



Bank of Valletta

Office of the Company Secretary

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COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Bank of Valletta p.l.c. pursuant to the Malta Financial Services Authority Listing Rules:

Quote

Bank of Valletta Nomination of Directors Process

In response to regulatory requirements emerging from the EU Capital Requirements Directive, and to the demands of the regulator, Bank of Valletta will, this year undertake a rigorous exercise to objectively and transparently assess nominees for directorships of the Bank. The aim of this exercise is to ascertain that the Bank's Board of Directors will be made up of individuals who can actively contribute to the Bank's strategic objectives and add value to shareholders. This exercise is being carried out with the assistance of an external consultant.

The Bank's Nominations Committee has been tasked with the responsibility of assessing the nominees for the Bank's directorships. The Nominations Committee has a specific mandate to evaluate nominees and to propose candidates to the Board which will then propose them to the body of shareholders during the Bank's Annual General Meeting.

As part of this process, the Nominations Committee will review and recommend all director appointments and re-appointments based on a framework which has been developed in line with international best practices. The framework enables the Nominations Committee to first of all, identify the skills that the Board is required to have, by taking into account the Bank's risk profile and strategy. When assessing candidates the Nominations Committee will establish whether the nominee is a fit and proper person and qualified for the office, taking into account criteria such as the nominee's experience, capabilities and skills. The Nominations Committee will also establish whether the nominee has other competing time commitments.

The list of nominees being proposed by the Nominations Committee as being fit and proper to serve on the Bank's Board will be submitted to the Board for its endorsement. The Board's recommendation will be submitted to the Bank's Regulator for the approval of the proposed candidates. It will subsequently be communicated to all shareholders.

The Bank firmly believes that it is in the best interest of the shareholders to continue to have members on its Board who possess the necessary skills, knowledge and experience to perform their duties. Therefore, the Bank appeals to all shareholders to support this process of selecting the best candidates for Board membership.

Unquote

Dr. Ruth Spiteri Longhurst B.A., LL.D.
Company Secretary

4 August 2016