim of determining from time to time the proper composition of the Board; to propose to the Board, candidates for the position of Director who in the opinion of the Committee have the right attributes, skills, level of integrity and experience and who the Committee considers are overall fit and proper to occupy the office of Director, including persons that are considered to be independent in terms of Article 27.7;
- 27.2. The Committee shall be chaired by the Chairman. In the event that the Chairman is appointed pursuant to the provisions of Article 29.1 of these Articles none of the other two (2) members of the Committee shall be appointed from amongst the Directors appointed by the same Member appointing the Chairman.
- 27.3 The Members of the Committee, other than the Chairman, shall as far as practicably possible, be appointed from amongst Non-Executive Directors who have no direct personal interest in the election or appointment of directors. Accordingly, it shall be composed of members who:
- 27.3.1. either do not re-submit themselves for re-appointment at the forthcoming election; and/or
 - 27.3.2. who are by virtue of the provisions of Article 28 on the Rotation of Directors to remain in office.
- 27.4. The Board of Directors shall, to the extent that they are not inconsistent with any provision of these Articles, set out the terms of reference of the Committee and shall keep the same under review from time to time.
- 27.5. The Committee shall have all such powers, authorities as may be necessary or desirable for the Committee to be able to undertake its role and function as set out in these Articles, and as may be set out in the terms of reference of the Committee from time to time, including the power to engage consultants to assist and advise it on the proper performance of its role and function in accordance with these Articles and applicable law.
- 27.6. The role and functions of the Committee shall be set out in the terms of reference but shall at all times include the function to determine:
- 27.6.1. the collective skills that may be required in the Board of Directors; and
 - 27.6.2. the individual attributes of directors with the aim of determining from time to time the proper composition of the Board; to propose to the Board, candidates for the position of Director who in the opinion of the Committee have the right attributes, skills, level of integrity and experience and who the Committee considers are overall fit and proper to occupy the office of Director, including persons that are considered to be independent in terms of Article 27.7;

- 27.6.3. to periodically assess the structure, size, composition and performance of the Board and make recommendations to the Board with regard to any changes that may become necessary from time to time;
- 27.6.4. to properly seek for appointment to the Board persons who have the right level of skill, competence and experience that would endow the Board with the requisite collective knowledge and skill necessary for the proper functioning of the Company and its oversight by the Board of Directors;
- 27.6.5. to properly consider issues related to succession planning of the Board; and
- 27.6.6. to review the policy of the Board for selection and appointment of senior management.
- 27.7. For the purposes of this Article 27, and subject to any mandatory requirements under applicable law from time to time, a Director is considered to be independent when he is free from any business, family or other relationship, with the Company, its controlling Shareholder or the management of either, that creates a conflict of interest such as to jeopardise exercise of his free judgement; and business relationship includes the situation of a significant supplier of goods or services (including financial, legal, advisory or consulting services), of an employee, of a significant customer, and of organisations that receive significant contributions from the Company or its group.
- 27.8. The Committee shall also have the function to approve any proposed appointments to the senior executive management of the Bank.
- 27.9. In the exercise of its functions the Committee shall ensure that appointments to the Board and the senior executive management are made on merit and against objective criteria.
- 27.10. The Committee shall furthermore ensure that persons whose candidacy is approved and recommended to Shareholders or the Board as the case may be, are in a position to dedicate sufficient time and resources to the office of director.
- 27.11. The Committee should strive to achieve consensus on the recommendations it makes to Shareholders, or in the case of senior executive management to the Board, however where such consensus cannot be achieved, decisions shall be made by a majority vote. In the event that a member or members of the Committee dissent(s) with the majority view on any particular matter, that member or member(s) (as the
- 27.6.3. to periodically assess the structure, size, composition and performance of the Board and make recommendations to the Board with regard to any changes that may become necessary from time to time;
- 27.6.4. to properly seek for appointment to the Board persons who have the right level of skill, competence and experience that would endow the Board with the requisite collective knowledge and skill necessary for the proper functioning of the Company and its oversight by the Board of Directors;
- 27.6.5. to properly consider issues related to succession planning of the Board; and
- 27.6.6. to review the policy of the Board for selection and appointment of senior management.
- 27.7. For the purposes of this Article 27, and subject to any mandatory requirements under applicable law from time to time, a Director is considered to be independent when he is free from any business, family or other relationship, with the Company, its controlling Shareholder or the management of either, that creates a conflict of interest such as to jeopardise exercise of his free judgement; and business relationship includes the situation of a significant supplier of goods or services (including financial, legal, advisory or consulting services), of an employee, of a significant customer, and of organisations that receive significant contributions from the Company or its group.
- 27.8. The Committee shall also have the function to approve any proposed appointments to the senior executive management of the Bank.
- 27.9. In the exercise of its functions the Committee shall ensure that appointments to the Board and the senior executive management are made on merit and against objective criteria.
- 27.10. The Committee shall furthermore ensure that persons whose candidacy is approved and recommended to Shareholders or the Board as the case may be, are in a position to dedicate sufficient time and resources to the office of director.
- 27.11. The Committee should strive to achieve consensus on the recommendations it makes to Shareholders, or in the case of senior executive management to the Board, however where such consensus cannot be achieved, decisions shall be made by a majority vote. In the event that a member or members of the Committee dissent(s) with the majority view on any particular matter, that member or member(s) (as the

case may be) shall be entitled to make a dissenting report to the Board setting out the reasons as to why they dissent from the majority opinion expressed in the Committee's recommendations. In such circumstances the Board shall be empowered to reverse a majority decision of the Committee.

27.12.No member of the Committee shall be present while his nomination as a director of the Company, or a matter which concerns that member in question, is discussed at a meeting of such Committee, and such member shall be substituted by another director, including an executive director if there is no other non-executive director able or willing to act.

27.13.The Committee shall periodically assess the skills, knowledge and experience of individual directors necessary for the Board to have the appropriate level of skill, competence and experience that would endow the Board with the requisite collective knowledge and skill necessary for the proper functioning of the Company and its oversight by the Board of Directors, and shall report and make its recommendations on this to the Board.

27.14.If in the opinion of the Committee, the then current compliment of the Board provides the Board with the appropriate skills, knowledge and experience and that there would be no value for the Company to change the then current composition of the Board, the Committee may recommend to the Board of Directors that any retiring directors pursuant to the provisions of Article 28 ought to be re-appointed to their office.

27.15.In the event that the Committee formulates the opinion as provided in Article 27.14 it shall cause such opinion to be announced by the Company. In the event that notwithstanding such opinion being announced, shareholders still make recommendations to the Committee for the appointment of Non-Executive Directors pursuant to the provisions of Article 25.4, then the Committee shall be obliged to evaluate those nominations and, if any of those nominations are approved in accordance with the then applicable policies and procedures, the Committee shall place the names of such persons on the list of Approved Candidates and the rotation provisions in these Articles shall apply.

27.16.The Committee shall, without prejudice to its own role of identifying appropriate persons who are fit and proper to occupy the office of director of the Company, vet each candidate, nominated by shareholders in accordance with these Articles, to ensure that such person has the appropriate requisites in compliance with applicable law, rules, regulations and guidelines issued by the Company's regulators from time to time. The Committee shall,

case may be) shall be entitled to make a dissenting report to the Board setting out the reasons as to why they dissent from the majority opinion expressed in the Committee's recommendations. In such circumstances the Board shall be empowered to reverse a majority decision of the Committee.

27.12.No member of the Committee shall be present while his nomination as a director of the Company, or a matter which concerns that member in question, is discussed at a meeting of such Committee, and such member shall be substituted by another director, including an executive director if there is no other non-executive director able or willing to act.

27.13.The Committee shall periodically assess the skills, knowledge and experience of individual directors necessary for the Board to have the appropriate level of skill, competence and experience that would endow the Board with the requisite collective knowledge and skill necessary for the proper functioning of the Company and its oversight by the Board of Directors, and shall report and make its recommendations on this to the Board.

27.14.If in the opinion of the Committee, the then current compliment of the Board provides the Board with the appropriate skills, knowledge and experience and that there would be no value for the Company to change the then current composition of the Board, the Committee may recommend to the Board of Directors that any retiring directors pursuant to the provisions of Article 28 ought to be re-appointed to their office.

27.15.In the event that the Committee formulates the opinion as provided in Article 27.14 it shall cause such opinion to be announced by the Company. In the event that notwithstanding such opinion being announced, shareholders still make recommendations to the Committee for the appointment of Non-Executive Directors pursuant to the provisions of Article 25.4, then the Committee shall be obliged to evaluate those nominations and, if any of those nominations are approved in accordance with the then applicable policies and procedures, the Committee shall place the names of such persons on the list of Approved Candidates and the rotation provisions in these Articles shall apply.

27.16.The Committee shall, without prejudice to its own role of identifying appropriate persons who are fit and proper to occupy the office of director of the Company, vet each candidate, nominated by shareholders in accordance with these Articles, to ensure that such person has the appropriate requisites in compliance with applicable law, rules, regulations and guidelines issued by the Company's regulators from time to time. The Committee shall,

from time to time, make recommendations to the Board for approval policies and procedures including the basis of vetting candidates to ensure that they meet the requirements above-mentioned, and such other requirements as the Nominations and Governance Committee may consider appropriate for the proper and effective oversight of the Company's business.

27.17. The Committee shall, when it considers it appropriate to do so, with a view to seek individual directors of the right calibre, skill and knowledge required at the Board, issue a request for persons with the right qualifications, skills, knowledge and experience to express their interest in acting as Non-Executive Directors on the Board. Any expressions of interest so received shall be evaluated by the Committee in accordance with the provisions of these Articles.

B.8 Article 28 – Rotation of Directors

That a new heading '28. ROTATION OF DIRECTORS' is inserted immediately after Article 27.17.

That new Articles 28.1, 28.2, 28.3, 28.4, 28.5, 28.6 and 28.7 are inserted immediately after the heading '28. Rotation of Directors', so that Articles 28.1 to 28.7 will read:

28.1. 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.

28.2. At the annual general meeting falling on the first (1st) anniversary of the general meeting referred to in Article 28.1, one-third of the Non-Executive Directors shall retire from office. In every subsequent year one third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

28.3. The directors to retire first shall be those who have been longest in office, including by virtue of re-election but as between persons who became directors on the same day or in the event that the duration in office cannot be properly determined those to retire shall (unless they otherwise agree among themselves) be determined by lot.

28.4. A retiring director shall, subject to the provisions of Article 23.6, be eligible for re-election.

28.5. Subject to the provisions of Article 28.7, at the general meeting at which a director retires in the manner aforesaid, the Company may fill the vacated office by electing a person thereto from amongst Approved Candidates.

from time to time, make recommendations to the Board for approval policies and procedures including the basis of vetting candidates to ensure that they meet the requirements above-mentioned, and such other requirements as the Nominations and Governance Committee may consider appropriate for the proper and effective oversight of the Company's business.

27.17. The Committee shall, when it considers it appropriate to do so, with a view to seek individual directors of the right calibre, skill and knowledge required at the Board, issue a request for persons with the right qualifications, skills, knowledge and experience to express their interest in acting as Non-Executive Directors on the Board. Any expressions of interest so received shall be evaluated by the Committee in accordance with the provisions of these Articles.

B.8 Artiklu 28 – Rotazzjoni tad-Diretturi

Illi jżdid titolu ġdid '28. ROTATION OF DIRECTORS' eżatt wara Artiklu 27.17.

Illi jiġu mdaħħla Artikli ġodda 28.1, 28.2, 28.3, 28.4, 28.5, 28.6 u 28.7 eżatt wara t-titolu '28. Rotation of Directors', sabiex Artikli 28.1 sa 28.7 ser jinqraw hekk:

28.1. 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.

28.2. At the annual general meeting falling on the first (1st) anniversary of the general meeting referred to in Article 28.1, one-third of the Non-Executive Directors shall retire from office. In every subsequent year one third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

28.3. The directors to retire first shall be those who have been longest in office, including by virtue of re-election but as between persons who became directors on the same day or in the event that the duration in office cannot be properly determined those to retire shall (unless they otherwise agree among themselves) be determined by lot.

28.4. A retiring director shall, subject to the provisions of Article 23.6, be eligible for re-election.

28.5. Subject to the provisions of Article 28.7, at the general meeting at which a director retires in the manner aforesaid, the Company may fill the vacated office by electing a person thereto from amongst Approved Candidates.

28.6. These provisions on rotation shall, subject to the provisions of 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.

28.7. Where a Non-Executive Director appointed by a Qualifying Shareholder retires pursuant to the provisions of this Article 28, that director may be substituted only by another Non-Executive Director nominated by the Qualifying Shareholder who had originally nominated the retiring Non-Executive Director, provided that (i) such new appointee has been duly approved by the Nominations and Governance Committee; and (ii) the Qualifying Shareholder still holds a Qualifying Shareholding at the time of the substitution or new appointment.

B.9 Article 36 – Chief Executive Officer

That a new heading ‘36. CHIEF EXECUTIVE OFFICER’ is inserted immediately after Article 35.7.

That new Articles 36.1, 36.2 and 36.3 are inserted immediately after the heading ‘36. Chief Executive Officer’, so that Articles 36.1 to 36.3 will read:

36.1. Subject to the provisions of article 27.8, the Non-Executive Directors shall appoint an individual to the post of Chief Executive Officer (CEO) who shall be responsible for the overall executive management of the Company. The CEO shall, on appointment, be the most senior executive officer of the Company. Such appointment shall be made as soon as possible whenever the post of CEO is vacant even if the appointment is made on an interim basis.

36.2. The Directors shall delegate and entrust to the CEO such powers and authorities for the executive management of the Company as may be necessary to ensure that the CEO is in a position to implement the business plans of the Company and the decisions of the Directors from time to time. The CEO shall be accountable to the Directors for the overall management and performance of the Company.

36.3. Without prejudice to the provisions of Articles 36.1 and 36.2, the Directors may confer upon the CEO or any other Executive Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers subject to such agreement as may be entered into between the Company and, the CEO or the Executive Director as the case may be.

28.6. These provisions on rotation shall, subject to the provisions of 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.

28.7. Where a Non-Executive Director appointed by a Qualifying Shareholder retires pursuant to the provisions of this Article 28, that director may be substituted only by another Non-Executive Director nominated by the Qualifying Shareholder who had originally nominated the retiring Non-Executive Director, provided that (i) such new appointee has been duly approved by the Nominations and Governance Committee; and (ii) the Qualifying Shareholder still holds a Qualifying Shareholding at the time of the substitution or new appointment.

B.9 Artiklu 36 – Kap Eżekuttiv

Il-li jiżdied titolu ġdid ‘36. CHIEF EXECUTIVE OFFICER’ eżatt wara Artiklu 35.7.

Il-li jiġu mdaħħla Artikli ġodda 36.1, 36.2 u 36.3 eżatt wara t-titolu ‘36. Chief Executive Officer’, sabiex Artikli 36.1 sa 36.3 ser jinqraw hekk:

36.1. Subject to the provisions of article 27.8, the Non-Executive Directors shall appoint an individual to the post of Chief Executive Officer (CEO) who shall be responsible for the overall executive management of the Company. The CEO shall, on appointment, be the most senior executive officer of the Company. Such appointment shall be made as soon as possible whenever the post of CEO is vacant even if the appointment is made on an interim basis.

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36.3. Without prejudice to the provisions of Articles 36.1 and 36.2, the Directors may confer upon the CEO or any other Executive Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers subject to such agreement as may be entered into between the Company and, the CEO or the Executive Director as the case may be.

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