

## Ċirkulari lill-Azzjonisti

Din iċ-Ċirkulari hija maħruġa mill-HSBC Bank Malta p.l.c., kumpanija pubblika b'responsabbiltà limitata reġistrata f'Malta u bl-uffiċċju reġistrat tagħha f'116, Triq l-Arcisqof, Valletta, VLT1444, Malta (il-“Kumpanija”).

L-għan ta' din iċ-Ċirkulari huwa li tipprovdi lill-Azzjonisti tal-Kumpanija bl-informazzjoni xierqa li tgħinjom jieħdu deċiżjoni infurmata kif suppost fir-rigward ta' Riżoluzzjoni Ordinarja – Negozju Speċjali u Riżoluzzjonijiet Straordinarji – Negozju Speċjali li l-Bord qed jipproponi flimkien ma' negozju ordinarju ieħor, għall-konsiderazzjoni ta', u jekk meqjus xieraq, approvazzjoni mill-Azzjonisti matul il-Laqqgħa Ġenerali Annwali tal-Kumpanija (l-“LĠA”) li ser issir fis-27 ta' Novembru 2020 fl-10:00 a.m.

### Informazzjoni Importanti

Din iċ-Ċirkulari, fiha informazzjoni dwar ir-riżoluzzjonijiet approvati mill-Bord tad-Diretturi tal-Kumpanija. Ir-riżoluzzjonijiet qegħdin jiġu proposti għall-approvazzjoni fil-LĠA li jmiss. Din iċ-Ċirkulari qed tintbagħat lill-Azzjonisti kollha tal-Kumpanija rreġistrati fuq il-Lista Uffiċjali tal-Borża ta' Malta fl-għeluq tan-negozju fit-28 ta' Ottubru 2020.

Din iċ-Ċirkulari qed tinħareġ konformi mal-*Listing Rules* maħruġa mil-*Listing Authority*. Qiegħda tinħareġ skont ir-rekwiżiti stabbiliti fil-*Listing Rule 6.2* dwar il-kontenut taċ-ċirkularijiet kollha.

Fejn kwalunkwe, jew l-ishma kollha fil-Kumpanija miżmuma minn riċevitur ta' din iċ-Ċirkulari nbiegħu jew ġew trasferiti sad-data ta' meta rċieva dan id-dokument, kopja ta' din iċ-Ċirkulari għandha tiġi mgħoddija lill-persuna li permezz tagħha l-bejgħ jew it-trasferiment tal-ishma seħħet għat-trasmissjoni ta' din iċ-Ċirkulari lix-xerrej jew lil min jirċievi t-trasferiment.

Id-Diretturi kollha tal-Kumpanija fid-data ta' din iċ-Ċirkolari, *John Bonello, Ingrid Azzopardi, Simon Vaughan Johnson, Michel Cordina, Christopher Davies, Yiannos Michaelides, Andrew Muscat* u *Sue Vella* (id-“Diretturi”) u *Manfred Galdes* (Direttur Innominat) jaċċettaw ir-responsabbiltà għall-informazzjoni li fiha din iċ-Ċirkolari. Fil-fehma meqjusa tad-Diretturi, li ħadu l-prekawzjonijiet raġonevoli kollha sabiex jiżguraw li dan huwa l-każ, l-informazzjoni li fiha din iċ-Ċirkolari hija konformi mal-fatti u ma tinkludi l-ebda nuqqas li x'aktarx jaffettwa 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.**

### Introduzzjoni

Minbarra r-riżoluzzjonijiet li jirrelataw man-negozju ordinarju, il-Kumpanija qiegħda tressaq ukoll quddiem l-Azzjonisti Riżoluzzjoni Ordinarja – Negozju Speċjali u Riżoluzzjonijiet Straordinarji – Negozju Speċjali, li l-Azzjonista huma mitluba jikkunsidraw u jekk jidhrilhom xieraq japprovaw.

## Circular to Shareholders

This Circular is being issued by HSBC Bank Malta p.l.c., a public limited liability company registered in Malta, having its registered office at 116 Archbishop Street, Valletta, VLT1444, Malta (the Company”).

The objective of this Circular is to provide the Shareholders of the Company with the appropriate information as would assist them in making a properly informed decision with regard to an Ordinary Resolution – Special Business and Extraordinary Resolutions – Special Business which the Board is proposing together with other ordinary business, for the consideration of, and if deemed appropriate, approval by the Shareholders during the Company's Annual General Meeting (the “AGM”) being held on 27 November 2020 at 10:00 a.m.

### Important Information

This Circular, contains information about the resolutions approved by the Board of Directors of the Company. The resolutions are being proposed for approval at the forthcoming AGM. It is being sent to all the Company's Shareholders registered on the Official List of the Malta Stock Exchange as at close of business on 28 October 2020.

This Circular is being issued in compliance with the Listing Rules issued by the Listing Authority. It is being issued in terms of the requirements set out in 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 of the shares was effected for transmission of this Circular to the purchaser or transferee.

All the Directors of the Company as at the date of this Circular: *John Bonello, Ingrid Azzopardi, Simon Vaughan Johnson, Michel Cordina, Christopher Davies, Yiannos Michaelides, Andrew Muscat* and *Sue Vella* (the “Directors”) and *Manfred Galdes* (Director Designate) accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

**This Circular is important and requires your immediate attention. Shareholders who remain in doubt as to what voting action to take are advised to consult appropriate independent advisers.**

### Introduction

In addition to the resolutions relating to the ordinary business, the Company is also placing before the Shareholders at the Annual General Meeting (AGM) an Ordinary Resolution – Special Business and Extraordinary Resolutions – Special Business that the Shareholders are asked to consider and if deemed fit, approve.

**Riżoluzzjoni Ordinarja proposta – Negożju Speċjali**  
**Approvazzjoni tad-Directors' Remuneration Policy**

Riżoluzzjoni 4 tipproponi:

*"Li d-Directors' Remuneration Policy tkun hawnekk milqugħa u approvata."*

Nota ta' spjegazzjoni:

Id-Directors' Remuneration Policy għet proposta mir-Remuneration and Nomination Committee tal-Kumpanija u approvata mill-Bord. L-iskop tiegħu huwa li jispjega, il-proċess tat-teħid tad-deċiżjonijiet segwit għad-determinazzjoni, ir-reviżjoni u l-implimentazzjoni ta' kif id-Diretturi tal-Kumpanija għandhom jiġu mħallsa għas-servizzi mogħtija. Id-Directors' Remuneration Policy tifformalizza l-prattika li l-Bord applika matul is-snin u tftitex li l-Kumpanija timxi b'komformità mar-rekwiżiti tad-Direttiva dwar id-Drittijiet tal-Azzjonisti II.

Ir-Rakkomandazzjoni tad-Diretturi hija li tistabbilixxi d-Directors' Remuneration Policy f'konformità mal-Listing Rules.

**Awtorizzazzjoni lill-Bord biex jirrestringi jew jirtira d-Drittijiet Statutorji ta' Prelazzjoni.**

**Riżoluzzjoni Straordinarja proposta – Negożju Speċjali**

Riżoluzzjoni 5 tipproponi:

*"Li l-Bord tad-Diretturi jkun ġeneralment awtorizzat, bis-setgħa sħiħa ta' delegazzjoni, li jirrestringi jew jirtira d-drittijiet statutorji ta' prelazzjoni mogħtija lill-Azzjonisti tal-Kumpanija bis-saħħa tal-Artikolu 9 tal-Artikoli ta' Assoċjazzjoni tal-Kumpanija, fil-każ ta' ħruġ u allokazzjoni ta' titoli ta' ekwità, għat-tul tal-awtorità mogħtija lill-Bord tad-Diretturi permezz ta' Riżoluzzjoni Nru 5 approvata mil-LĠA fis-17 ta' April 2019 skont l-Artikolu 14 tal-Artikoli ta' Assoċjazzjoni tal-Kumpanija".*

Nota ta' spjegazzjoni:

Il-Bord tad-Diretturi qed jipproponi li tingħata l-awtorità mill-Kumpanija fil-LĠA biex tirrestringi jew jirtira d-drittijiet statutorji ta' prelazzjoni tal-Azzjonisti tal-Kumpanija skont l-Artikolu 9 tal-Artikoli ta' Assoċjazzjoni tal-Kumpanija. Tali restrizzjoni jew irtirar hija meħtieġa jekk, pereżempju, titoli ta' ekwità godda għandhom jinħarġu f'xenarju previst mis-Single Resolution Board. Din il-proposta se tippermetti lill-Bord jirrispondi b'mod effettiv u immedjat jekk ikun meħtieġ joħroġ ishma jew titoli skont l-Artikolu 14 tal-Artikoli ta' Assoċjazzjoni tal-Kumpanija sas-17 ta' April 2024.

**Emendi għall-Artikoli ta' Assoċjazzjoni tal-Kumpanija.**

**Riżoluzzjoni Straordinarja proposta – Negożju Speċjali**

Riżoluzzjoni 6 tipproponi:

*"Biex tħassar u tissostitwixxi l-Artikolu 82 b'dan li ġej:*

*The quorum necessary for the transaction of business of the Directors shall be four (4) whether present in person or by their alternate.*

*PROVIDED that any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board by means of conference telephone, video conferencing or any other form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting.*

*PROVIDED that a person so participating by being present or being in telephone communication with or by exchanging communication in electronic form with those in the meeting or with the Chairman shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chairman then is.*

**Proposed Ordinary Resolution – Special Business**  
**Approval of the Directors' Remuneration Policy**

Resolution 4 will propose:

*"That the Directors' Remuneration Policy be hereby received and approved."*

Explanatory Note:

The Directors' Remuneration Policy was proposed by the Company's Remuneration and Nomination Committee and approved by the Board. Its purpose is to explain the decision-making process followed for the determination, review and implementation of how the Company's Directors shall be remunerated for services rendered. The Directors' Remuneration Policy formalises the practice that the Board has applied over the years and seeks to align the Company with the requirements of the Shareholders' Rights Directive II.

The Directors' Recommendation is to set out the Directors' Remuneration Policy in line with the Listing Rules.

**Directors' Authority to Restrict or Withdraw Statutory Pre-Emption Rights.**

**Proposed Extraordinary Resolution - Special Business**

Resolution 5 will propose:

*"That the Board of Directors be generally authorised, with full power of delegation, to restrict or withdraw the statutory pre-emption rights granted to the Company's Shareholders by virtue of Article 9 of the Company's Articles of Association, in the event of an issue and allotment of equity securities, for the duration of the authority granted to the Board of Directors by means of Resolution No 5 approved by the AGM on 17th April 2019 in terms of Article 14 of the Company's Articles of Association".*

Explanatory Note:

The Board of Directors is proposing that it will be granted the authority by the Company in the AGM to restrict or withdraw the statutory pre-emption rights of the Company's Shareholders in terms of Article 9 of the Company's Articles of Association. Such restriction or withdrawal is required if, for example, new equity securities are to be issued within a scenario envisaged by the Single Resolution Board. This proposal will enable the Board to respond in an effective and immediate manner should it be required to issue shares or securities in accordance with Article 14 of the Company's Articles of Association till 17 April 2024.

**Amendments to the Company's Articles of Association.**

**Proposed Extraordinary Resolution – Special Business**

Resolution 6 will propose:

*"To delete and replace Article 82 with the following:*

*PROVIDED that a resolution passed at any meeting held in the above manner, and authenticated by the Chairman or the Secretary, shall be as valid and effectual as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held”.*

Nota ta' spjegazzjoni:

It-teknoloġija moderna issa tagħmilha possibbli li jintużaw mezzi elettronici ta' komunikazzjoni. Dan jinkludi links minn diversi postijiet u pajjiżi billi tuża links awdjo jew awdjovizivi siguri kriptati. Peress li l-Bord tal-Kumpanija jinkludi direttorati multinazzjonali, kultant huwa meħtieġ li jsiru laqgħat tal-Bord b'mezzi elettronici. Dan jinkoraġġixxi parteċipazzjoni massima u attendenza fil-laqgħat tal-Bord.

L-approvazzjoni ta' din il-proposta telimina kull dubju possibbli dwar il-validità tal-laqgħat miżmuma minn links awdjovizivi.

### **Riżoluzzjoni Straordinarja proposta – Negozju Speċjali**

Riżoluzzjoni 7 tipproponi:

*“Biex tħassar u tissostitwixxi t-tielet kondizzjoni tal-Artikolu 98 b'dan li ġejj:*

*Provided further that, nothing in this article shall preclude the Company from offering to pay dividends to its Shareholders by any other means, including scrip dividend options, subject to the competent authority's prior permission in accordance with Article 73(1) and to the conditions of Article 73(2) of the Capital Requirements Regulation”*

Nota ta' spjegazzjoni:

Il-paragrafu 122 tar-Rapport tal-Awtoritá Bankarja Ewropea dwar il-monitoraġġ tal-ħruġ tal-istrumenti CET1 ippubblikat fit-22 ta' Lulju 2019 jirrakkomanda li fejn id-dispożizzjonijiet huma inkluzi fl-Artikoli ta' Assoċjazzjoni li jirrikonoxxu l-possibbiltà li d-distribuzzjonijiet isiru f'forma oħra għajr l-istrumenti tal-flus jew tal-fondi proprji, referenza ċara għandu jsir fl-Artikoli ta' Assoċjazzjoni li distribuzzjonijiet bħal dawn huma soġġetti għall-permess minn qabel tal-awtoritá kompetenti u għall-kondizzjonijiet tal-Artikolu 73 (2) tar-Regolament dwar ir-Rekwiżiti Kapitali.

L-approvazzjoni ta' din il-proposta ġġib l-Artikoli ta' Assoċjazzjoni tal-Kumpanija f'konformità ma' rekwiżit regolatorju.

### **Dokumenti disponibbli għall-ispezzjoni**

Id-dokumenti li ġejjin jew kopji ċċertifikati tagħhom se jkunu disponibbli għall-ispezzjoni fl-uffiċċju reġistrat tal-Kumpanija 116, Triq l-Arcisqof, Valletta, VLT1444, Malta, għal mill-inqas erbatax (14)-il ġurnata mid-data tal-pubblikazzjoni ta' din iċ-Ċirkulari:

- il-Memorandum u l-Artikoli tal-Assoċjazzjoni tal-Kumpanija;
- l-aħħar Rapport Finanzjarju Annwali tal-Kumpanija għas-sena li għalqet fil-31 ta' Diċembru 2019; u
- l-aħħar Rapport ta' nofs is-sena tal-Kumpanija għall-perjodu mill-1 ta' Jannar 2020 sat-30 ta' Ġunju 2020.

### **Rakkomandazzjoni tad-Diretturi**

Peress li hija l-fehma tal-Bord tad-Diretturi li dawn ir-riżoluzzjonijiet proposti huma fl-aħjar interessi tal-Azzjonisti, il-Bord jirrakkomanda li l-Azzjonisti jivvutaw favur dawn ir-riżoluzzjonijiet proposti fil-LĠA li jmiss.

Din iċ-Ċirkulari hija datata 6 ta' Novembru 2020.

Explanatory Note:

Modern technology now makes it possible to use electronic means of communication. This includes links from various locations and countries by using secure encrypted audio or audio-visual links. Since the Company's Board includes multinational directorships, the holding of Board meetings by electronic means is sometimes required. This encourages maximum participation and attendance in board meetings.

Approval of this proposal will eliminate any possible doubt about the validity of meetings held by audio-visual links.

### **Proposed Extraordinary Resolution – Special Business**

Resolution 7 will propose:

*“To delete and replace the third Proviso of Article 98 with the following:*

Explanatory Note:

Paragraph 122 of the European Banking Authority's Report on the monitoring of CET1 instruments issues published on 22 July 2019 recommends that where provisions are included in the Articles of Association recognising the possibility of distributions being made in form other than cash or own funds instruments, clear reference should be made in the Articles of Association that such distributions are subject to the prior permission of the competent authority and to the conditions of Article 73(2) of the Capital Requirements Regulation.

Approval of this proposal will bring the Company's Articles of Association in line with a regulatory requirement.

### **Documents Available for Inspection**

The following documents or certified copies thereof will be available for inspection at the Company's registered office at 116, Archbishop Street Valletta, VLT1444 for at least fourteen (14) days from the date of publication of this Circular:

- the Company's Memorandum and Articles of Association;
- the Company's Annual Report and Accounts for the year ending 31 December 2019; and
- the Company's Interim Financial Statements for the period 1 January 2020 to 30 June 2020.

### **Directors' Recommendation**

As it is the view of the Board of Directors that the proposed resolutions are in the best interests of Shareholders, the Board recommends that the Shareholders vote in favour of these proposed resolutions at the next AGM.

This Circular is dated 6 November 2020.